Political Corruption in the Irish Republic - An Historical Reminder

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Introduction

The government have announced new plans to beef up the law around white collar crime. Two Bills will soon be brought before the Dáil to disband the Office of the Director of Corporate Enforcement (ODCE) and create tougher measures for corporate crime and bribery in the public sector. The backdrop to this is the failure of the ODCE to successfully investigate the former Anglo Irish Bank Chairman, Sean Fitzpatrick. The Fitzpatrick case collapsed earlier this year when ODCE solicitor, Kevin O’Connell, shredded documents that were important to the case. This allowed Fitzpatrick to slip the net, as the judge ruled the case against him to be ‘biased’ and ‘partisan’. The ongoing tracker mortgage scandal is also a factor, with the government anxious to placate an angry public. The Irish bankers have acted appallingly. Tens of thousands of people have been moved off tracker mortgages by banks who illegally put their customers onto higher cost variable rates. This made the banks around €600 million in extra profits, but the costs to their victims have been incalculable. Speaking to the Oireachtas Committee on Finance in October, Thomas Ryan recounted how the stress of losing his tracker mortgage led him to have a stroke in 2013. His wife Claire has also suffered, losing the power of her speech and suffering a mental breakdown in 2015. These crimes should now be investigated and those found guilty should be put in jail. This is not what the government have in store, however.

Speaking in the wake of calls for a criminal investigation, the Taoiseach, Leo Varadkar, claimed that there is a big difference between ‘breach of contract and criminal fraud’ and that it isn’t the governments place to instruct the Gardaí in their operations. Varadkar recently had no problem in calling for heavier penalties for welfare fraud, but when the people involved are banking executives he suddenly leaps to their defence. Fianna Fáil have been no better, disgracefully protecting the government through their Confidence and Supply Agreement. One reason for this is surely the appalling record of both main parties on bribery and corruption. Time and again senior figures in Fianna Fáil and Fine Gael have taken bribes and turned a blind eye to corporate corruption. This was particularly true during the last quarter of the 20th century, with the Irish state setting up a series of ‘Tribunals’ as a way

1. 'New government measures to tackle white collar crime’ irishtimes.com/news/politics/new-government-measures-to-tackle-white-collar-crime-1.3273473
2. 'Sean FitzPatrick acquittal raises questions for key State agencies’ irishtimes.com/news/crime-and-law/sean-fitzpatrick-acquittal-raises-questions-for-key-state-agencies-1.3095172
3. 'People have killed themselves over tracker mortgage rate scandal, victims say’ independent.ie/breaking-news/irish-news/people-have-killed-themselves-over-tracker-mortgage-rate-scandal-victims-say-36220624.html
4. 'Varadkar pours cold water on calls for a criminal investigation into banks over tracker mortgage scandal’ independent.ie/irish-news/varadkar-pours-cold-water-on-call-for-criminal-investigation-into-banks-over-tracker-mortgage-scandal-36264145.html
of avoiding criminal prosecutions. The findings of these investigations were often shocking, moreover, with the Mahon Tribunal concluding that ‘corruption affected every level of Irish political life’ and that ‘those with the power to stop it were frequently implicated in it.’ This essay recounts the events that led to this conclusion, focusing on the main players in the period between Charles Haughey and Bertie Ahern. Despite the repetition of a self-serving establishment narrative, Ireland was not afflicted by a ‘few bad apples’ that have since been eradicated. Rather, it was characterised by a model of capitalist development that was wide open to corruption and remains in operation today.

Corruption in the Haughey Era

In January 1980, Charles Haughey made an important address to the nation. As the incoming Taoiseach, he felt it was his duty to warn his viewers that ‘Ireland was living far beyond its means’ and that ‘as a community we would have to tighten our belts.’ The first part of this statement certainly applied to Haughey himself. During the 1980’s, Haughey lived in a palatial mansion in Kinsealy, North Co. Dublin, replete with hired staff costing €5,000 per year. He also had a yacht, a thoroughbred stud farm and his own personal island. This should not have been possible on an annual salary of £7,000 a year - and it wasn’t. Over the course of his career, Haughey was found to have taken bribes and patronage payments from businessmen including the financier Dermot Desmond, the hotelier P.V. Doyle and the retailer Ben Dunne. Despite this, his colleagues in Fianna Fáil continued to insist that Haughey was an excellent statesman, albeit with some unfortunate personality flaws. They also sought to distance the party from the worst excesses of Haughey’s activity, painting him as an errant rouge in an otherwise healthy system. Neither claim stands up to interrogation.

