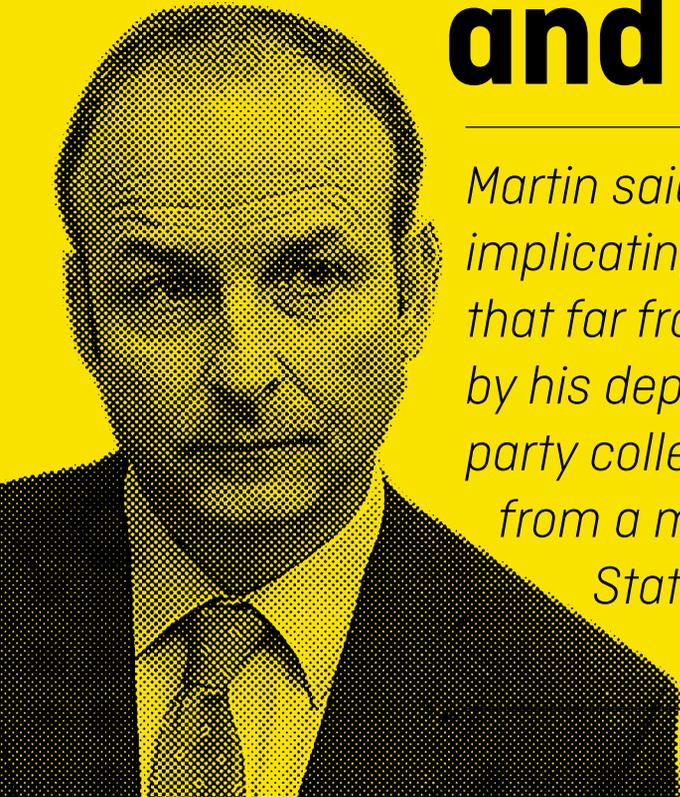


# The State, led by Micheál Martin, lied and destroyed me



*Martin said he'd correct his statements implicating me in fraud after the EU showed that far from committing fraud I'd been set up by his department, but didn't a) to protect a party colleague and b) to protect the exchequer from a maladministration claim. Indeed the State eventually effected a useless Inquiry process to cover the scandal up*

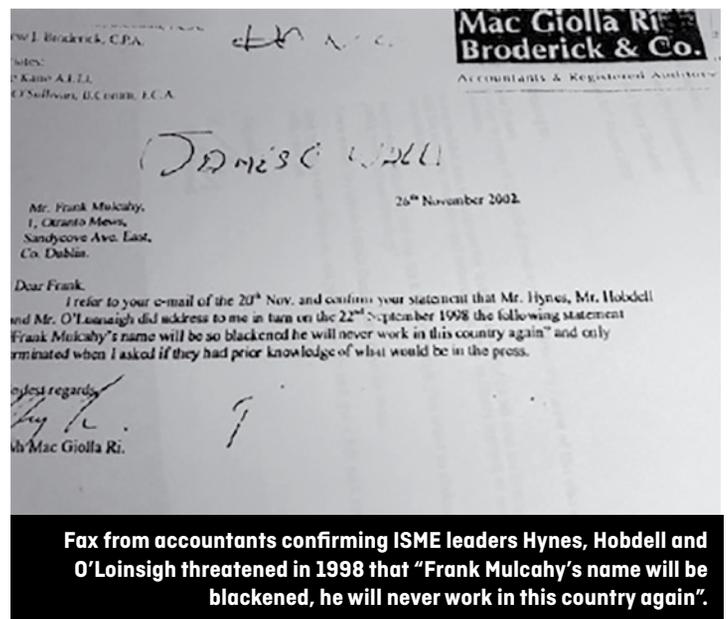
## By Frank Mulcahy

**I**N 1999 the chairman of ISME (the small and medium enterprise lobbyist), Seamus Butler, wildly alleged that – in my capacity as CEO of ISME - I'd been involved in fraud of the EU by submitting unpaid invoices for payment of EU grants. In fact, unknown to me and after ISME had claimed the grant, the EU changed its rules, to prohibit what was formerly standard practice – its own acceptance of such unpaid invoices - across the EU.

It was that change that gave credibility to the allegation. Butler and others in ISME wanted to get rid of me, since I adamantly opposed ISME's involvement in the social partnership process which was becoming central to its operations. Butler's supporters were actually in private discussions with Mary Harney, Tánaiste and Minister for Enterprise, concerning her decision to include ISME in the partnership process despite my opposition. I had not been informed.

Since I had the overwhelming support of the members and I had refused the inducement of £100,000-plus to resign, getting rid of me was not going to be easy. Butler, however, was willing to go to considerable lengths to destroy my character and thus directweaken my authority. So, as explicitly threatened, Butler implemented threats to ensure that I would “never work in this country again” by making “poor controls and management.... look like fraud”.

