



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

Sale of National Asset Management Agency
assets in Northern Ireland: Dr Dara O'Hagan

9 December 2015

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Daithí McKay (Chairperson)
Mr Dominic Bradley (Deputy Chairperson)
Mr Leslie Cree
Mr Gordon Lyons
Mr John McCallister
Mr Ian McCrea
Mr Gary Middleton
Mr Máirtín Ó Muilleoir

Witnesses:

Dr Dara O'Hagan

The Chairperson (Mr McKay): Dr O'Hagan, you are very welcome to the Committee.

Dr Dara O'Hagan: Thank you.

The Chairperson (Mr McKay): Do you want to make an opening statement, and then we will go to questions?

Dr O'Hagan: Yes. As the Committee is aware, I contacted the Committee on 8 October in relation to an email that I received from the permanent private secretary to the First Minister, David McCreehy, on 19 December 2013. An attachment to the email contained a draft memorandum of understanding (MOU) in relation to the sale of the NAMA Northern portfolio to PIMCO. I would like to take the opportunity to expand on the circumstances of having received that email.

The deputy First Minister, Martin McGuinness, has already confirmed in his evidence to the Committee that he was informed of the interest of PIMCO in the NAMA Northern portfolio by the First Minister, Peter Robinson. I was present at an informal conversation between Martin McGuinness and Peter Robinson in December 2013, when NAMA was discussed. On foot of the conversation, I received a draft MOU from David McCreehy by email. On receipt of the draft MOU, I noted concerns about the debt write-down, spoke to my former colleague Vincent Parker and passed the document to him. It was dealt with in this manner because, while NAMA was a high political priority, it did not come under the core functions and remit of OFMDFM. I was aware that reports on NAMA were periodically provided by the Finance Minister, Michael Noonan, to North/South Ministerial Council (NSMC) meetings but that these did not involve detailed discussions. Vincent Parker had responsibility for the NSMC.

There have been some comments and queries about why the draft MOU was not brought to the attention of the deputy First Minister. I welcome the opportunity to explain the processes and procedures in the deputy First Minister's office. The next stage should have been a formal Executive submission from DFP to OFMDFM containing an MOU. I expected that to happen fairly quickly. No such submission was received, and we now know that this was because the draft MOU was not acceptable to NAMA and was not taken forward. Had a formal submission been received, it would have been subjected to detailed scrutiny by departmental officials, a background briefing would have been prepared, and detailed briefings would have been presented about PIMCO, those involved, the nature of the deal, the pros and cons of the deal, how it would impact on the local economy — I could go on and on.

Departmental economists would have looked at it, and, as it was an MOU, legal advice would have been obtained from the Departmental Solicitor's Office (DSO). Given the significance, the Attorney General would likely have been consulted. I would have scrutinised all of that in detail. When it had passed through all those scrutiny and accountability processes, I would then have brought it to Martin with a written assessment informed by the detailed briefing. The assessment would have contained a recommendation to support the document unchanged, to support it with suggested amendments or not to support it at all.

The NAMA sale has been described previously and correctly at this Committee as the biggest in the history of this state, totalling over £1 billion. Yet it seems that some Committee members are suggesting that normal scrutiny and accountability procedures should have been set aside. I am absolutely confident that I acted properly in this matter at all times. I followed proper procedures and processes. Those exist to ensure proper consideration and scrutiny takes place so that Ministers come to decisions based on the greatest amount of information available. Given the joint nature of OFMDFM, where each side is co-equal and has to agree everything jointly, the presence of proper procedures and processes are vital to efficient working arrangements. If I had approached Martin with a four-page document without any accompanying background information and well-rounded assessment, he would quite rightly have asked me this: what are the legal people saying; what are the economists saying; what are officials saying; what is the background on PIMCO; what are the pros and cons etc, etc?

As MLAs, you have a scrutiny role, and you know the importance of interrogating something from every angle. You know the amount of paperwork that your work entails. When you go back to your office, take a look at the papers that you have sitting on your desk and in your filing cabinets. Is anyone here seriously suggesting that I should have cut corners and not followed proper and tested procedures for a deal the size of the NAMA portfolio? It is my job to provide the deputy First Minister with detailed, well-scrutinised and considered assessments, not recommendations on a £1 billion-plus deal on the basis of a four-page draft following an informal conversation. Sin é.

