

# Mark Paul Caveat



## Runaway public spending is a robbery of future generations

Life will come at most of us fast over the next six or seven months until the weather warms up and people can switch off their costly heating. But by then, mortgage rates also will have risen by perhaps a couple of percentage points, adding hundreds of euro to monthly repayments. Ordinary people appear to be waking up to what lies ahead, as the current trough of consumer sentiment data indicates.

But how long will it take for the chorus of increasingly shrill voices in Irish politics, business and society who only ever want more expansive public expenditure to realise that the near-€250 billion gross national debt cannot be perpetually inflated like a Baby Trump blimp without harming future generations?

The tectonic impacts of Covid and the cost-of-living crisis justify the huge countercyclical interventions of the State. It was sensible to borrow €30 billion to ease the pain of the pandemic. Next Tuesday on budget day, further billions will be spent on taking some of the heat out of galloping energy bills.

But crises aside, it is clear that a normalisation of the spend-spend-spend mentality is in the ascendancy in the etherial exchange we call "the national debate". Fiscal rectitude as a rule seems to be going out of fashion in this State. Government and opposition politicians, advisory boards, civil society groups, business lobbyists; all hum for a bigger State paid for by the Magic Porridge Pot.

The shift in thinking is most obvious in the lofty current spending promises of Sinn Féin, the government-in-waiting, and in the yelping of Government backbenchers who want their Ministers to chase that party down the road of inflated public spending. Where it leads, we cannot be certain. But there is financial trouble ahead and we all know it. Inevitably, that will affect borrowing. The argument that says permanent spending growth can always be paid for with more taxes is not an honest one.

### Permanent spending growth

People can argue the toss over the State's debt profile and the trajectory of its bond maturations, and how sustainable it might be to have close to €50,000 in gross public debt for each person among us. Yet the detail of the numerical arguments is less fascinating than the blinkered mentality that would have us believe permanent public spending growth won't come with consequences for our children.

Contrast this with the climate change debate. The message is now landing with many of us that if it is true that how we live our lives is severely damaging the planet, if "the science" is spot on, then morally there is no option but to decarbonise as quickly as possible, even if it damages



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It is so bewildering to hear some of the same people who want to reduce the climate burden on future generations take such a different tack on public spending

PHOTOGRAPH: GETTY

living standards now. The only real quibble that can be had with it is people should be told plainly what the transition will entail, and not be coddled into thinking it will be painless. Look them in the eye and be honest.

People also instinctively understand it would be a gross moral failure to live as we like now, in the knowledge that future generations will bear the brunt of the consequences. The selfishness of that mindset is obvious. The left wing of politics has done most to highlight this responsibility we now share.

That's why it is so bewildering to hear some of the same people who want to reduce the climate burden on future generations take such a different tack on

public spending. The classic call is for more permanent spending on health, despite the annual over-runs that show our health system's spending framework is broken. It doesn't matter that the bucket has a hole in it. They want it filled anyway.

### Same mentality

The same mentality swirls around discussion of almost every issue on the national agenda. Throw money at it. Little is said about the fact that soon, money will not be cheap any more, with interest rates shooting upwards. We want to save the planet so our children are not swamped by rising seas. But there is less compunction about leaving them drowning in public

debt to pay for our public services now.

Just as it is wrong to leave the next generation to roll back the effects of climate change, it is also wrong for us to spend their inheritance before they get it. Just because the State is still quite capable of borrowing more cash on international markets to solve problems now, that doesn't mean that it should. Future generations will need that borrowing capacity to solve the problems of tomorrow and their ability to do so will be hampered if we max out the national credit card in the few years ahead.

Last week's report from the Commission on Taxation and Welfare proposed a raft of measures to pay for rising public spending commitments, while its authors

later said "the money has to come from somewhere". How about from spending reforms in other areas?

A letter writer to The Irish Times, Dublin man Gerard Reynolds, subsequently suggested a parallel commission on spending reform should be set up and its findings implemented before any further demands are placed on taxpayers. It was one of the brightest ideas I heard all week, and it applies just as much to extra demands put on taxpayers in the form of more debt repayments as it does to more taxes.

The Department of Finance's "where your money goes" website states that gross public expenditure this year will be €97.2 billion. That is 30 per cent higher than it was just five years ago. Since then,

an extra €7.4 billion annually goes on health alone, with a further €3.7 billion on debt repayments and European Union contributions. Really, where does the money go?

Minister for Finance Paschal Donohoe tried to keep a lid on demands for public spending growth in the years before the 2020 general election. Yet all it earned him was unpopularity within his own party, even though his reticence to blow up the public finances left us the fiscal space to fight Covid in the years that followed. He rarely gets credit for that.

As rectitude goes further out of fashion, it ought to be remembered that there is nothing noble about eating tomorrow's jam today.

### Wild Geese Terry Downes COO of Seattle-based ocean health company Sealaska

## Leadership through humility and the art of listening

### Joanne Hunt

Company was formed as part of US settlement with the Alaska Natives

By really listening and creating an environment where people feel it's safe to say hard things, leaders can learn a lot, says Terry Downes, chief executive of a Seattle, Washington-based ocean health company.

Downes joined Sealaska in 2012, a for-profit Alaska Native Corporation established as part of the US settlement with the Alaska Native people. Under the settlement, some 44 million acres of traditional homelands were returned to Alaska Natives in the form of 13 regional, for-profit corporations. Sealaska is one of them.

"Basically, the US put money and land on the balance sheet of these corporations. If you were able to demonstrate you were a member of one of those tribes, you were eligible to be a shareholder," Downes says.

Sealaska is owned by more than 24,000 native shareholders. It was created to support Indigenous prosperity and long-term stewardship of their native homelands.