The first indication of the systemic nature of Irish corruption was its scale. Over the course of his career, Haughey amassed the equivalent of €45 million in corruption payments or a staggering 171 times his official salary. The magnitude of this wealth points to endemic corruption far beyond ‘a few bad apples’ as an array of businessmen paid for favours

6‘Tighten Your Belts - High-living Charlie To the Electorate’ [independent.ie/business/budget/tighten-your-belts-high-living-charlie-to-the-electorate-26798793.html]
8‘Moriarty Tribunal: Haughey Stole £45m’ [independent.ie/irish-news/moriarty-tribunal-haughey-stole-45m-26352058.html]
at the top of society. A second indication was the political response of Official Ireland. Despite Haughey’s financial affairs becoming public knowledge during the Moriarty Tribunal, the Revenue Commissioners decided not to pursue him for £6 million in unpaid taxes or for any of his assets. This decision, reached in 1998, mirrored an earlier one by the Director of Public Prosecutions not to charge Haughey with any crimes, despite his flagrant, and repeated, abuse of the law. Instead, the Irish elites supported Haughey to the bitter end, even affording him the honour of a state funeral. A third indication comes from an insider account from the son of one of Haughey’s principal backers-Matt Gallagher. Speaking to the investigative journalist, Frank Connolly, in the 1990’s, Pat Gallagher explained how a group of successful Irish businessmen had agreed amongst themselves that Haughey would become their ‘inside man’. Starting life as a corporate tax accountant, Haughey set up his own firm with Harry Boland - the son of a Fianna Fáil government minister Gerry Boland - in the early 1950’s.

This gave him immediate access to the moves of shakers in Irish society and with the help of Des Traynor and Sam Field Corbett, Haughey began to forge the links between business and politics that were to become his trademark. To create the environment in which Irish businessmen could compete with the old money of the ‘Anglo-Irish’ it was soon decided that Haughey would himself move into politics. The ‘Boss’ would need to be looked after, however, with Des Traynor tasked with facilitating dodgy payments from business leaders into Haughey’s bank accounts. Overtime, Sam Field Corbett was also encouraged to move from Haughey-Boland into his own Management Investment Services firm to ‘supply registered companies, the maintenance of share registers, the filing of accounts and so on. This helped to create the nexus of developer’s, accountancy and political elites that still characterises Irish capitalism today. Property developers were to become particularly close to the Fianna Fáil party for a number of reasons.

In the first place, the state controlled planning and rezoning laws that could transform sites that were worth next to nothing into prized assets for major developments. Being on the inside gave property developers a major advantage in this regard, usually achieved by bribing politicians. Added to this, construction was a relatively sheltered sector, making it more likely that domestic capitalists would succeed. For this reason, property developers were more likely to be in the ‘old boy’s network’ than their counterparts in industry and manufacturing. Finally, the state itself spent billions each year on various construction and maintenance projects. Having the right political connections increased one’s chances of getting contracts for schools and hospitals. Meanwhile, the state was also happy to lease most of its own official buildings (department buildings for example) from private landlords. For each of these reasons, property developers were as anxious

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11 ibid.
12 ibid.
13 ibid. p.27.
to cosy up to the party of government as it was to take their money.

In the mid 1960’s, Fianna Fáil decided to formalise this relationship via TACA - a semi-clandestine organisation, meaning help or support in Irish. Five hundred business people were invited to join, paying an annual subscription charge of £100 or roughly €2,150 today. Haughey was an official patron of the group, whilst Harry Boland was both Secretary and Treasurer. On the committee were four men - Ken O’ Reilly Hyland (property developer) Sam Stephenson (architect), Liam McGonagle (solicitor) and Denis McCarthy (Odearest) - who were later found to have illegal Ansbacher accounts run by Des Traynor. Of these, O’ Reilly Hyland is a particularly noteworthy figure. His company was involved in the construction of Telephone House, an office block on Marlborough Street that was pre-let to the Department of Post and Telegraphy before construction had even begun in 1969. He was also appointed to the Board of the Irish Central Bank even as he held tax dodging accounts that were completely illegal. Another noteworthy character was the aforementioned property developer, Matt Gallagher.