To that end he conspired in 1999 to bring phoney complaints to the Garda. Nevertheless in 1999, despite the prior faxed threats and to everyone's



**Fax from accountants confirming ISME leaders Hynes, Hobdell and O'Loinsigh threatened in 1998 that “Frank Mulcahy’s name will be blackened, he will never work in this country again”.**

surprise, his allegations were treated seriously and forwarded to the DPP. In the end no prosecution was recommended. Two years later, after an internal ISME report concluded that Butler had justified his allegations by discreetly corrupting previously audited accounts, I endeavoured to engage

with the Garda. Responding, the Garda authorities declined to accept a copy of that report. They dismissed my complaint of audit corruption as “impossible”.

In 2004 Micheál Martin as the Minister for Enterprise, when replying to Deputy Ruairi Quinn and others, emphatically endorsed the basis of Seamus Butler’s complaint. The Department wrote that its Minister was acting in “absolute” good faith. We had no reason to doubt that. Further we knew of no relationship between the Department, its Minister and Seamus Butler which might have explained that endorsement.

However, in 2005 after we established further unsettling evidence, Assistant Commissioner of the Garda, the later discredited Martin Callinan, undertook to reinvestigate the allegations levelled by Butler. He gave a “personal guarantee” as to the thoroughness of that reinvestigation. Time passed. It proved that Callinan was not a good bet on a personal guarantee.

In November 2007, when no investigation ensued, I made technically unauthorised email contact with the civilian forensic accountant to the Garda, Dave McManus. He was straightforward. He endorsed what ISME had concluded in its private report in 2002. That was damning of his Garda colleagues and particularly of Martin Callinan’s stated position.

I immediately wrote to Callinan noting that the Garda’s forensic accountant’s contradiction amounted in law to admission that the Garda had engaged in collusion with Butler.

However, when I met the investigating gardaí in December 2007 they extraordinarily denied any contact with their forensic accountant. Immediately after that meeting the forensic accountant was sent to Coventry, my emails were blocked by the Garda and I was prevented from ever again contacting the forensic accountant or any officer by their direct email address. Despite repeat enquiries by Assistant Commissioner Noirin O’ Sullivan, by the GSOC and in 2010 by the Minister for Justice, the Garda adamantly denied the block. This interdiction lasted ten years until 2017. This was accepted recently in his report by Judge McMahon, appointed.

Faced with an inexplicable wall of hostility by agents of the State, I eventually turned in despair to the EU Commission for clarity. It was then that I slowly pieced together the tale of how the Department of Finance had been locked in a battle with the European Commission since 1998 because of the EU demand that the Irish exchequer “repay” over one billion euros in European grants. That repayment demand arose from the Department of Enterprise’s “systematic maladministration” of EU grants since 1994 and the “overlapping” drawdown (EU code for double charging) of EU Cohesion funds.

In 2009/10 the Department of Finance endeavoured to prevent the EU Commission from communicating directly with me [top right] Memo. Indeed they recorded that they had secured that commitment. However, as if in a studied response, three months later the EU Commission wrote and disclosed that the culpable party (in respect of Butler’s allegation) had been the Department of Enterprise, itself. The EU Commission specifically exonerated me. In a second email the Commission offered to give evidence to Martin Callinan and any relevant Irish Authority. Here’s the email:

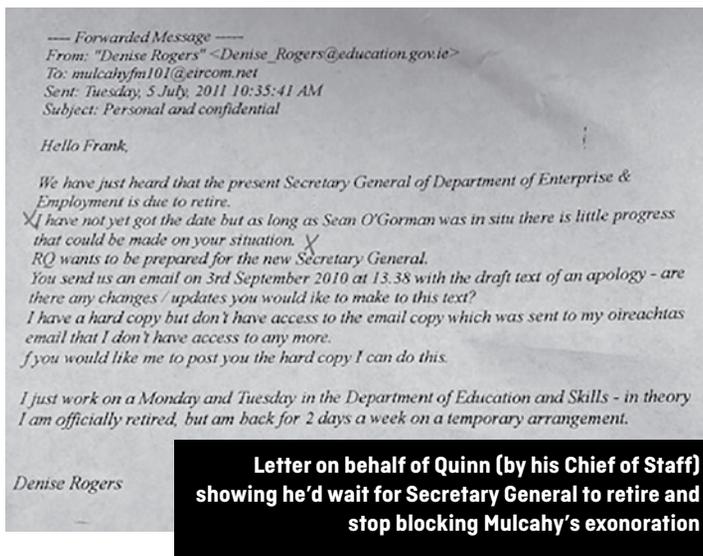
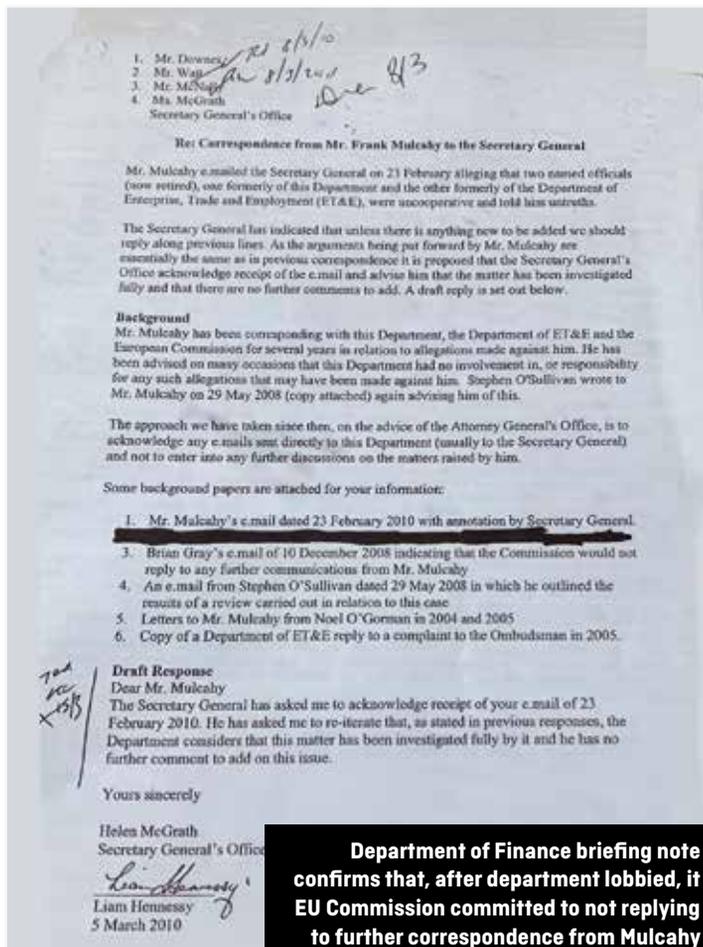
“From: Brian Gray <Brian.Gray@ec.europa.eu>  
To: mulcahyfm101@eircom.net  
Cc: ruairi quinn <ruairi.quinn@oireachtas.ie>, eamon gilmore  
Sent: Mon, 05 Jul 2010 17:19:58 +0100 (IST)  
Subject: RE: Brian Gray Dir General, Int Audit Services, EU Comm

Dear Mr Mulcahy, I confirm my availability to reply to any questions your interlocutors may have on the requirements of EC regulations as regards the declaration of expenditure of structural funds. Kind regards,

Brian Gray”.

That offer has, to this day, never been availed of, presumably because the implications were so unacceptable. The EU revelations meant that some party had knowingly used the parliamentary process to authenticate Butler’s lies, the effect of which was to deprive me of my good name and employment. Deputy Ruairi Quinn was the first to recognise the implications.

In March 2010 Quinn contacted my chief adviser, the former ISME



chairman Don Curry. Ruairi Quinn offered and we agreed that Deputy Quinn would have the state make a meaningful apology in exchange for which I undertook to forego the legal route. The following year as Minister for Education he regularly reconfirmed his intent. He emailed that the obstacle was the then serving Secretary General. He was waiting on his retirement before having my name cleared [Immediately above].

On being advised of Deputy Quinn’s intent, the former Minister Micheál Martin asked to meet me. At that encounter he confirmed that Butler’s allegation never had a basis: that his parliamentary replies were wrong. He claimed to have been lied to by his officials. He declared himself “livid”. He undertook to correct his Dail record and the damage done to me. I was elated. I left that meeting full of confidence. I remained ignorant of any relationship between Deputy Martin and my accuser.

Two weeks later Seamus Butler suddenly resurfaced. In a series of

abusive faxes he doubled down on his allegations. He denied that he had ever proffered me £100,000 to resign, concluding with the emailed boast “I am answerable to nobody” [second image below].



**ISME's own solicitor's letter, obtained by Mulcahy, confirms the £100,000 inducement from Butler (its chairman) to Mulcahy (its CEO). Yet in March 2013 Butler denied that inducement, dishonestly dismissing it as "incredible and a blatant lie"**



**Butler's emails to Mulcahy (and his colleague Curry): "I am answerable to nobody".**

Several months later Deputy Martin reneged on his commitment. He claimed that the Ombudsman had excused him of the need to act. It took another two years before I learned by chance that Mr Butler had been operating as FF Councillor Seamus Butler since 2002. So there was a connection.