Sealaska developed considerable expertise in ocean-health and integrated these companies into one business unit, Woocheen, which Downes now heads up. Time spent with elders of the community helped him to understand the culture and their needs.

"They taught me this word 'woocheen' - it means working together, but in harmony with your environment. It means having respect for everything around you, even inanimate things," he says.

"Woocheen's mission is to focus on ocean health and to improve the productivity of our oceans, to get more food from them because it takes the pressure off land, to get energy from them, to heal them and clean them up," he says.

Woocheen is now a \$500 million (€500 million) business. "In our minds, it's not something we are doing alone. I think the environmental challenge for the world is, how do we work together across racial and national barriers." Indeed in June, Sealaska announced Antrim-based ground investigation company Causeway Geotech would join its platform of companies.

### Farm labourer

Downes was born in England to Irish parents who emigrated there in the 1950s to work. His father had left school at 12 and worked as a farm labourer. His mother's schooling ended at 14. "We grew up basically in Irish culture, everyone they knew was Irish," Downes says. Part of his childhood was spent in a 1,000 acre farm in Sussex where he and six siblings had room to roam. "It was paradise for a kid - rivers, woods and forests. I grew up really wild and connected to nature and I think that had a huge impact on me."

His father returned to Ireland when Downes was about nine and his parents divorced. He grew up between the two countries. He is now both an Irish and an American citizen



“All I did was build a relationship with people that enabled them to share information with me and to trust that I would use it appropriately”

and holds an Irish passport.

"My parents taught me this idea of freedom, of curiosity, to think for myself and the value of education - they wished they had an education," he says. He studied science at Imperial College London. After a PhD at Cambridge, he joined a global construction materials business, attending the London Business School while he worked. The company had operations in more than 40 countries including joint venture partners in the developing world.

"I was working as an analyst for the board and I ended up getting sent to these areas where there was a problem. The problem was nearly always with the people in London, not with the joint venture partner, because they weren't listening. It was always, 'they aren't doing what we want them to do'. It never really occurred to anyone to ask if they

were actually right," Downes says.

His work, which took him to Argentina, Brazil, South Africa, Australia, Asia and the Middle East, was about solving problems. "It ended up with me turning companies around that were actually broken or bankrupt. It was simply about listening, to be honest. Listening to what is really going on and having the ability to put the hard things on the table in a room where no one wants to hear it."

"All I did was build a relationship with people that enabled them to share information with me and to trust that I would use it appropriately rather than to further myself or get them into trouble," he says. "I think the humility of being raised in Ireland, you are not allowed to brag, that's not done. That's not the way people are."

It's his goal to address cli-

mate change, fostering an inclusive culture at Woocheen to help tackle it. Creative problem solving can only happen where people feel safe to be themselves, he says. "It goes back to those formative years; your ego is not caught up in the opinion. You can separate the two. You are able to say the things other people wish they could say."

### 'Fear-based' culture

"If you are lucky enough to be white and male and well-educated in America, you can somewhat get away with it I guess, but probably not everyone could do it. But I could never work in a fear-based, hierarchical company, so I figure others couldn't either. I try to create a culture that is accepting of all."

Woocheen's unique ownership structure is an advantage. "Our shareholders aren't institutions, they can't sell those shares and they don't want to and this means we can take a long term view," says Downes. "I know a lot of people running public companies who would love to be able to think long term but structurally they are not able to."

There are social problems in Alaska's native communities, some of which are linked to pride, he says. "It's about valuing yourself," says Downes. "As Ireland has matured, it's so cool to see the language revived and people truly valuing what it means to be Irish. I wanted that for these communities," he says of Alaska's native communities. "If we can build a business that's really inspired by their culture, hopefully they will feel true pride and connection."

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# Caveat Mark Paul



## Don't cry for Sean Quinn even if he cannot stop doing it for himself

Why must we still be subjected to the hot, bitter tears of Sean Quinn? Does the world still have anything to learn, really, from watching him choke back emotion while he pickles in self-pity in his mansion, as he did on Wednesday night in filmmaker Trevor Birney's RTE television account of Quinn's rise and fall?

What could this voyeurism into Quinn's brokenness and despair possibly teach us? Most sensible people already understand the depths of his delusion. They know that his downfall, after he gambled close to €3 billion on a bust Anglo Irish Bank, was his own fault. He gambled and lost, and now he despairs about the consequences.

Few buy Quinn's nonsensical ramblings about the "rough justice" he claims was meted out to him by the media, banks, the government, lawyers, insurance administrators, bondholders, his former Quinn Group colleagues and just about everyone else in the world who all did wrong except for him. He must know that few believe him. Is that really why he cries?

There is no need to feel sorry for Quinn who, despite leaving taxpayers with a hole of at least €2 billion to fill in Anglo, still lives in his 14,500sq ft lakeside property in Cavan, the size of 15 average family homes. He is still, clearly, a man of significant means. He must not cry for the loss of money or privilege. For what, then? For the loss of power? Of face?

There is no need, either to feel sorry for Quinn's family, who are directors of companies that last year benefited from €1.5 million of dividends paid by Quinn-Bet, the online bookmaker that the businessman helped to set up after his dramatic downfall from the former Quinn Group, which is now run as Mannok.

### Wounds

I prefer instead to feel sorry for Kevin Lunney, the father-of-six and director of Quinn's former empire, who walks around to this day with one of Quinn's initials carved into his chest by kidnappers who took him from outside his family home in 2019. Those criminals, who are serving sentences of up to 30 years each, were acting in support of the long campaign to have Quinn put back in charge. They broke Lunney's leg with a wooden post. They poured bleach into his wounds. They beat him until he said he'd resign from the companies taken from Quinn, although he never did.