As a client of Haughey-Boland, Gallagher took advice from Traynor on how to minimize his tax bill. In return, Gallagher built the house that Traynor lived in and brought him onto the board of Gallagher Trusts LTD. During the 1960’s, Gallagher also made Haughey a lot of money. In 1959, Haughey bought land in Raheny North Dublin for £10,000. Ten years later, the land was re-zoned with permission given to build 386 houses, before being sold on to Gallagher for £204,000. The deal was put through by a company known as ‘Merchant Banking’ - a bank of which Traynor sat as a director and the year before, Haughey, then serving as Minister for Finance, allegedly brought in a measure to avoid paying the resulting property taxes. These relations were particularly incestuous, but they were by no means unique. Indeed, George Colley, was so concerned that Haughey was granting favours to his friends, he insisted all contracts on building work for the state came across his desk in the Ministry for Industry and Commerce.

Reflecting on the toxic dynamic between businessmen and politicians that developed under Haughey, Fintan O’ Toole had this to say, In the minds of those who were raising money for Fianna Fáil...business people were not giving money because they wanted to support democracy but because they perceived that otherwise their company would be playing on a pitch that was slanted against them....The other side of th[e] warm glow of inclusion was the fear of exclusion. If membership of the circle gave you the sense that you were being sorted out by the Minister for Finance...not being one of the lads made you wonder whether a rival was being

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16 Ibid, p.43.
18 Ibid, p.44.
19 Ibid, p.45.
20 Ibid, p.46.
sorted out ahead of you.\textsuperscript{21}

In this environment tax dodging became almost inevitable, with Des Traynor creating an illegal scheme that enabled 179 of the most powerful people in the country to avoid their taxes over many years. During the mid-1970s, the Fine Gael-Labour government brought in a series of new taxes to pay for a Keynesian-style economic expansion. The basic rate of income tax was increased to 35%, but it could go as high as 80% on marginal income. On top of this, the government introduced taxes on capital for the first time in 1975, and a short lived tax on wealth and assets. This was a red rag to a bull for the elites, many of whom began to look for ways to avoid their responsibly to the rest of society. Spotting the potential to make some money, Des Traynor - who had since moved into investment banking - helped to establish a branch of Guinness and Mahon in the Cayman Islands.

Set up in 1971, Guinness Mahon Cayman Trust (GMCT) allowed Traynor to take money from wealthy clients under the pretence that it was moving offshore and so out of the clutches of the taxman. In reality, the money was resting in Stephen’s Green not far from the Central Bank in Dublin. If the amounts were relatively small, Traynor would make it look like the cash was on deposit in the Caymans. With more substantial amounts, he would set up fake Trust Funds under various pseudonyms. To get the money back to his clients, Traynor would create the fiction that they were borrowing money from Guinness and Mahon. This meant the client’s money was always at hand, and as an added bonus, the rich could write off the interest that they were supposedly paying as an extra deduction against their taxes.\textsuperscript{22} To ensure identities were protected, Traynor developed a system of memorandum accounts to track who really owned the assets, alongside a set of anonymity codes for added secrecy. Haughey was known as S8 and S9 for example, but within five years, the Irish Central Bank (ICB) became aware of what was going on. During a routine inspection in 1976, chartered accounts from the ICB discovered loans backed by off-shore accounts and immediately realised the potential for a scam. Digging deeper it became obvious that ‘there could be no reason for these arrangements other than to reduce the tax liabilities of the customers in question.’\textsuperscript{23} The ICB should have shut it down immediately and alerted the Gardaí. Instead, they were prepared to accept a personal guarantee from Traynor that he would cease the operation overtime.