The Chairperson (Mr McKay): Thank you. PIMCO was the first bidder. When did you first become aware of PIMCO's interest in the Project Eagle portfolio?

Dr O'Hagan: On the back of the conversation that Peter Robinson and Martin had in December 2013.

The Chairperson (Mr McKay): In early 2013, did Brown Rudnick, PIMCO, Ian Coulter or Frank Cushnahan approach dFM or your side of the Department?

Dr O'Hagan: No.

The Chairperson (Mr McKay): In December, you were present at the meeting in which this was discussed with both Ministers. Can you go into more detail about what was discussed at that meeting? Was the MOU discussed?

Dr O'Hagan: I cannot recall whether the specific term "memorandum of understanding" was used. Peter Robinson informed Martin that there was interest in the NAMA portfolio for the North. There was a general conversation that was more about the concerns of a potential fire sale of assets and the fact that the Executive had their own asset management strategy. There were also local banks here that we were aware had toxic assets, for want of a better term. It was a general discussion on the impact of any potential sale on local business and the economy and on the need to manage all of that so that it was not detrimental to the local economy and local business.

The Chairperson (Mr McKay): What were your concerns about the debt write-down in the MOU that you mentioned?

Dr O'Hagan: I suppose that the best way to describe it is that, when I think about this issue, it is a bit like, "You pays your money and you takes your chance". People speculate, and there was a lot of speculation. Not all, but a lot, of the NAMA loans came about as the result of, I suppose, frenetic activity at a time when there was a lot of market activity, and then we had the downturn. My concern about the write-down of all of those debts was the fact that, if you follow that logic, you might as well stand outside a betting shop and give people money when their horse does not come in or when their football team does not win a match. We had the experience, not just in the South of Ireland but in other parts of the world, of taxpayers being burdened with the write-down of debt. The point is that all of those issues should have been subject to much greater and more detailed consideration. If an Executive paper had come in from DFP, all of those issues could have been explored in further detail, but, as we know, that did not happen. Nothing happened to the MOU — it did not go any further — so, in a sense, that issue died.

The Chairperson (Mr McKay): Within the papers is an email from you requesting an update from OFMDFM officials on Cerberus and asking whether there were any measures that the Executive could take to regulate or control Cerberus's approach. Did you have concerns at that time about how Cerberus was approaching the portfolio?

Dr O'Hagan: Yes, there were concerns. That email was, I think, from roughly around June. There were concerns. By that stage, Cerberus was in, and there were concerns, from some of the people who were involved and whose debts had been taken over by Cerberus, that it was pressing down and creating difficulties for companies that were quite solid, only for the fact that they had this debt. There was a concern that it was starting to impact negatively on the local market, the local economy and local jobs. The concern was really about those issues.

The Chairperson (Mr McKay): You also mentioned departmental economists. Will you outline what support Ministers and you have in OFMDFM on economic matters? Is there an economic unit?

Dr O'Hagan: There is an economic policy unit in the Department. Richard said earlier that the people in it possibly do not have the economic experience that economists in DFP have, but they would be looking at such issues, going through the pros and cons and the detail of all of that and how it would impact on the economy, local business and jobs.

The point is that, if something had come in formally from DFP, you could have begun to make all of those enquiries. If, for example, there were gaps in some of the information that was being provided, either by economists in DFP or economists in OFMDFM, you could always put further questions back to them and make further queries. There was a facility for us to go back and forward, ask the greatest number of questions and receive the greatest amount of information. I go back to the point that it was the biggest deal in the history of the state. It needed to be subject to proper, detailed and wide-ranging scrutiny. When you are dealing with all of those very complex issues, you are better getting the widest possible perspective from people.

The other type of backing that we had was legal. As it was an MOU, it was a legal document that was proposed to go to the Executive. It, too, would have gone through the Departmental Solicitor's Office, and I would have also wanted to ask the Attorney General's view on whether it was the right thing for the Executive to do.