They left a bloodied and traumatised Lunney for dead in a country lane, where he had to crawl for help. For hours, his family did not know if he was alive and must have feared the worst. His wife, His children. I feel sorry for them, and not for Quinn, in whose support criminals financed by an unknown "paymaster" waged a years-long campaign of intimidation



■ Sean Quinn leaving the High Court in 2012: There he was on Wednesday night, sobbing again over a business loss that was completely, entirely, absolutely all his own fault. PHOTOGRAPH: CYRIL BYRNE

tion against the managers of the former Quinn Group, who now run it for the bondholders that took control of its industrial holdings. Bullets in the post. Pig's heads on doorsteps. It was all vile.

Quinn, as he has always done, denied in Birney's documentary that he had anything to do with the attack on Lunney. He has also always denied any involvement in the years-long campaign of illegal acts of violence and intimidation waged against Lunney and the other former colleagues

of Quinn who worked for the new regime. The regime that cut him out.

Quinn says he had "absolutely nothing" to do with the violence. But then, in the documentary, what does he choose to say about Lunney, his former protégé who must now live for the rest of his life with the trauma of what those criminals who were acting in support of Quinn did to him? Quinn condemns it. Of course he does. But then he goes ice-cold and says he has "nothing good to say about Kevin Lunney". His eyes darken further and he turns to the filmmaker to suggest that "someone should ask Kevin Lunney why he was attacked".

What a thing to say about the victim of a violent assault. Quinn doesn't cry a drop for Lunney, for what he, his wife and

children suffered and must continue to suffer. Minutes later he was, of course, sobbing on-screen for himself, for the fictional "rough justice" he has suffered, for the wrongs perpetrated upon him. It was offensive. The scene stank of moral repugnance.

### Question

Quinn denies doing anything wrong. But he does acknowledge that "the truths" he told about the former Quinn managers that he believes betrayed him "would have created a toxic climate". In that context and with that admission, and turning his earlier question back on himself, someone should now go to him and ask Quinn why does he think Kevin Lunney was attacked? For what possible end? How could his

attackers ever think that such an outrage could be of benefit to anybody?

In Birney's documentary, Quinn said "human beings don't do that to each other" in reference to the crimes perpetrated upon Lunney. But he also chose to acknowledge the cloud that he believes the crime has cast over him, as it clearly was done in support of the campaign to have him reinstated.

"There'd be doubts in people's minds, you know. 'Jesus, how come there's television crews from all over Ireland promoting this thing about Sean Quinn and he was responsible for the abduction of Kevin Lunney.' I mean, people do believe that," says Quinn.

The businessman also chooses to draw a link between himself and a sermon given

locally by Fr Oliver O'Reilly, in which the priest condemns the unknown "paymaster" that the courts believe orchestrated the attack on Lunney.

"People have to believe it. They have to believe that there is something in this. 'Surely the priest wouldn't be getting up on the altar and blaming Sean Quinn if he wasn't involved somewhere,'" says Quinn to Birney.

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**Let there be no more of this prurient focus on Quinn's hurt, on his tears or his despair. He did it to himself. Let us move on. Look forward. Focus on the people in this sordid story who really deserve sympathy**

Quinn's wife, Patricia, decries Fr O'Reilly as a "back-stabber". And then her husband cries again.

We have seen too much of Quinn's emotion over the years. The late former Anglo chairman, Sean Fitzpatrick, described how Quinn was "close to tears" in a March 2008 meeting in Dublin's Buswells hotel over his disastrous investment in the bank, which he must have realised it could take him down. He fought more emotion back in subsequent interviews.

He choked up in the High Court in May 2012 as he gave evidence in contempt of court proceedings about an asset-stripping campaign that Quinn oversaw in an illegal attempt to put assets beyond the now State-owned Anglo's reach. He cried again in July as his son, Sean Jr, was jailed for contempt. He shed more tears on the back of a truck in Ballyconnell that summer at misguided local rallies in his support.

He cried again in court that November as his lawyers fought, in vain, to prevent him from being jailed. There were more tears in August 2013 as he opened a festival in Ballinamore, and the organisers spoke in his support. And then there he was on Wednesday night, sobbing again over a business loss that was completely, entirely, absolutely all his own fault.

Let there be no more of this prurient focus on Quinn's hurt, on his tears or his despair. He did it to himself. Let us move on. Look forward. Focus on the people in this sordid story who really deserve sympathy.

## Proposals sought to establish of new Youth Diversion Projects

The Department of Justice is inviting proposals for community and youth service organisations to establish new Youth Diversion Projects in:

- South Monaghan
- Claremorris and District
- South and East Co. Wicklow (which may be treated as one unit, or separate applications may be made for the distinct geographical areas)
- West County Cork (i.e. north of Bandon)

Applicants must be registered charities and demonstrate a strong track record of delivering programmes of support for challenging young people and sound corporate governance and financial management capabilities. Applications are welcome from individual organisations or from a consortium of eligible organisations (with one specified lead for governance and financial management purposes).

Youth Justice Projects (YDPs) work with young people at risk of crime and anti-social behaviour. They are a key support to An Garda Síochána in the operation of the statutory Garda Youth Diversion Programme under the Children's Act 2001. There are currently some 105 YDPs in operation and the intention (under the Government's Youth Justice Strategy) is to have the service available throughout the State by end-2023. The establishment of these new projects will mark a significant milestone in the achievement of this objective.

Details of the operational requirements for YDPs are available at <https://www.gov.ie/en/collection/1a1cd-youth-diversion-projects/>

Expressions of interest in principle from community-based organisations in establishing new YDPs in any of these areas should be submitted to [yjs@justice.ie](mailto:yjs@justice.ie) by 12 January 2023. Shortlisting may apply. Additional information for approved applicants on the youth crime profile in the specific areas and operational boundaries for the new projects will then be made available from before end of January 2023.