To make matters worse the Central Bank actually doctored its own internal files to refer to the affair as tax avoidance instead of more serious - and illegal - tax evasion.\textsuperscript{24} At the time, Ken O’Reilly Hyland was a senior fundraiser for Fianna Fáil, a director of the Irish Central Bank and a holder of a tax dodging account worth in excess of £600,000.\textsuperscript{25} Allowing financial crooks to gently wind down their own operation was an obvious fiction, particularly as the amounts flowing through the accounts increased rapidly once Haughey became Taoiseach. In 1979, there was £5 million on deposit, but just three years later this had

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\begin{itemize}
  \item \textsuperscript{22} \textit{Ibid}, p.35.
  \item \textsuperscript{23} \textit{Ibid}, See Chapter Three.
  \item \textsuperscript{24} \textit{Ibid}, p.61.
\end{itemize}
grown to £27 million. Despite this, the Central Bank never stepped in to shut it down or passed on their information to the Revenue Commissioners. Indeed, the whole sordid affair only came to light in 1997, when corruption payments from Ben Dunne to Charles Haughey and former Fine Gael Minister, Michael Lowry, led investigators to accounts for nearly 200 people. Among them were many of the inner circle who had bankrolled Fianna Fáil, but it also included Fine Gael TD, Hugh Coveney, - the father of current Minister for Foreign Affairs - members of the Board of Cement Roadstone, a director of Allied Irish Bank and the hotelier P.V. Doyle. Although Haughey deservedly bore the brunt of public anger during the mid-2000s, what this episode really exposed was a model of capitalism tailor made for corruption. Being on the inside was all mattered and this meant joining an elite group of bankers, developers and business men all using the state to their own advantage.

Corruption in the Ahern Era

The findings of the Moriarty Tribunal were explosive. Set up to explore corruption payments to Charles Haughey and Michael Lowry, it found that Haughey had taken bribes for many years and stolen €250,000 from the medical fund of one of his senior colleagues - Brian Lenihan. The findings against Fine Gael TD, Michael Lowry, primarily related to the awarding of a mobile phone licence to the Denis O’Brien owned, Esat Digiphone in 1995. As Minister for Transport, Energy and Communications, Lowry was found to have secured the highly lucrative phone licence for O’Brien in return for two cash payments totalling £500,000 (roughly €900,000 today) and a further ‘loan’ of £420,000. Lowry also sought to hike the lease on the Telecom Éireann headquarters in Marlborough House at the request of its then landlord, Ben Dunne, and was criticised for his ‘cynical and venal abuse of power in office’. During the period of the phone licence award O’Brien’s companies supported 14 Fine Gael fundraising events and contributed £22,000 by way of donations. A further $50,000 donation was made to Fine Gael through Telenor on behalf of Esat Digiphone. This proved exceptionally good business for O’Brien who made €317 million from the sale of Esat in 2000, avoiding $57 million in tax by moving his assets to Portugal. Like Haughey, O’Brien has never been charged with any offence and has since become Ireland’s richest man. Lowry too has remained virtually unscathed, still serving as an Independent TD for his Tipperary constituency.

Set up in the same year as Moriarty, the Mahon Tribunal spent ten years looking at corruption in the Irish planning process. The first major casualty was former Fianna Fáil Minister for Foreign Affairs, Ray Burke. In its second interim report published in September 2000, the Tribunal found that Burke had taken bribes from the businessman Joseph Mur-
ph as well as the builders Michael Bailey, Tom Brennan and Joe McGowan. In return for favours over many years, Brennan and McGowan built the house that Burke lived in and put money into offshore accounts he controlled. Burke also received a corruption payment from the Principal of Century Radio, Oliver Barry, before making a deal with the Criminal Assets Bureau to hand over €600,000. This wasn’t enough, however, as he eventually served 4 1/2 months in jail for misleading the Revenue Commissioners and under-recording his income by nearly £200,000. Burke tried every trick to throw the Tribunal off his scent, but there were other witnesses who were willing to talk. Of these, the most important was undoubtedly Tom Gilmartin. Originally from Sligo, Gilmartin made his money in the UK construction sector before turning his attention to two major developments in the greater Dublin area. One of these involved corruption surrounding the Quarryvale Shopping development that is scarcely believable. Over the course of a decade, Gilmartin was asked for bribes and corruption payments from Taoisigh, government ministers, TD’s and Cllrs’. He was also expected to accept a rival developer as his business partner and to pay the City Planning-Czar £100,000. Gilmartin was eventually forced out of his own development by a combination of corrupt politicians, developers and Allied Irish Bank executives. He recounted these experiences to the Mahon Tribunal, starting with his dealings with Dublin Mid-West TD, Liam Lawlor.

