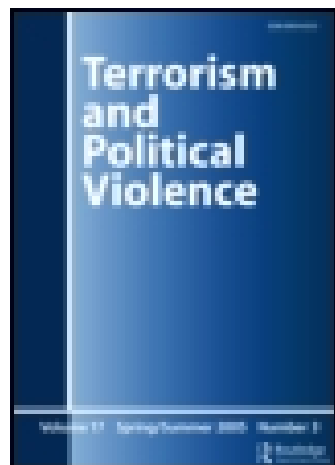


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Playing the 'Green Card' – Financing the Provisional IRA: Part 2

JOHN HORGAN AND MAX. TAYLOR

This is the second of two articles detailing aspects of the financial operations of the Provisional IRA (PIRA). While the first article highlighted some of the socio-organizational factors both underpinning and limiting the nature and extent of certain fundraising activities by the PIRA, this article presents details of activities traditionally elusive to empirical enquiry. Two case studies conducted between 1996 and 1999 – of domestic money laundering and money-lending activities by the PIRA in the Republic of Ireland – are summarized here and highlight a number of themes deserving of further exploration. These include the opportunistic nature of some PIRA strategies, the entrepreneurial nature of its financial investments, and significantly, the relatively unsophisticated nature and mixed successes of some of its money-laundering practices. Based on the analysis presented, the emergent challenges posed by such activities for counter-terrorist, societal, and civil efforts, while numerous, are not insurmountable in light particularly of the PIRA's failure to effectively manage its financial activities as successful as it might be assumed.

Introduction

Northern Ireland has seen significant change since the mid-1990s. The terrorist ceasefires, initially greeted with a sense of euphoria by the greater populace, have over time introduced relative stability and increased prosperity to the region. Such progress continues to be greeted by international support of the peace process, despite ever-present local crises and drama. But as with so many ethno-nationalist conflicts, the underlying forces sustaining the bases to the conflict – particularly those of ethnic and socio-political identity, mutual mistrust reinforced by a variety of stressors on both sides – remain challenging and continue to fuel civil and political unrest at local levels. As a result, and despite the largely inevitable token gestures of arms decommissioning following the events of 11 September 2001, unfamiliar audiences need be wary of what progress is truly being made by the paramilitaries and their political fronts in Northern Ireland:

Reports that some weapons have been put beyond use are, of course, welcome. But when acts of decommissioning are swiftly followed by further evidence of continued gunrunning, intimidation and brutal

physical assaults, including on children, by paramilitary organizations that have declared themselves to be on ceasefire, it is difficult not to feel a sense of hypocrisy.¹

This quotation was used to set the scene for a recent, yet obscure discussion found in a report published on 2 July 2002 by the House of Commons Northern Ireland Affairs Committee on terrorist fundraising, which the report describes as one of the enduring legacies of the conflict. The report details, with frank testimonials, the array of organized criminal activity in which paramilitary groups on both sides remain rooted, despite the political advances made by their respective front organizations.

The present article describes some of the results of a research study conducted from the Department of Applied Psychology, University College, Cork on the financial operations of the Provisional IRA in the Republic of Ireland. It is the second of two articles, the first of which was published in this journal in 1999. While the first article addressed better-known methods of raising terrorist monies, this article illustrates fundraising activities that have not received empirical investigation from scholars to date. It is modestly hoped that the conclusions from both this and the first article will serve to fuel further interest particularly from the research community into these complex activities.

The Study

Between late 1995 and 1999, the first author employed a variety of research methods to investigate several organizational themes thought to both underpin and limit the operations of the Provisional IRA. Whilst the overall purpose of the research was to illustrate how psychological approaches to terrorism frequently fail to adequately incorporate such themes into their models, two major aspects of the PIRA formed the basis of three case studies. The first involved a case study of the PIRA's command and functional structure.² The second involved a detailed examination of the PIRA's financial operations: two case studies on the latter were reconstructed over the research period in an attempt to present an insight into the nature of what some assume to represent the most sophisticated of all terrorist financing activities.