Completed proposals should then be sent to [yjs@justice.ie](mailto:yjs@justice.ie) by 1 April 2023.



An Roinn Dlí agus Cirt  
Department of Justice

## Hard winter reveals two-tier UK when it comes to heating homes

### Sarah O'Connor Opinion

There is a country in which people pay smoothed out bills and another in which people pay for what they use in advance

In early 2020, before the pandemic and the war in Ukraine, a small story revealed something important about the state of Britain. British Gas increased the minimum amount by which people could top up their prepayment gas and electricity meters from £1 to £5. This caused a backlash. Some customers just couldn't afford £5 in one go. MPs got involved and British Gas reversed course.

When it comes to energy, the UK is really two different countries. There is the country in which people pay smoothed out bills, usually by direct debit, and there is the country in which people have to pay for what they use in advance.

In the latter country, some have smart meters they can top up online, but many have "dumb" ones that have to be topped up at the post office or certain newsagents. You have to remember to top up before you go away so that your freezer doesn't defrost.



You also have to manage the seasonal peaks in how much energy you'll need. In this country, if you owe money to your energy company, then each time you top up, a proportion of that money is taken to repay your debt. You also pay a slightly higher price for your energy than people on direct debits, because the companies say the system costs more to run.

Some people prefer prepayment meters because they can control what they are spending with no bills. Many others don't like them and don't want them – but their landlord insists, or energy companies have imposed them because of debt.

### Rising sharply

The number of people in debt to energy companies is rising sharply thanks to the energy crisis. Data from Ofgem, the regulator, shows the number of customers repaying a debt to their supplier in the second quarter of this year was 1.5

million and 1.1 million respectively for electricity and gas, the highest in more than 15 years.

Energy companies are only supposed to move indebted customers to prepayment meters as a last resort and not if they're vulnerable, but charities and Ofgem say they aren't always doing the checks they should.

Amy Taylor, a debt adviser and chair of the Greater Manchester Money Advice Group, was on the phone last month with a scared woman with a baby and a disabled child.

The woman was hiding upstairs from a man with a warrant to fit a prepayment meter. Taylor ended up in a four-way conversation to resolve the issue. "He had the supplier on speaker phone, the lady had me on speaker phone, it was a bizarre situation."

The switch to prepayment doesn't always involve someone at the door. If you have a

■ The number of British people in debt to energy companies is rising sharply thanks to the energy crisis

smart meter, companies can switch you over to prepayment mode remotely. Ofgem recently chastised energy companies for switching people remotely "without full regard to the licence conditions, leading to serious detriment to these consumers".

If people are getting into debt because energy is too expensive for them, expecting them to pay for that energy (at a slightly higher rate) and repay debt simultaneously seems unrealistic.

Citizens Advice data shows a steep rise in people who can't afford to top up their prepayment meter at all. The Fuel Bank Foundation, which provides emergency electricity and gas for people who are living without or will be in the next day or two, has seen a 75

per cent increase in referrals this year. Roughly half of those people are in work.

"We're seeing people who have very traditional kinds of jobs – nurses, people who work in schools," says Matthew Cole, who runs the foundation.

### Moratorium

What can be done? One idea would be a temporary debt repayment moratorium. Ovo, one supplier, has done this already, promising that "every penny put on the meter will go towards heating, not paying back debt this winter".

Citizens Advice, meanwhile, has called for a ban on moving people to prepayment over the winter. An even better idea would be to get rid of the system for everyone except those who prefer it.

France, for example, has no prepayment meters. Rather than disconnect indebted customers there, EDF reduces power to a minimum 1kVA – enough to provide light and keep the fridge and freezer on.

But there is a bigger picture here too. The typical incomes of the poorest fifth of the population were almost no higher on the eve of the pandemic than they were in 2004-05, according to the Resolution Foundation.

The poorest fifth of households in Britain are more than 20 per cent poorer than their French and German equivalents. The country's problems with a threadbare safety net have been laid bare by the crisis, but they weren't created by it. It was always going to be a hard winter. It didn't need to be this hard. – Copyright The Financial Times Limited 2022

**Sports Wednesday**  
 Fiji may have been last chance for fringe players  
**GORDON D'ARCY**  
 ★ Euro hosts are doing Uefa a favour  
**MALACHY CLERKIN**



**New to the Parish**  
 'We are learning the Cork accent and are able to comprehend what people are saying'  
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**Kathy Sheridan**  
 The trouble with the Qatari World Cup is that we already know too much  
 Opinion, page 12



**Capital spend**  
 €1.25bn invested in Dublin's private rented sector in first three quarters of 2022  
 Commercial Property

## HSE warned Donnelly on mandatory disclosure in cancer cases

Concerns were expressed at three different meetings of the HSE board

State's screening services would suffer 'negative consequences', it was argued

JENNIFER BRAY

Minister for Health Stephen Donnelly was warned by the board of the Health Service Executive that his plans to legislate for mandatory open disclosure in medical cases would have "negative consequences" for the State's health screening services, it emerged.

During three board meetings this year, HSE board members debated their concerns about amendments the Minister plans to make to the Patient Safety Bill that would make it a legal obligation for doctors and surgeons to disclose to a patient if a "discordance" was found in a look-back of their files.

News of the difference of opinion between the HSE and Mr Donnelly came on a day when Taoiseach Micheál Martin told the Dáil during tributes to CervicalCheck campaigner, Vicky Phelan, who died on Monday, that the mandatory disclosure legislation will be brought "to a conclusion before the end of the year".

### 'No neat fit'

Speaking to the Oireachtas Health Committee earlier this year, Mr Donnelly said he believed "that the non-disclosure that happened in CervicalCheck, even though it does not neatly fit here, should still be legislated for".