The Chairperson (Mr McKay): At the time of PIMCO's involvement in 2013, is there any record of any advisers or Ministers seeking advice within OFMDFM from that economic unit on the PIMCO deal? We know now that there were a lot of meetings between Richard, Frank, Ian and others about the PIMCO deal, but were their services availed of at all in regard to that?

Dr O'Hagan: Not to my knowledge. The way in which the processes in OFMDFM work is that everything has to be agreed. Anything going out from the Department has to be agreed. Even when there are meetings, if you are representing the Department, that has to be agreed by the Minister on each side. There is a facility in the Department to make a further information request (FIR), so either the FM or dFM side can go independently and put in a formal question through their private office to ask for further information on anything. The point is that, when the answer comes back, it comes back to both sides. I never saw anything in the system to the effect that detailed questions were being asked formally within the Department or even of other Departments, around the PIMCO deal.

The Chairperson (Mr McKay): Should there have been, in your view?

Dr O'Hagan: Well, I am not surprised that there were not, simply because, as Richard stated earlier — it has been said before in the Committee — NAMA was not the statutory responsibility of OFMDFM. DFP had been tasked by the Executive to deal with the detailed outworkings of NAMA. The MOU came through late in the day, in December 2013. If the PIMCO deal had gone forward, it was coming to the close of the deal, so it was not the beginning of a process; it was the end of a process. That conversation between Martin and Peter happened only because, if the PIMCO deal had gone through, the MOU should have formally come through, and it would have gone for Executive agreement. That is where the official processes, the formal processes of the Department, would have kicked in. That is what I expected. Once I received that email with the draft MOU, I fully expected that the next step would be a formal submission from DFP, and that would have begun the formal scrutiny of this whole issue.

The Chairperson (Mr McKay): There was a formal meeting with PIMCO in May and these meetings that have come to light today: Richard's meeting with Frank Cushnahan on 10 September; with Ian Coulter on 26 September; and with Ian and Frank on 30 September. Were you or any of your colleagues invited to those meetings?

Dr O'Hagan: No.

The Chairperson (Mr McKay): OK.

Mr I McCrea: I want to ask about the email that was sent from the principal private secretary to the First Minister's office. In that email — I speak from memory because I do not have it in front of me — is "NAMA document as discussed". The First Minister believes, and the evidence we have is, that it means "as discussed with the deputy First Minister". What do you believe that it referred to?

Dr O'Hagan: There have been times when I have had a phone conversation that did not even last a minute and sent an email to the person as a result, saying, "As discussed". So, "As discussed" can mean anything. What I am saying is —

Mr I McCrea: In this context, the email would not read "NAMA document as discussed" if it were not related to the NAMA document having been discussed with someone. It did not come from special adviser to special adviser; it came from principal private secretary to special adviser. Therefore, "as discussed" with —

Dr O'Hagan: I have already said in my evidence that there was an informal conversation. Informal conversations happened all the time in OFMDFM. Advisers met, whether formally or informally. Sometimes, when a particular issue or question arose, you literally walked down the stairs and had a chat with the relevant adviser. That is a routine and regular way of working in the Office of the First Minister and deputy First Minister. We have already given evidence. Martin McGuinness has already said that, yes, he was informed by Peter. I have said that I was there when an informal conversation took place and laid out what the topic of discussion was. The main part of the discussion was really about the concerns that we had to stop fire sales, managing all that and how you did it. The draft MOU was sent to me by email following that conversation.

Mr I McCrea: This is not a personal reflection on individuals, you or anybody else, but I am just trying to get this straight in my own mind. A special adviser was aware, when this email came through, what it was actually about. The informal discussion took place, I presume, between the First Minister, deputy First Minister and whatever advisers were there, yet that did not reach the deputy First Minister. It is not that I am concerned, but I just find it difficult to understand how it would not get to the level of the deputy First Minister when it was something that was discussed, whether formally or informally, between the First Minister and deputy First Minister.

Dr O'Hagan: I will put it into context. I was in OFMDFM from 2007, when we first went in. During my time there, I dealt with literally hundreds of documents, which were big, small, thick and thin. Not all of them will have been seen by Martin. As special advisers, we are given by the Minister the responsibility to make a judgement on them.