While the research process employed is described in detail elsewhere,³ case-study and archive research, participant-observation, and semi-structured and structured interviews with over 300 participants from a variety of backgrounds in the Northern Ireland conflict (for example, police officers, academics, journalists, paramilitaries, politicians and others) provided the details from which the case studies are reconstructed. Throughout the research, and under close academic scrutiny, the highest

possible level of rigour was employed to ensure the validity, reliability and accuracy of the case studies, both with respect to individual details and overall conclusions. In keeping with ethical concerns, the identities of those interviewed, or described, and/or specific businesses described have been substituted with pseudonyms – unless otherwise stated, or in the case of examples taken from existing open sources. In all other instances in which individuals are identified by name, such names are fictitious. While the reader may thus question the veracity of any of the material presented, it must be stated that the entire research process was closely supervised from the authors' academic institution. It must also be stated that An Garda Síochána, the Irish police force, were already aware of details of the case studies provided.

The origins of the cases selected for further exploration were rather auspicious. While the original research questions, developed in 1995, incorporated a large case study of the PIRA's organizational structure, the study was gradually extended in early 1996 to include PIRA financial operations. Despite the scarcity of data on paramilitary fundraising, a brief but fascinating glimpse into PIRA financial operations slowly emerged from the research effort. In fact, this effort at systematically examining PIRA fundraising in the Republic of Ireland began following a fortuitous informal discussion with a Garda in the Republic of Ireland in early 1996, upon which an internal document was subsequently made available to the first author for study.

The statement had been made by a man identified as 'an important intelligence agent' – a PIRA member working as an informer for the Gardaí. The Garda added that the details in the statement were 'no secret' as, apparently, 'the stuff is going to appear in a book sooner or later... anyway, it's old... we use it for some in house training'. The statement was dated to the 'mid-1980s', but no exact date was provided. Another Garda, a detective with long counter-terrorist experience, recalled that the statement relates to a known PIRA meeting held in 1981 in a pub in Bundoran, Co. Donegal, and that one of the main concerns of that meeting related to the future financing of the PIRA. It is worth including part of the statement to understand the specific concerns of the then PIRA leadership. Permission was granted to use the following opening section of the statement, and the Gardaí said that the remainder of it (not cited here) could be examined for 'personal interest'. Where appropriate, names have been replaced with descriptions of their role within the organization:

'[D] opened the meeting by stressing... [that there were]... serious financial difficulties. The Belfast Brigade was supplying all the finance for Northern Command, GHQ [General Headquarters] and most other

areas save southern command and the south Armagh areas. The Belfast money was mainly obtained from the clubs, gaming machines and tax fiddles. [D] said it was necessary to put the finances on a professional basis. He said that [B] had been taken from an important position in the Belfast brigade to put the finances on a professional basis. Monies in the past had simply been obtained but had not been invested to make more money. The southern command obtained finance through armed robberies but these often went wrong. The result was that it was costing PIRA to support the families of members imprisoned for armed robbery offences. [D] gave an example of a robbery in Tralee which had obtained £92,000 and compared it to a pub bought for £17,000 which was then worth £200,000. [D] stated that monies could be obtained from slot machines if sites could be obtained. He noted that materials such as car batteries, electric goods and tractor and car tyres could be stolen; forged paperwork could then be provided so as to then sell these goods legitimately... At the meeting, [C] did not provide exact figures but he stated that the PIRA was not receiving enough money. He stated also that the Belfast Brigade was still providing the bulk of finance'.

It can be said that the statement came from Sean O'Callaghan, the PIRA informer, since in 1998 a paraphrased version of these and similar events appeared in the autobiographical account of his life in the PIRA.⁴ O'Callaghan's statement led to a demand in the British House of Commons to adopt measures to block IRA funding; British MPs were cited as having 'praised a [then] recent exposure of how the IRA at the initiative of Sinn Féin's Gerry Adams in the early 1980s modernized itself into a sophisticated business'.⁵ There may be some dispute between academics, but the birth of PIRA's careful financial planning can be traced by the most experienced anti-terrorist police to this particular meeting. One detective in the Irish Republic, who himself investigated financial crimes, gave the following comment via interview:

'This was really the start of it... They knew what they were up to, and it was clear what they had to do, in ah... a professional sense. The general assumption in place was that the war was not going to go on as long as it has... in hindsight... but to ensure that there was a steady flow of money when it would be needed, it was... necessary to do some serious planning. There were all sorts of schemes going of course... I mean the Provos are masters of... scheming... if you shut down one operation, like the smuggling, they'll just improvise and get involved in something else... that was the beginning of the serious planning... to... invest the money into things... And it obviously paid

off. Once Bobby Sands died, all this money poured into the IRA, but that kind of dried up after a while... it's the need for regular, steady income is necessary'.