It did not neatly fit, he explained, because some serious patient safety issues which result in death or serious harm are very clearly defined whereas a "discordance" found in previous tests for cancer "may or may not have been due to negligence. It might be just, unfortunately as we have become painfully aware, due to the limitations of the system."

However, Mr Donnelly said the Government was planning that "if we have an identified patient on an interval cancer where a look-back is done and a discordance has been found, regardless of whether that discordance subsequently happens to be a patient safety incident – it may or may not be – open disclosure is required un-

der law". He said he intended to provide details of these plans in later amendments.

The amendments sparked concern within the HSE before and during the summer, with pushback to suggestions that interval cancers – where a cancer is found after a screening test – could represent a notifiable patient safety incident.

During a meeting of the organisation's safety and quality committee in mid-April, officials were told "that inclusion of disclosure of interval cancer to the Bill could imply that interval cancers are patient safety incidents... This is contrary to the three expert reference group interval cancer reports which outlined interval cancers as recognised, unavoidable, and expected occurrences in population screening programmes".

### Proposed amendment

A meeting of the HSE board then took place on May 27th where the chair "briefed the board on the proposed amendment to the Patient Safety Bill and the introduction of a notifiable incident directly related to cancer screening services at report stage".

"The Board agreed that the chair should write to the Minister setting out the strong view of the Board that such an amendment would have negative consequences for the screening services."

The debate about whether the cases highlighted by the CervicalCheck scandal are considered patient safety incidents comes after the Government was told in 2018 that Ms Phelan's case was not considered a patient safety issue.

The settlement of Ms Phelan's action led to the revelation that more than 200 women diagnosed with cervical cancer had also received incorrect smear test results from CervicalCheck, and that they had been kept in the dark about a screening programme audit showing that the tests had been incorrect.

➔ **Miriam Lord: Vicky Phelan wanted no tributes, but got them anyway: page 2**



**Wiser heads prevail**  
 New NCAD initiative set for launch

Art student Angelika Krasinska, ahead of today's launch of Creative Futures Academy, an initiative by the National College of Art and Design. A programme of events is taking place this week to mark the launch of the €10 million project.

Photograph: Marc O'Sullivan

## Russia accused of missile strike on Polish village

Poland consults Nato over incident which saw two killed near Ukrainian border

DANIEL McLAUGHLIN

Poland and fellow Nato states have held consultations after two people were reportedly killed by a possible Russian missile strike on a Polish village, as Moscow's forces launched another rocket barrage against Ukraine's cities and power grid.

Polish media reported two people were killed when stray missiles hit Przewodow, about 10km from the border with Ukraine, and the Associated Press cited an unnamed senior US intelligence official as saying they were fired by Russia. Polish government spokesperson Piotr Muller confirmed

the two fatalities but not the cause of the explosion.

He said Poland's national security committee had been convened to discuss the incident and that Warsaw was considering whether to trigger Nato's Article 4, which would prompt a meeting of the alliance due to a threat to a member state's "territorial integrity, political independence or security".

"It was decided a moment ago to increase the readiness of some combat military units in Poland, and to increase the combat readiness of other units of

uniformed services in our country," Mr Muller added.

The White House said US president Joe Biden had spoken to Polish president Andrzej Duda.

Nato secretary general Jens Stoltenberg said he had spoken to Mr Duda "about the explosion in Poland. Nato is monitoring the situation and allies are closely consulting. Important that all facts are established."

Russia's defence ministry dismissed the reports as "a deliberate provocation intended to escalate the situation. No strikes

were made against targets near the Ukrainian-Polish state border by Russian weapons."

The incident intensified fears that Russia's attack on Ukraine could drag in Nato, whose members commit to defending one another under the alliance's Article 5.

Latvian defence minister Artis Pabriks quickly accused Moscow, tweeting that the "criminal Russian regime fired missiles which target not only Ukrainian civilians but also landed on Nato territory in Poland. Latvia fully stands with

Polish friends and condemns this crime."

Ukrainian president Volodymyr Zelenskyy said: "The longer Russia feels impunity, the more threats there will be to anyone within reach of Russian missiles... This is a very significant escalation."

➔ **Ireland backs EU plan for joint procurement of military equipment: page 2**  
**G20 leaders struggle to agree unified stance on war in Ukraine: page 8**

## IDA admits executive 'lied' to get credit for leads on jobs

MARK PAUL

A top executive at IDA Ireland admitted his colleagues "lied" about meeting a foreign investor so that the State agency could avoid giving credit for new jobs to a rival organisation with which the Government had asked it to co-operate.

The incident, in which an IDA executive falsely claimed to have met representatives of Californian digital marketer Silverpop, is outlined in emails and confidential transcripts of arbitration proceedings between IDA Ireland and Connect Ireland, a company set up by tech entrepreneur Terry Clune.

Connect Ireland is a private sector initiative set up with the Government's imprimatur to help the IDA source foreign investment for the State from up-and-coming companies. As part of the Government-backed

initiative Succeed in Ireland, Mr Clune's company was contracted by the IDA to provide investment leads by tapping into Ireland's business diaspora. It was to be paid €4,000 for each new job created, as long as the IDA was not already wooing the company concerned.

However, some senior IDA executives viewed Connect Ireland as a rival and sought to stymie its influence, legal documents suggest.

### False claims

Lawyers for Connect Ireland produced emails dating from 2014 between IDA executives in which they discussed falsely claiming to have already met Silverpop so that Connect Ireland, which had suggested the company, did not get the credit for a fresh jobs lead.

"I could say I met someone at a networking event but haven't

formally met the company yet? Red light it and just say I am in contact? What do you think?" one mid-ranking IDA executive asked her boss. "Red light it and keep close to it," the more senior executive responded.