I go back to the point that NAMA was not the statutory responsibility of OFMDFM. We were not dealing with it on a day-to-day basis, quite simply because DFP was tasked with doing that on behalf

of the Executive. When I got the draft MOU, I fully expected, within a very short time, to receive the MOU in a formal submission from DFP to go on to the Executive agenda. At that stage, all of that scrutiny would have taken place, and, after that detailed scrutiny, I would have brought it to Martin.

I cannot comment on how the FM side of the operation conducted its business, but, from the beginning, in the dFM operation, we had set down those very tight procedures because it is a very complex office. You are dealing with a joint office that is co-equal and all of that, and, to make sure from our point of view that everything was being documented and put down in writing so that you could go back and refer to it and so on, that is how we chose to deal with it. I cannot comment on how the FM side of it dealt with it. All that I can do is set out, as I have done, the processes and the procedures that were put in place. If all advisers brought to Martin McGuinness documents that were at that early stage, he would, because of the volume of work, spend his time doing nothing but reading. We have to filter it out — and that is our job.

Mr I McCrea: I will not labour the point. I find that rare for a special adviser or a Minister regardless of what Department it is. You have made your point, and I will leave it at that.

When you got the email, you forwarded it to Vincent Parker or spoke to him — I am not sure which, but that is irrelevant. What was the timeline? Was it the same day?

Dr O'Hagan: I think that it was the next day. On the back of the controversy arising around NAMA, I went back and checked. I think that I said in my original email to the Committee that I forwarded it to Vincent Parker on the twentieth, which was the next day.

Mr I McCrea: Did you discuss it with anyone else?

Dr O'Hagan: No.

Mr I McCrea: The deputy First Minister stated in evidence to the Committee that he asked officials to carry out a thorough check of the relevant correspondence or communication that had come in. I think that he said that no paper trail existed. Where did those emails go? I appreciate that you have moved out of the —

Dr O'Hagan: Those emails were —

Mr I McCrea: Were they never printed off and set aside somewhere? Did no one say, "When the Finance Minister sends through a formal submission, at least we will have this to go back on"? Given that no paper trail exists —

Dr O'Hagan: Those emails were in my OFMDFM work account. Officials checked through the private office accounts. Every adviser and every person who works in any Department has their own email account. There is a private office account, and officials have their own work account, but there is also a central private office account. Because it is OFMDFM and because of the joint nature of the office, there is a unit called CCU — the central correspondence unit — which deals with all formal emails and letters that come into the system.

Mr I McCrea: So, they would not have thought of checking with special advisers' email accounts. Finally, in respect of —

Dr O'Hagan: I will also add the point that I do not think that one email that says "as discussed" represents a paper trail, to be quite honest with you.

Mr I McCrea: It is a paper trail. To say that there is no paper trail and to say that you were not informed of this process whatsoever — I am not saying that it is not a factual statement; I just believe that it probably is not factual because there is a paper trail in a sense. You got an email, and other things have been passed through.

Dr O'Hagan: I would count a paper trail as evidence that there are emails going back and forward or documents going back and forward and detailed interrogation of whatever the issue is. I would count that as a paper trail, not one email that says "as discussed".

Mr I McCrea: I count receiving something as a paper trail. We will differ on that point. In respect of the conference call on 14 January, were you —

Dr O'Hagan: I had no knowledge of that.

Mr I McCrea: OK, but the deputy First Minister was there.

Dr O'Hagan: I think he said that in his evidence.

Mr I McCrea: Thank you.

Mr McCallister: Good afternoon, Dr O'Hagan. Just briefly following on from Ian's point, do you also use a party email account or a personal one?

Dr O'Hagan: Everybody has a personal email account, but I do not have a party email account.

Mr McCallister: People would not have access to that, so there is no risk. That clarifies that. You also mentioned that you could make a further information request. Why did you or Vincent not use that when you got the MOU and felt, "Where is this going?"

Dr O'Hagan: I will go back to the point that it was not the responsibility of OFMDFM. I am not sitting here saying that it was not my job to do that; that is not the point that I am making. Richard said in his evidence that it was not the statutory responsibility of OFMDFM to deal with NAMA or PIMCO or all of that; it was the responsibility of DFP to do that. Therefore, I was not going to cut across the responsibility of another Department.