According to Gilmartin, Lawlor initially asked for £100,000 for himself and £100,000 for George Redmond - the Dublin city official most responsible for planning at the time. When Gilmartin point blank refused, he was told that he would ‘go no fucking place if you want to get this off the ground’. Lawlor was to prove as good as his word. A long-standing political associate of the beef baron, Larry Goodman, Lawlor made life hell for Gilmartin with the help of Owen O’Callaghan. O’Callaghan was a Cork based developer with a long history of giving money to Fianna Fáil, including £10,000 to the current leader, Michael Martin. He was also recognised as a powerful backroom force in the party, using his money to curry influence. The Mahon Tribunal eventually found that O’Callaghan issued £120,000 in bribes in relation to the Quarryvale development via Frank Dunlop - the one time director of elections for Fianna Fáil. Before this, however, he had to force his way into the deal. O’Callaghan’s first move was to buy lands in nearby Neilstown before threatening to scupper Gilmartin with a rival development less than three miles from Quarryvale. The fact that this never materialised shows that O’Callaghan was using the Clondalkin site as leverage into the more lucrative arrangement. Gilmartin initially promised to buy the Neilstown lands off O’Callaghan, but with money tight and the banks breathing down his neck he was eventually forced to bring O’Callaghan directly into the Quarryvale development. Once he got into the deal, moreover, O’Callaghan began to scheme with senior executives from AIB to take overall control. Gilmartin was eventually forced out of the deal in 1996, having faced an endless stream of bribery and corruption re-

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31 Ibid.
33 Ibid, p.32.
34 Ibid, p.33.
quests. His time in Ireland could have been far more successful, however, had he agreed to just pay the right people - starting with the 'Boss' himself, Charles Haughey.

When the Fianna Fáil leadership first heard about the potential for a major development in Quarryvale, they summoned Gilmartin to government buildings. A few days later, Lawlor brought Gilmartin to the Dáil for a meeting with Charles Haughey, and a number of Ministers, including Padraig Flynn, Bertie Ahearn, Ray Burke and Albert Reynolds. Haughey initially asked whether ‘Liam is taking good care of you?’ Thereafter, Gilmartin was ushered out of the room to be confronted by an unnamed man in the corridor. Without a hint of irony or embarrassment, the unidentified figure handed Gilmartin bank account details in the Isle of Man and asked for five million pounds to be deposited into it. Gilmartin relays the shake down he experienced in the following way,

I was invited by Mr. Lawlor to meet the Taoiseach. I went to meet the Taoiseach. I went to the Dáil. I met the majority of Ministers...and on my way out, just at the door, a gentleman asked me, told me, because of the amount of money I was going to make out of all the help they were going to give me, I should give them five million pounds....so all in all, I could only come to the conclusion that the place was totally corrupt.\footnote{Ibid, p.42.}

Gardai were asked to look into Gilmartin’s claims, but the investigating officers failed to interview Haughey, Lawlor or George Redmond. Meanwhile, a man who introduced himself as ‘Garda Burns’ phoned Gilmartin to tell him he wasn’t welcome and that he should just ‘fuck off back to England’.\footnote{Ibid, p.48.} The official report predictably stated that there was no evidence of any crime having been committed. A month later, Gilmartin met with the Minister for the Environment, Padraig Flynn. Angered and frustrated at the continuing demands for bribes and kickbacks, Gilmartin wanted Flynn’s support for what would be a major aid to employment in Dublin. When he met the developer, Flynn indicated that a substantial donation to Fianna Fáil could help to curb the unwanted advances. Flynn was one of the party treasurers at the time (along with Bertie Ahern) and he made it clear that party finances were in need of a boost. Desperate for help, Gilmartin gave Flynn a donation of £50,000, which was immediately lodged into a bogus non-resident account in London - presumably to avoid the Irish tax authorities. The money eventually went to Flynn’s daughter, Beverly Cooper Flynn, who purchased off-shore unit trust investments for her parents. Flynn issued no receipt and apparently told no one in the party of the Gilmartin donation.\footnote{Ibid, p.53.}