Connect Ireland's lawyers alleged this was "colluding in a lie". When confronted with the emails, Brian Keating, the IDA executive in charge of the initiative, agreed his colleagues had discussed a "lie". He said the IDA executive who proposed making up the contact may have "felt under pressure".

Mr Keating, who has since been posted to Australia, did not respond to a request for comment from The Irish Times.

➔ **Emails, 'lies' and robots: Inside the IDA's dispute with Connect Ireland: page 15**

## Weather

Mostly dry with sunny spells, but cloudier in the afternoon. Rain will spread in the evening. Highs of 7 to 11 degrees.

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**Donegal mica crisis:** Engineers have been 'looking for the wrong thing for years', says Swiss expert: page 7

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**Bali:** The leaders of the G20 large economies, meeting yesterday, struggled to agree a joint statement on the war in Ukraine: page 8

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**Communications:** Eir paid out dividends of €800m in nine months to company owned by billionaire Niel and US hedge funds: page 17

## Sports Wednesday

**Golf:** Rory McIlroy believes Greg Norman should quit as LIV Golf chief to allow the "adults" to negotiate a peace settlement.

**World Cup:** Gay Qataris are promised safety for helping to track down other LGBTQ+ people in the country, a gay rights campaigner has said.



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# Emails, 'lies', and robots: inside the IDA's bitter dispute with Clune's Connect Ireland

Mark Paul

Business Affairs Correspondent

Documents show how entrepreneur's job-finding initiative fell out with State agency for cutting it out of the credit for new investments

When the Government sought ideas to rebuild the economy after the Celtic Tiger crash, tech entrepreneur Terry Clune responded. The Kilkenny-based millionaire, whose successful ventures included Taxback.com, funded the set-up of Connect Ireland, a networking initiative to harvest jobs leads from foreign companies that may want to invest in the Republic.

The Government liked his idea and, in 2012, Connect Ireland entered a contract with IDA Ireland, the State agency responsible for wooing foreign investment. Mr Clune's group was to provide the IDA with leads from up-and-coming companies. In return, it would be paid €4,000 for each new job created, so long as the IDA wasn't already chasing the investment.

Within a year, the two supposed partners were at

loggerheads over which should get the credit for a slew of jobs prospects. Connect Ireland accused IDA of falsely "red lighting" its involvement in leads where Mr Clune's company says it instigated first contact. Connect Ireland claims it helped create more than 7,000 new jobs but was paid for fewer than 600.

The fallout has led to a bitter, six-year legal dispute, which earlier this year culminated in an arbitrator finding that certain IDA executives had manipulated aspects of the agreement with Connect Ireland, although he did not make this finding against the IDA as a whole. He awarded costs against the State agency, which Connect Ireland estimates could be as high as €7 million to date.

Meanwhile, the IDA is counterclaiming against Connect Ireland for €1.2 million of fees it alleges should be clawed back because, it says, some new jobs did not last. The legal row has moved on to a new phase in which the arbitrator will now determine who is financially liable for what.

**Ministerial appeals**  
A cache of legal letters, emails and transcripts obtained by The Irish Times illustrates how the bitter row unfolded.

Letters between ministers and Mr Clune's outfit show the allegations against the IDA – that it had wrongly "red lighted" Connect Ireland from receiving credit for thousands of new jobs – had been brought to the highest levels of

government over several years. The documents suggest the government repeatedly declined to intervene in the row.

In October 2017, for example, Connect Ireland wrote to the then minister for enterprise, Frances Fitzgerald, following a meeting with her, complaining about the IDA's "conduct" and requesting an official investigation into the situation, which it claimed was costing jobs and investment.

**Succeed in Ireland**  
She responded weeks later urging Connect Ireland to enter dispute resolution with the IDA and said the government could not ascertain the full cost of Succeed in Ireland until the costs of the row between both sides were known.

Connect Ireland wrote to then taoiseach Leo Varadkar, weeks later, urging him to step into the row with the State agency, which it said had seen the State's standing with diaspora "severely damaged". It referenced meetings with several ministers "on numerous occasions over the years".

Ms Fitzgerald's successor, Heather Humphreys, responded shortly before Christmas that year, saying a formal investigation "is not merited". Mr Varadkar, who is the current Minister for Enterprise, was again contacted by Connect Ireland in recent months following the arbitrator's findings this year of liability against the IDA, but again declined to intervene.

Connect Ireland also sent details of its complaint, as well as evidence uncovered during the arbitration, to the IDA's board.

Meanwhile, years of emails between IDA executives that were pored over in arbitration appear to show certain executives in the State agency colluded over false claims to have already met potential foreign investors, so as to scoop the credit for new jobs from Mr Clune's venture.



IDA Ireland rejects the narrative now put forward by Connect Ireland, which ignores the fact that the arbitrator's 'overall conclusion from the documents and the evidence was that the IDA was acting honestly'

In one email exchange over a potential investor, digital marketer Silverpop, one IDA executive asked another if she

should pretend to have already met it when, in fact, she had not. He told her to proceed. A third IDA executive agreed with a Connect Ireland lawyer at arbitration that this was a "lie".

Another chain of emails was produced by the IDA over a disputed potential jobs lead from Canadian tech firm Robots and Pencils. Connect Ireland and its lawyers claimed at arbitration that time stamps and metatags show the dates of correspondence were retrospectively doctored to make it appear as if the IDA had contacted the company about new jobs earlier than it had done, which would have allowed it to "red light" Connect Ireland for any subsequent credit.

**Hundreds of examples**  
"It is the worst example of any of the hundreds and hundreds of examples that we're looking at," said Joanna Murphy, Connect Ireland's chief executive, in the arbitration transcripts. She alleged that entries had been "backdated".