The other point is that, to be quite honest with you, we have a pile of work without straying into work that is not our responsibility, and I will say again that I fully expected that a formal DFP paper would have come in to OFMDFM, and, at that point, it would have become my responsibility because of the Executive function of OFMDFM in dealing with the Executive and Executive papers, and I had responsibility for DFP and DETI papers that came into the Executive. So, once that would have come in formally, I would have had the responsibility and the ability to go and interrogate all that further to follow the procedures as I outlined in my opening statement.

Mr McCallister: At the outset of some of this and during the inquiry, the fallout between both sides of OFMDFM seemed to be that one side said that it was not informed, and the other side said that it was informed. Part of what you said that DFP has the lead role, I am nearly certain from memory that the First Minister and deputy First Minister verified that that they were the lead Department that nominated people to the Northern Ireland advisory committee. So, you were copied into an MOU, and there were conference calls with the deputy First Minister. The MOU did not go anywhere, because that sale fell through anyway. I am not entirely sure what the big problem is between both sides of OFMDFM. The First Minister made it clear that he has conversations with Ministers from his party, and that he assumes that the dFM has conversations with Ministers from his party. What exactly is particularly unusual about that?

The sale was by a body set up in legislation in another jurisdiction that we had no legal responsibility for. We had advisers, not on the main board, but on the panel. The sale was to a private company, and the involvement was more about getting an understanding whether there was going to be a fire sale. As for all the other issues to do with whether it was good value for taxpayers, I am assuming that OFMDFM or DFP had no real control over them.

Dr O'Hagan: Absolutely not. The bodies and organisations that had influence and control over this were the Irish Government, NAMA and the potential buyer. All we were trying to do was to protect the local economy as much as we could. That is perfectly legitimate. In principle, an MOU is a good thing. An MOU, in principle, would have been a good thing if it was about managing those issues around a fire sale and all of that; but it never got to that point. The dFM side of the operation had no issue with an MOU in principle; it is when you drill down into the detail of what an MOU should and should not do. Our main concern was consistently to protect the local economy and local businesses and prevent a fire sale.

As I said, it was not just about what the NAMA portfolio was. You had the Executive's own asset management strategy that they were trying to raise some money on. You had toxic assets from local

banks. You had the Presbyterian Mutual Society. This is a very small market anyhow. You are talking about a very small area geographically and population-wise. It was a very small market, and to me it was getting very crowded; and that would have been an issue of concern. It was about managing all that.

Mr McCallister: That strikes me as being completely at one with what Mr Bullick just told us and what the First and deputy First Ministers and, indeed, the former Finance Minister, Sammy Wilson, said. Everybody, even me as an MLA, would have been concerned, particularly from 2008 to 2009, about the risk of a fire sale to the economy. I am not quite clear why there seems to be such tension between the FM and the dFM sides when it would seem fairly clear that you were aware that there were discussions going on around this issue and that you were copied in to the MOU. It did not end up going anywhere; that MOU was for the sale to PIMCO, which did not happen. I am not entirely clear as to why there is this major problem between both sides of OFMDFM, when the direction of travel was to protect the economy, and rightly so, from a fire sale.

Dr O'Hagan: I do not know. You have not asked a question, so I cannot answer that. *[Laughter.]*

Mr Ó Muilleoir: That is no reason not to answer.

Mr McCallister: Like everybody else.

Why do you think, then, that there is such tension around this issue between the FM and dFM sides?

Dr O'Hagan: I am not sure that there is such tension. I have set it out very clearly. Martin McGuinness said he did not see an MOU: he did not, because it had not got to the stage at which an MOU should have been brought to him. I hope that what I have said today has cleared that matter up for people. Martin did not see an MOU.

Mr McCallister: Do you think that was an error of judgement on your part?

Dr O'Hagan: No, absolutely not. I am absolutely confident that at all times I have adhered to the proper processes and procedures.

Mr McCallister: But should you have flagged it up to Martin, in case he wanted to have a word with Peter about where this was going?

Dr O'Hagan: A conversation had already taken place.

Mr McCallister: Between —

Dr O'Hagan: I got the draft MOU on the back of the informal conversation that Peter and Martin had.