Gilmartin’s next shake down came from the then Minister for Labour, Bertie Ahern. Although Ahern initially helped the Sligo developer, O’Callaghan soon claimed that Ahern had only done so only because O’Callaghan had paid him £50,000.\footnote{Ibid, p.62.} This claim soon gained credence, moreover, when Gilmartin was
tapped up by Ahern loyalist, Cllr Joe Burke for £500,000. Gilmartin never paid a penny, but it was enough to make him distrust Ahearn’s political motives from then on. Meanwhile, O’Callaghan also claimed to have given Ahearn €30,000 in 1992 to stop the Blanchardstown shopping development from gaining a special tax designation and a substantial payment -between £25,000 and £30,000 - for granting a special tax designation to O’Callaghan’s development in Golden Island, Athlone.

The Dáil record shows that Ahearn did grant the designation to O’Callaghan’s site on the last day before the dissolution of the Dáil in December 1994. The records also reveal a series of meetings between O’Callaghan, Frank Dunlop and Ahern on a range of commercially sensitive issues. According to the investigative journalist, Frank Connolly, these often revealed conflicts of interest between those making political decisions and those looking to benefit from them.

It was Dunlop’s appearance at the Mahon Tribunal that really put the cat amongst the pigeons, however. By the time of his appearance, Dunlop had been on the payroll of both O’Callaghan and Fianna Fáil for a number of years, making the fallout from his confessions potentially enormous. To make sure things would go his way, O’Callaghan paid Dunlop £360,000 to help with his ‘legal fees’. This seemed to have the desired result, moreover, as Dunlop threw lots of muck at junior politicians and Cllr’s, but kept the heat away from Ahern and O’Callaghan. It later emerged that Dunlop had presented a heavily doctored set of records to the tribunal. This came to light when the FBI used high resolution imaging technology to confirm that Dunlop had scratched out meetings with O’Callaghan, Ahern and a number of high ranking executives from AIB. Taken together, this was important circumstantial evidence, but there was no smoking gun that linked Ahern directly to corruption payments.

There was enough to dig into Ahern finances however, and when they did so, the tribunal lawyers were amazed by what came out. Despite holding Ministries for the entire period in question, Ahern never held any bank account in his own name throughout the early 1990’s. He did have access to accounts in his children’s names as well as £50,000 (€90,000) in cash which he kept in a constituency safe. The accounts he controlled played witness to tens of thousands in transactions often denominated in dollars and sterling. This left more questions than answers for Ahern, given the fact that his wages were paid in Irish punts. Meanwhile, it emerged that a Manchester businessman named Michael Wall had purchased the house that Ahern was occupying and had -apparently unbeknownst to the politician - decided to leave it to Ahern in his will. This seemed like a fictional arrangement to own a property without anyone knowing and with this revelation

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41 Ibid, p. 140.
Ahern came under massive pressure to explain himself.

In a now infamous statement, Ahearn claimed that in the midst of his marital breakup he had been given ‘dig outs’ by twelve of his closest friends totalling £37,000 and a ‘present’ of £8,000 sterling by a number of Manchester businessmen. His problem was that at least one of them, Padraic O’Connor, flatly denied Ahearn’s whip around claims and five of the twelve ‘friends’ were political appointees to various state boards. The story just didn’t seem credible and pretty quickly most people thought that the Taoiseach was lying. Speaking in the Dáil, Pat Rabbitte - who himself took and then returned money to O’ Callaghan - had this to say about the sordid affair,

Do you believe that businessmen happen along to a posh hotel in Manchester to hear any old Joe Soap lecture on the Irish economy and then have an impromptu whip around....In normal life you get gifts from friends and you take loans from strangers. Yet Mr. Ahearn says he got loans from friends and gifts from strangers....Why if there was £50,000 in savings was it necessary to raise a bank loan and if there was a bank loan, why was it necessary to have a whip around to reduce the bank loan?  