In subsequent legal correspondence, IDA insisted that the arbitrator had not found this to be "made up".

Other emails from 2016 showed senior IDA executives "red lighting" Connect Ireland's request for credit for a potential jobs lead from Texan online security firm, AllClear ID, on the supposed basis that it was already on to the company.

The next day, the same IDA executive who had "red lighted" this deal for Connect

**From left, Terry Clune, founder of Connect Ireland; Leo Varadkar, whom he appealed to as taoiseach to intervene in the dispute; and Martin Shanahan, chief executive of IDA Ireland as the dispute went through arbitration in recent years.**

Ireland made contact with AllClear via LinkedIn, claiming to have "come across your company in an article" and looking to make contact for the first time. Connect Ireland's lawyers alleged this was a "trick" by IDA to cut out Connect Ireland. The red light was later reversed after, Connect Ireland said, the IDA executive got "nervous" that he would be "caught out".

Following the arbitration findings on liability, which mostly went against IDA, Connect Ireland now wants the Government to intervene to force IDA to finally settle the row, which could allow Succeed in Ireland's activities to resume. So far, Mr Varadkar has refused.

For its part, IDA Ireland says it is "highly inappropriate" to publicise ongoing arbitration proceedings: "IDA Ireland rejects the narrative now put forward by Connect Ireland, which ignores the fact that the arbitrator's overall conclusion from the documents and the evidence was that the IDA was acting honestly."

IDA denies any financial liability and vows to pursue its €1.2 million counterclaim. The legal row continues.

# DPC says it will monitor Twitter closely

Social media group reassures regulator on plans for European business

CIARA O'BRIEN

The Irish data protection watchdog has said it will monitor closely the situation at Twitter after the social media company said it would continue to make decisions on the processing of personal data for EU users from their Irish office.

The Data Protection Commissioner (DPC), the lead regulator for some of the biggest tech giants operating in Europe, met representatives from Twitter on Monday after raising concerns about the company's obligations under EU rules following its acquisition by billionaire businessman Elon Musk.

The Irish watchdog had requested a meeting with Twitter, which has its European base in Dublin, late last week to establish whether the social media platform would continue to make decisions in terms of the processing of personal data for EU users from their Irish office.

cy and data protection, has been named as acting data protection officer. Mr Monteiro, took up the role managing Twitter's privacy and data protection teams from Europe, the Middle East and Africa, north America, Latin America and Asia Pacific, in July.

Mr Monteiro is a legal expert who specialises in privacy and data protection, with more than a decade of academic experience in Latin America, US, Europe and Asia.

The turmoil at Twitter has been marked by the departures last week of Twitter's head of trust and safety, Yoel Roth, along with the company's chief information security



Twitter has no plans to change the current regulatory arrangement

**Concern**  
A spokesman for the DPC said Twitter had confirmed there were no plans to change the current regulatory arrangement and it would continue to be regulated by the Irish regulator.

Twitter has also provided contact details for its acting data protection officer, which the DPC had flagged as a concern after the high-profile departure of the social media group's previous senior privacy executives. Under EU rules a company with a European base must have a data protection officer in place and this person must be available to contact when needed.

Renato Monteiro, Twitter's director of international priva-

officer, Lea Kissner, chief compliance officer Marianne Fogarty and the group's highest-ranking Irish executive, chief privacy officer Damien Kieran, within hours of each other. That led the DPC to request the meeting with Twitter late last week, signalling the authorities' intent to get a handle on the situation quickly.

The DPC said it would continue to monitor the situation for any changes.

The platform has been thrown into chaos in the past two weeks as billionaire Elon Musk completed his \$44 billion (£42 billion) acquisition of Twitter. Mr Musk quickly announced plans to cut up to half of the company's workforce, including from its 500-strong office in Dublin, and introduced a plan to offer paid verification to users through Twitter Blue though that has since been paused.

There was also disquiet amid reports that the company's new owner had forced an end to remote work, calling for all employees to return to the office by Monday.

# Nine-fold increase in profits at Gannon Homes

IAN CURRAN

Fuelled by strong demand in the broader housing market, profits after tax at Gannon Homes, the property company owned and led by well-known Celtic Tiger-era developer Gerry Gannon, increased by almost 880 per cent in 2021 to €21.1 million from €240,661 in 2020.

Amid soaring demand for housing in Ireland, revenues at Gannon Homes jumped more than 9 per cent to €55.2 million, mostly driven by the sales of developed assets, which topped €53 million in the year.

ties and related securities have been held by the National Asset Management Agency (NAMA) since 2012 after the collapse of the Irish property market. Gannon Homes, which received fresh funding from the agency in 2020, has continued to develop properties under a connection management agreement with NAMA since 2012, which expires in 2024.

In a report attached to accounts filed with the Companies Registration Office recently, the directors of Gannon Homes said: "The activity for the year reflects the demand in house construction and sales which is a feature of the overall market performance."

"The company continues to develop stock for sale, reflecting a confidence in the underlying demand for new homes," they said. Current directors of the company include former Fianna Fáil minister for education Batt O'Keeffe, who joined the board in 2019.

Among other transactions, Mr Gannon's company sold the Clonskeagh Paper Mill site in Dublin 6 to Bain Capital for more than €18 million in February 2021.

**Planning**  
The company also made headlines last year after putting a site with full planning permission for more than 1,800 homes in Clongriffin, north Dublin, on the market for €50 million. Sean Mulryan's Ballymore Properties reportedly paid €40 million for the 27-acre site earlier this year.

Gannon Homes also generated close to €1.8 million in residential rental income in 2021. The company's loan faci-

**Funding**  
The €2.1 million profit for 2021 reduced Gannon Homes' historic liabilities to almost €104.7 million by the end of the financial year.