Mr McCallister: Martin never inquired again where this was going.

Dr O'Hagan: It goes back to the point that OFMDFM had no statutory responsibility for this. The next step should have been a formal submission from DFP to the Department. It did not happen. It did not seem to go anywhere.

Mr McCallister: The sale to PIMCO at that time did not happen either.

Dr O'Hagan: No.

Mr McCallister: You had sought no advice from officials anyway.

Dr O'Hagan: Not at that stage. It was too early in the process to do that.

Mr D Bradley: Good morning, Dara. I see that Mick Wallace has been arrested in Dublin for not paying a fine.

Mr Cree: We will have a whip-round, will we?

Mr D Bradley: I listened carefully to what you said there, Dara. You said that you considered that the draft MOU that you got via email had not yet reached the stage for it to be brought to the attention of the deputy First Minister and for the full suite of advice to be sought from lawyers, economists and all the rest. I accept that such an issue would have had to go through that process. What I cannot understand is why you did not bring it to the attention of the deputy First Minister and say to him, "We have received this. I do not think that you need to do anything until things move forward. I am advising you to wait until we have further information or an update or whatever." I would have expected someone in your position to have given the deputy First Minister that type of advice at that stage.

Dr O'Hagan: No. Again, there was no need to do that. It was too early in the process to do that. If I did that, I would be going —

Mr D Bradley: You could have just told him that you got the email, that it was a draft and that he should await further information before initiating the process of getting the full suite of advice.

Dr O'Hagan: But Martin would have known that, if I had received anything, I would have done the necessary work on it. There was no need for me to go back to Martin and say, "I have got this email". If I had done that with every issue that we were looking at, he might as well have taken on my job.

Mr D Bradley: Yes, but you said earlier that this was an issue of great import regarding the economy of the North. It was not an email about attending a dinner somewhere or whatever that you might not necessarily have to bring to his attention. As you said, this was one of the key economic issues around at the time, so why would you not have told him?

Dr O'Hagan: I will repeat and repeat this: it was too early in the process. All that I would have been doing was saying to Martin, "I got an email". I will give you an example.

Mr D Bradley: But, you —

Dr O'Hagan: No, let me give you an example.

The Chairperson (Mr McKay): Dominic, let her finish.

Mr D Bradley: You are a special adviser, and your role is to give advice at various stages in a process. You are saying that you decided not to give advice at that stage.

Dr O'Hagan: Let me give you an example. Here is a business case that has just been completed. It is all double pages. It is for just over £2 million. If you go through it, you will see that it contains evidence of need, aims and objectives and all the stuff that a business case contains. Here is a briefing for a ministerial meeting with organisations in the arts sector.

Mr D Bradley: Organisations in the — ?

Dr O'Hagan: That is a briefing for a ministerial meeting with organisations in the arts sector. That's the size of what I have. This is what I have. Are you seriously suggesting, Dominic, that I should have brought that to the deputy First Minister and started to do an assessment on the biggest deal in the history of this state, worth hundreds of millions of pounds — worth well over a billion pounds? Tell me this, would your Minister in DOE expect an adviser to give advice on that?

Mr I McCrea: Following the discussion.

Mr D Bradley: I could not speak on behalf of Mark H Durkan. What I am saying to you is not that you should have initiated the process of a full suite of advice but that you should have advised the deputy First Minister that you had received it and that your advice to him at that time was to await the next step in the process and then look at it again or whatever. It seems incredible that you got an email — as you said in your own words — about one of the biggest deals ever to take place on property here in the North and did not bring it to his attention.

Dr O'Hagan: I will go back again, Dominic, and say I am absolutely confident that I have followed all the processes and the procedures that were put in place in the deputy First Minister's office. I have absolute confidence in that.

Mr Lyons: I have to say, I struggle a little with this because I find it hard to believe that the deputy First Minister would not have had any sight of this whatever, and I think that, if you were to ask Mr Ó Muilleoir's polling company, 99% of people would probably say the same thing.

Mr Ó Muilleoir: Do not invite me to comment, Gordon, because I would say that you seem to be struggling with a lot of stuff about the corruption at the heart of this deal. We will go back to my polling company later on. You invited me in to make a comment.