Ahern’s outlandish claims were not finished there. He subsequently told tribunal lawyers that Wall had given him £30,000 to pay the stamp duty on the property and, (possibly the same) £30,000 for refurbishments, to which he added a further £50,000 himself. As if this wasn’t bad enough, the Taoiseach was eventually reduced to claiming he won some of the unaccounted-for-money on the horses. The tribunal lawyers - like the rest of the country - didn’t buy it. Reserving some of their most trenchant criticism for Ahern, the tribunal rejected as ‘untrue’ his explanation for the source of substantial funds flowing through his accounts in the early 1990’s. In contrast, the tribunal lawyers believed Gilmartin’s claims about O’ Callaghan and noted that a lodgement of £30,000 had gone into an account controlled by Ahern on the same day that he met Frank Dunlop. Accepting that he had also solicited money directly from Gilmartin, the tribunal labelled this, along with a similar demand from Albert Reynolds, as ‘entirely inappropriate and an abuse of power and government authority’.

In all, it estimated that Ahern had failed to account for £165,000 passing through accounts he controlled, although - due to the lack of smoking gun evidence - it stopped short of convicting him of taking bribes. During a decade long investigation, it also found that politicians from Fianna Fáil, Fine Gael and the Progressive Democrats were implicated in taking bribes, with Fianna Fáil members particularly corrupt due to their longer periods in office. Alongside this, the Gardaí had failed to properly investigate Gilmartin’s claims and executives from Allied Irish Bank had actively colluded with illicit payments to local Cllr’s in order to secure votes for the Quarryvale development.

Coming alongside the Moriarty revelations...

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42 Ibid.  
43 Ibid, p.258.  
44 Ibid, p.263.  
tions, Mahon proved beyond reasonable doubt that fraud and deception were rife in the higher echelons of Irish society with key figures in government, planning, construction and banking all using their positions to defraud the public. This was more than a few bad apples. It was a system that rewarded corruption and punished those not willing to go along with it.

**Concluding Remarks**

This essay is an historical reminder of the corruption that characterised Irish society during the final decades of the 20th century. Most people know that Haughey lived way beyond his official salary and that Ahern claimed to have won some of his money on the horses. Less people will remember the finer details of the various scandals, however, and even fewer will recall just how critical the tribunal findings really were. This essay aims to remind them. It also aims to debunk the myth of a ‘few bad apples’ by showing just how endemic the corruption really was. The roots of this corruption go back to the way that Irish capitalism was developed. As a post-colonial state, Irish capitalism has historically been weak, except in areas like banking and construction that relied on Foreign Direct Investment. Since the 1950’s the Irish state has used its sovereignty to grant favours to foreign investors, whilst selecting favoured domestic firms for special (often illegal) privileges. This, in turn, created overbearing and demanding multinationals, a subservient state apparatus and a domestic capitalist class eager to cosy up to political decision makers. In these conditions, cronyism and corruption became almost inevitable, with a powerful nexus of politicians, bankers and property developers turning Ireland into their own personal fiefdom during the last quarter of the 20th century.

Things were particularly bad during the period in question, but as the recent Apple judgement proves, not much has really changed. In 2016, the European Commission exposed the fact that Ireland had facilitated one of the biggest corporations in the world to avoid €13 billion in unpaid taxes. This is merely the tip of the iceberg, moreover, as the rest of the corporate sector still avails of all manner of cosy loopholes to pay an effective tax rate of around 4% per annum. If one aspect of Irish capitalism is breaking the rules to support multinationals the other is supporting domestic capital through patronage and state resources. When the Irish developers went to the wall in 2008, they were bailed out by tax payers through the establishment of NAMA. When Irish banks suffered the same fate, they received €64 billion through the Blanket Bank Guarantee Scheme. Neither were very grateful, however. Instead of building much needed houses, the Irish developers have colluded with international vulture funds to monopolise land-banks and drive up prices. This has created the worst housing and homelessness crisis in the history of the state. The behaviour of the bankers has, if anything, been even worse. Tens of thousands of people were illegally moved off tracker mortgages, and for the rest, their reward has been loans and mortgages repayments that are double the levels on the European continent. Despite such appalling behaviour, successive governments have sat on their hands, allowing bankers and developers to lord it...
over the wider population. The faces at the top may have changed, but Irish capitalism still relies on a cosy elite who make up the rules as they go along.