This comment was made in 1997. Another detective recalled in 1998:

'Yeah, I saw that... O'Callaghan talked about that meeting, and it was interesting to see how they were thinking you know. Just like businessmen when you think of it. And I suppose you've got to know a bit about business too... both to *get* them... and... to see how they make decisions you know?'

While the murder of Garda Jerry McCabe in Adare, Co. Limerick in 1996 (described in Part 1) continues in some ways to be unrelated to PIRA financial activity, except in the sense that it may have been ostensibly related to an aborted robbery, it effectively served to open up a wide area to public scrutiny for the first time. The glare of the media spotlight fell on the relevance of the Republic of Ireland for the Provisional IRA. Although the six counties of Northern Command remained the PIRA's principal operational area both up to and during its most recent ceasefires, many of the PIRA's activities that were incidental to their primary modus operandi have been conducted in the Republic, especially activities associated with fundraising. As reported by Veronica Guerin⁶ in the wake of Garda McCabe's murder:

'These activities include extensive property holdings, guest houses, pubs, taxi and hackney services, courier services and a number of video outlets... these businesses provide a regular cash income and are an ideal cover for laundering stolen cash. The true ownership of these businesses is concealed in a myriad of holding companies in a complex scheme devised by an accountant well known to the Gardai. The accountant operates from an office in Dublin's northside. He is described as "extremely bright, with no convictions. All of his work is legal, except that it is done on behalf of an illegal organization".'

The Republican leadership's plans in 1980–81 thus certainly appear to have since been realized. Again, the PIRA's involvement in organized criminal activity, especially money laundering, appears to have become more openly discussed, and with slightly more detail than had previously been provided. In 1994, Taylor and Quayle⁷ wrote that the PIRA:

'are... thought to operate a chain of at least 25 pubs in the Dublin area, possibly with others in other parts of the Republic... these pubs raise cash for the organization through the profits they make, but they also serve as a base for money laundering, enabling the IRA to transfer the

proceeds of robberies into the licensed trade. Cash passed through the pubs' accounts is then transferred into secret bank accounts and then into the terrorist organization. Hundreds of thousands of pounds are thought to have been used to buy the pubs, and care has been taken in using nominees, to ensure that there are no objections by the authorities to licencees. Professional and careful accounting practices have to be used to manage the cash flow generated by the pubs, and to ensure that the operation remains viable'.

These two citations warrant inclusion because they reflect the view of the security forces in both Britain and Ireland on just what the PIRA were thought to control during the period 1995–1998 at least. An important interviewee of the present research expressed the following statement:

'There are about twenty pubs at one time or another they've controlled in Dublin. There are several more in Donegal... there's actually a whole series of pubs in Donegal. There are a few scattered in more remote areas, but they're for the most part centred in urban areas where there's lots of people... this relates to customer bases and stuff, but really, it's where they themselves [the PIRA] are based more or less all the time, so... that's one reason. I can't think of all the figures at the minute, but they certainly have in excess of maybe about 30 pubs in the whole country. And... even when there is this crackdown, if there is one... and people... the CAB [Criminal Assets Bureau⁸] do come in and start asking questions, then they [the pubs] [will] still be some left standing because they've been there for such a long time now...'.

To begin building on these otherwise general accounts, it is worth now detailing the PIRA's Finance Department and the role it plays in particular in these activities which in turn will set the scene for the case studies to follow.

The PIRA's 'Finance Department'

From interviews with security force members, Republicans and former Republicans, one of the other few points of consensus between both 'sides' about PIRA fundraising is that, despite the relative fluidity of the PIRA command structure (the divisions of which might lead one to assume strict structural rigidity but this is rarely the case), the overseeing of both the PIRA's financial operations, and subsequent management and use of funds has been entrusted to very few individuals within the organization. These individuals, it appears, are collectively referred to as the 'Finance Department'. One police source described in February 1999:

'From our experience, there have only been four or five people that have been called the IRA's 'finance director'... or 'director of finance'... there's the director, who is responsible for making sure that the money is spent wisely, and there are a few ah... not really sub-directors, but people who report to him with news of money or possible uses for money, or ways of earning more money. But ah... most of the time the finance director is [names Sinn Féin member] down there in Dublin... of course there are a few in Belfast and South Armagh who have a role in finances, but they're not ah... responsible for holding the same type of responsibility as [Dublin-based Sinn Féin member as above]... they report to him... '