Mr Lyons: I actually did not invite you in, but I know that you will take any opportunity that you can.

Mr Ó Muilleoir: I have never heard a question from you at this Committee investigating this corruption and this corrupt deal, but perhaps there might be a first chance today to get some relief to people out there that you want to find out who the guilty parties at the heart of the deal were. If you invite me in again, I will return to that.

Mr Lyons: I did not invite you in, but I understand now that you may be a little sensitive about some of these questions —

Mr Ó Muilleoir: Not at all. What I am sensitive about is that in all the meetings that you have attended — you are only a new member — you have never asked a question to help the public find out who the guilty parties are.

The Chairperson (Mr McKay): Gordon, just continue with the question.

Mr Lyons: It is probably best if I do that. I find this difficult to understand. You may say that is the case, and, if it is the case that the deputy First Minister never saw it, I think that was probably wrong and he should have seen it. The principal —

Dr O'Hagan: Perhaps you should be an adviser in the dFM's office, Mr Lyons.

Mr Lyons: I do not think that the advice I would give to the deputy First Minister would be welcome.

Dr O'Hagan: No, I doubt that he would take it.

Mr Lyons: The principal private secretary sent the email with the memorandum of understanding. Why was that sent to you? Would it not have been sent to you so that the deputy First Minister could see it?

Dr O'Hagan: No, because, as I said in the evidence, I was present at the informal conversation that took place between Martin McGuinness and Peter Robinson.

Mr Lyons: So you do not think that it was the intention of the principal private secretary that this was sent to you to show it to the deputy First Minister.

Dr O'Hagan: I do not know what the intention of the principal private secretary was. The principal private secretary is a civil servant. He would have just done what he was asked to do, possibly by Richard Bullick or Peter Robinson. I do not know what his intention was, but I do not think there was any intention.

Mr Lyons: Right. The role of a special adviser, although you are a civil servant, is a separate role that is meant to give political advice; it is meant to highlight any issues to the Minister that may be coming his way. You have already said in your evidence today that this was a high political priority, and you have said that informal discussions happen all the time. You were very clear when you said that he did not see it, but, may I ask, was it discussed? You said that it was high political priority and informal discussions happened all the time. Was it discussed with him in any way? There was no mention of it made at all.

Dr O'Hagan: Not by me. Again, I will go back to this point: it was not the statutory responsibility of OFMDFM to deal with this. Any of those issues were DFP's responsibility, and, from long experience within the system here, when you are dealing with those types of issues — a deal of that magnitude — you are better having all of your t's crossed and your i's dotted. You are better having a proper paper trail. You are better making sure that everything is done formally because those processes are there for a reason. They are time-consuming and you have to wade through a lot of paperwork, but they are there to protect people. It is vital to adhere to those processes and procedures because that offers a protection for everybody. When you are accountable to the public, you can hold your hands up and say, "I followed every procedure and did everything that I was supposed to do". That is why I can say with absolute confidence that I know that I acted properly in this matter.

Mr Lyons: I understand what you are saying. You need to follow the proper processes and everything else, but surely on an issue like this, which, as we said, was such a big deal that was being discussed, was there not even any communication between you and the deputy First Minister about, "This could be coming your way. I am obviously not going to give this to you before I have all the facts, and I might want to do more research, but I am highlighting this important issue to you"?

Dr O'Hagan: He would have known. There was no need for me to tell the deputy First Minister that this was coming his way in that sense. I will say again, if it had come through, the next step should have been a formal paper. That would have been the stage at which it would have been dealt with and formally brought to the deputy First Minister.

Mr Lyons: So he was not even aware that you had received the memorandum of understanding.

Dr O'Hagan: I do not know. You would need to ask him that.

Mr Lyons: And you did not inform him of that.

Dr O'Hagan: No. I have already said that.

Mr Lyons: I am just looking for some clarity. You said that it was not the responsibility of OFMDFM and you do not want to stray into the work of other Departments. Is it not part of the role of OFMDFM to coordinate?

Dr O'Hagan: Yes, OFMDFM has a coordinating role, but this was a specific issue. It was specifically about a potential sale of the NAMA portfolio, for which DFP had the responsibility to act on behalf of the Executive. It was up to DFP to do all the detail of that work and bring us in at the appropriate time.