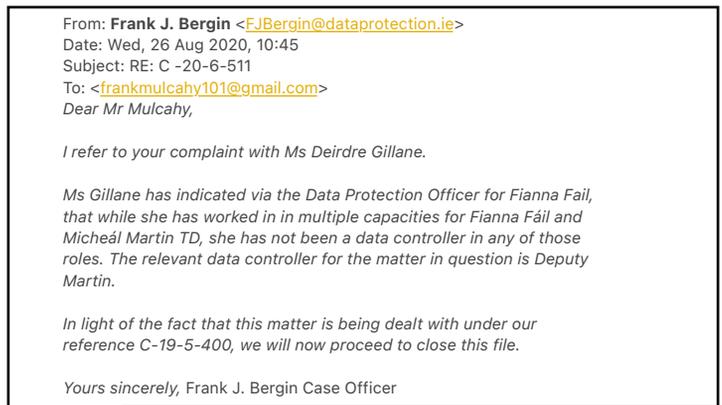
Subsequently, in 2017 the Ombudsman wrote and denied what Deputy Martin had attributed to him. Neither he nor his predecessor had reviewed the evidence that had caused Deputy Martin to be seemingly so aggrieved about his department's longstanding dishonesty. Clearly Deputy Martin had no valid excuse. He should have acted to correct his parliamentary replies.

In May 2017 just when the collusion of the State and its agents was in danger of being exposed by ex-Taosigh, Government Ministers and a party leader, the State established a Statutory Inquiry. I was again elated.

We considered that Deputy Martin's explicit admission that he had been lied to by his officials would be central to that Inquiry. Consequently, under the data protection acts we requested access to the relevant minutes dated March 2014 which his Fianna Fáil consigliere, chief of staff Deirdre Gillane, had recorded. We intended to give them to the Inquiry.

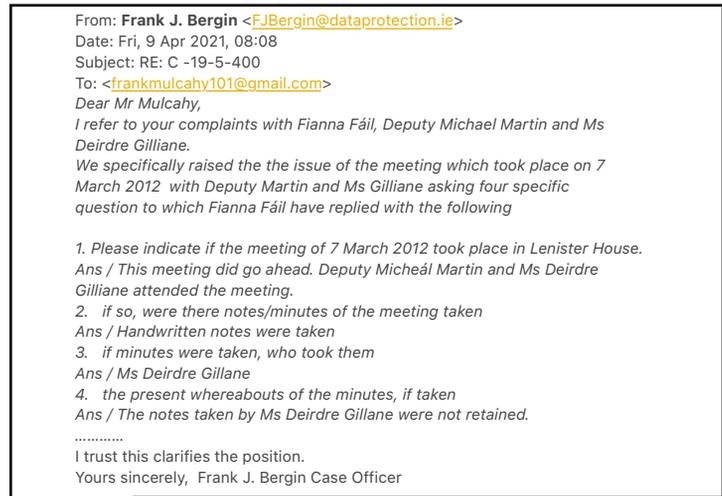
However, inevitably it transpired, as explained at the outset by the designated Inquiry Judge Patrick McMahon, who bears no responsibility for the failure, that the “terms of reference” prevented the Inquiry from investigating that central complaint of “collusion” between the Department, the EU, politicians and others. Before any hearings, Judge McMahon noted that I would not be happy with the result of his Inquiry which was published in December last; and he was right.

Nevertheless, we continued to press Fianna Fáil to release the one set of relevant minutes. It took three years. In August 2020 Ms Gillane informed the Data Commissioner that the Taoiseach was the “FF data controller” for the minutes in question - just for the minutes in question! [see top image below] Presumably they hoped that the data commissioner would not pursue a busy Taoiseach. It was a bizarre development. Nevertheless, the Data Commissioner pursued the Taoiseach for access. It took a further nine months before a reply was forthcoming.



**Martin's Chief of Staff had designated him the data controller for key minutes**

In April 2021 the Taoiseach confirmed the meeting and that Ms Gillane had recorded the minutes. However, the excuse then offered for non-disclosure was that he had had the record shredded. It was extraordinary. [see email below]



**Data Protection Commission confirms the shredding of minutes which had indicated Martin's support for Mulcahy**

That latest claim itself raises many more fundamental questions, chief of which is whether the Taoiseach is now claiming that the endorsement he gave to Councillor Butler's allegations, in his parliamentary replies in 2004, was and is in fact correct; is he denying the precise testimony of the EU Commission? Is he exculpating Callinan's dishonesty?

The State, the government, multiple Ministers for Enterprise, and the Department of, Enterprise, the Garda, a State Inquiry: all compromised. The media have done little better in exposing the scandal. The only hope is Micheál Martin taking responsibility, or being forced to take it.

Justice long delayed is justice long denied and I'm beginning to get old. 🇮🇪