In a note in the accounts, the company, which had total assets of €33.7 million last year, said the chief risk it faces is that "support or funding will not be available to complete the developments" in its pipeline.

However, it said the directors "are confident that NAMA will continue to provide financial support" and they are satisfied the company can continue to manage its business and pay its liabilities.

In May, Mr Gannon announced plans to sell 532 homes for social and affordable housing for an estimated €243 million to two Dublin local authorities. The proposed sale by Gerard Gannon Properties would be the largest ever by a developer under the Government's Part V social housing regime.

The 532 homes earmarked for social housing arise from Mr Gannon's firm lodging €1.15 billion plans for the largest strategic housing development fast-track scheme to be put before An Bord Pleanála.

The company has lodged plans for a mixed-use scheme for 2,527 residential units for Belcamp Hall, Malahide Road in north Dublin. The proposed Part V sale is contingent on the Gannon company securing planning permission.

# Children's science museum's cost to exceed €47m estimate

EOIN BURKE-KENNEDY

The cost of the proposed children's science museum for Dublin is likely to exceed the current estimate of €47 million because of construction inflation, the Office of Public Works (OPW) has warned.

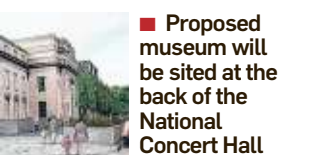
Plans for a new National Children's Science Centre, which is to be located on a site beside the National Concert Hall on Earlsfort Terrace, off St Stephen's Green, drew 17 third-party observations, according to Dublin City Council's website.

The plan for a project along the lines of the London Science Museum dates back to 2007 and former taoiseach Bertie Ahern who championed the idea.

developments where work had yet to commence.

Earlier this year, the OPW resubmitted planning proposals for a four-storey building topped with a titanium dome to house a planetarium that would be connected to the back of the National Concert Hall through an underground tunnel.

An Bord Pleanála had previously directed that the State's only real tennis court in Earlsfort Terrace be brought back to a playable condition as part of the development.



**Proposed museum will be sited at the back of the National Concert Hall**

The latest plan has drawn 17 observations. Several submissions questioned whether the proposed structure was suitable in such a historic area of the city and whether it would compromise the neighbouring Iveagh Gardens. Others welcomed the proposals, saying it constituted a long-overdue overhaul of the north wing of Earlsfort Terrace.

An OPW spokeswoman said the new planning application

was substantially the same as the previous one.

"The landscaping proposed at the entrance to the Iveagh Gardens has been revised to retain and protect as many category 1 trees and existing soft landscaping as possible, while keeping the aspiration to provide a fully accessible access point into the gardens from the Children's Science Centre/ Earlsfort Terrace," she said.

**Inflation**  
Critics claim the final cost could be a multiple of the current estimate.

"The most recent cost estimate is €47 million but this will have risen since, due to higher construction inflation than calculated at the time. The fitout costs are a matter for the Irish Children's Museum Company Ltd," the OPW spokeswoman said.

Fine Gael TD Jennifer Carroll MacNeill claimed there was no business case for the project at that cost and in that location.

She suggested the Government should explore developing existing science venues, including the privately run Explorium centre in Sandyford, south Dublin, which has been closed since the outbreak of Covid-19, as an alternative.

# BOC Aviation sues over leased aircraft lost in Russia

Asia's largest aircraft lessor the latest firm to sue insurers over seized aircraft

SIMON CARSWELL

Dublin aircraft leasing company BOC Aviation (Ireland) has become the latest plane lessor to take legal action over aircraft lost in Russia in the wake of the invasion of Ukraine.

The subsidiary of Singapore-based BOC, the largest aircraft leasing company in Asia, wrote down the value of its assets by \$804 million (£774 million) in August relating to 17 aircraft it owns that have been stuck in Russia since the war began.

The company said then that it was unlikely to be able to recover the jets "in the foreseeable future, if ever" and that it had filed insurance claims to recover losses and would vigorously pursue them.

High Court records in Dublin show that BOC Aviation and BOC Aviation (Ireland), along with two associated companies, have taken legal proceedings against 16 insurance companies including Lloyd's of London, Chubb European Group, AIG Europe and Swiss Re. The proceedings were issued in the High Court on

November 3rd. A spokesman for BOC Aviation declined to comment further on the court filing, saying: "We have nothing to add to that information already in the public domain."

**Lessors need to decide if they want their claims to be at the front of the queue or to be fast followers with less qualified counsel**

The Irish Times has contacted the insurers seeking comment on the legal action.

A spokesperson for Lloyd's of London said: "Lloyd's is not at liberty to share information on any specific claim, policy or policyholder."

Irish aircraft leasing companies were among the first businesses to face losses arising from Russia's invasion of Ukraine, as Moscow

re-registered foreign-owned aircraft in Russia and stopped them flying internationally to prevent recovery by their owners.

Leasing companies have started chasing claims over multimillion euro losses since losing control of more than 400 leased planes worth almost \$10 billion.

The Russian government blocked the aircraft from leaving the country in what was interpreted as retaliatory action after Western countries sanctioned Russia over the invasion of Ukraine.

**Attempt to cover their losses**  
Irish companies are among the worst affected, with Dublin-based AerCap and Avolon, the world's two largest aircraft lessors, lodging claims against their insurers and following up with legal action in an attempt to cover their losses.

AerCap took a \$3.5 billion legal action in the High Court in London over its insurance claim for more than 100 seized planes, the largest claim by any lessor arising from the Ukrainian conflict.

The day before BOC Aviation lodged its court action, Avolon took legal action in Dublin against insurers over claims against losses of \$261 million (£268 million) after Russia kept 10 of its aircraft.