Mr Lyons: For a little further clarity, you are saying that the deputy First Minister did not receive, have sight of or have any discussion at all about you having received the MOU. Obviously, Sinn Féin is not in any way a normal political party —

Dr O'Hagan: I would differ with that: we are a normal political party.

Mr Lyons: That is OK but —

Dr O'Hagan: Our people put themselves in front of the electorate and are voted for like any normal political party.

Mr Lyons: I am not disagreeing with anybody's mandate but —

Mr Ó Muilleoir: That is an outrageous statement, Chair.

Mr Lyons: The issue that I am trying to raise is that there is obviously a North/South element to your party, and I think you take pride in —

Mr Ó Muilleoir: An outrageous statement.

Mr Lyons: — that it is an all-Ireland party. This information was obviously shared between you and Vincent Parker. Was it shared with anybody in Dublin?

Dr O'Hagan: No.

Mr Lyons: It was not sent to any party members or party staff.

Dr O'Hagan: No.

Mr Lyons: That is fine. Thank you.

Mr Ó Muilleoir: I know that you might think, Dr O'Hagan, that this investigation into the NAMA/Cerberus scandal is about an email, but, in fact, it is about corruption at the highest levels of accountancy, banking, law and, perhaps, politics. The politics bit is why some of our friends are touchy and sensitive, but, in fact, I am on record as saying that that has not been proven. Last week, I said that I certainly do not think that Mr Wilson was involved in that, and I have said the same about other politicians.

None of the questions, with the exception, perhaps, of those from Mr McCallister, has tried to shed light on who was responsible for effectively an act of fraud and a deed that has ended up being the subject of investigation on two continents. Perhaps, you can help us. Is Mr Ian Coulter a friend of yours?

Dr O'Hagan: No.

Mr Ó Muilleoir: Have you attended any meetings in Tughans?

Dr O'Hagan: No.

Mr Ó Muilleoir: Is Frank Cushnahan a friend of yours?

Dr O'Hagan: No.

Mr Ó Muilleoir: Frank Cushnahan is a friend of Mr Bullick. Earlier, Mr Bullick said that he knew that, if this sale went through, Mr Cushnahan and Mr Coulter would benefit. Did you know that?

Mr I McCrea: I do not think that that is what he said.

Mr Lyons: He did not say that.

Mr Ó Muilleoir: Did you have any friends who said, "We need this deal to happen because it will benefit us"?

Dr O'Hagan: No. What I will say is that I knew Frank Cushnahan because he was on the board —

Mr I McCrea: You better write that down: she knew Frank Cushnahan.

The Chairperson (Mr McKay): All right, folks. Calm down.

Dr O'Hagan: — of OFMDFM. He had been there when we went in in 2007. He had actually been appointed to the departmental board of OFMDFM by direct rule Ministers. I was the adviser who was appointed to be an observer to the board. I did not actually sit on the board; I just went as an observer, so I did know Frank Cushnahan in that capacity.

Mr Ó Muilleoir: I know Frank Cushnahan as well, as I have said many times. It is interesting that he did not come to you to ask for help in getting over the line the deal for which he was about to get £5 million from PIMCO. He did not come to you to ask for help on the deal.

Dr O'Hagan: No. I had absolutely no dealings with him in relation to this.

Mr Ó Muilleoir: I think that that is us, Chair. It has been another useful day. I thank Dr O'Hagan for coming in. We always move a little step closer in these sessions, Chair. It is because people like Dr

O'Hagan and Richard Bullick are willing to come forward and give evidence. I know that some people still have not done that. I am content that we have done good work again today. Thank you.

Dr O'Hagan: I will pick up on the point that Mr Ó Muilleoir has made. I deal with a very narrow area. Mr McCallister has actually referred to the point; I do not know why we are talking about this. In my view, this is a non-issue. I have shown courtesy to the Committee by coming to give evidence here today, but what I will say is this: the people who need to answer questions about millions of pounds in a bank account have not shown the Committee the same courtesy.

The Chairperson (Mr McKay): Dr O'Hagan, thank you very much for your time.