There has only been one high profile and well-publicized revelation about PIRA financing, which relates to the South Armagh examples the above officer spoke about, and these have been written about⁹ in more detail than previous accounts.¹⁰ Some of this stems from a high profile court case of Mr. Thomas Murphy vs. *The Times* Newspaper Ltd. Murphy, of Co. Louth, took a libel action against *The Times* and a number of its journalists over an article published in the *Sunday Times* on 30 June 1985. In an article entitled 'Portrait of a Check-In Terrorist', which dealt with a campaign to bomb English seaside resorts, it was stated that:

'The IRA's Army Council last February appointed a farmer in the Republic called 'Slab' Murphy (which is not his real name) to be its operations commander for the whole of Northern Ireland. He has no convictions for terrorist activities and this, plus the fact that he is on the other side of the Border, makes him a security headache hard to cure'.

Murphy said he was known locally as 'Slab' Murphy and, on reading the article, understood it to refer to him, and subsequently launched the libel case. When the case came to Dublin High Court, the first author attended the proceedings. While the case progressed, two high profile PIRA informers, Sean O'Callaghan and Eamon Collins, bore witness to details of Murphy's connections and dealings with the PIRA in his role of Chief of Staff, and further details emerged throughout the court proceedings linking Murphy to other senior members in the Republican movement. The Court found in favour of the newspaper group, and in 1999, *Daily Telegraph* journalist Toby Harnden provided a detailed examination of Murphy's involvement in South Armagh PIRA in a book, and the view that Murphy remains an important Republican figure is continuously expressed in the Irish and British print media. A security source interviewed, made reference in August 1998 to the South Armagh PIRA's involvement in financial activities:

‘We know that he [Murphy] has been on the Army Council from 1992-1994 at least, apart at all from the earlier stuff in the 1980s, when he was stuck in all the smuggling...’

... it was all tit-for-tat for a long time. Apart at all from the stuff on the farm, [the IRA] also controlled a stretch of road in Armagh. They stopped everything coming through, y’know, and they obviously knew who was using the roads around there. They actually imposed a kind of a ‘tax’ on criminals they knew were coming up and down. These boys then thought that they were under the protection of the IRA or something.

... don’t get me wrong, I mean cooperation between [the RUC] and the Gardaí has always been excellent, but the money-making hadn’t really been looked at to any great degree, especially not in the south. We knew about the robberies of course, and the Provos were always doing that in the south, but this was strategic stuff... the smuggling was... brilliant’.

In the context of the present article, the main reason that the South Armagh PIRA are regarded as being important to fundraising relates to cross-border pig smuggling schemes and animal subsidy fraud during the 1980s in which the PIRA extensively exploited the unusual fact that Murphy’s farmyard actually straddled the border between North and South. While it is now possible to refer to Murphy and the PIRA’s activities in this way because of the outcome of the libel case and subsequent publications, it is obviously not possible in the context of the research presented here for several other individuals who are known to have a more direct and present involvement in PIRA financing operations, especially money lending and laundering. These will each be described briefly before we present the case studies that illustrate the particular extent and nature of their roles and interactions with each other and various other people.

The PIRA’s Finance Department: ‘JR’

Others have played more important roles than those exposed in the *Sunday Times* High Court case. The first of these, ‘JR’, is a long-standing member of Sinn Féin: the first of many simple facts that make any distinctions between the IRA and Sinn Féin moot at some levels. He is a former IRA member from the 1940s and 1950s, a former PIRA leader during the 1970s and early 1980s, and a member of the Army Council for several years: security forces concur that he was, until late 1996, a member of the PIRA Army Council and sat on the 1997 Army Executive for a time. JR is

described by several as a 'highly prestigious member' of the PIRA and is a well-known Republican. He is internationally recognised as a figure in the Republican movement, and Republicans see JR as a link with the PIRA's 'former self' (the older original Irish Republican Army).

On a more pragmatic note, JR was a PIRA representative to the United States in the time leading up to the 1994–96 ceasefire, and has been responsible for organising fundraisers and trips for Americans to Northern Ireland. JR's role in the US before the announcement of the 1994 PIRA ceasefire was, according to a Republican interviewee, 'a way of reassuring [Irish-Americans sympathetic to IRA terrorism] that there was no sell-out'. Security sources describe JR as having regularly received money from certain Active Service Units (ASUs) – PIRA cells consisting of 3–5 operatives – from armed robberies. He is also described as responsible for money being distributed to other ASUs for other operations, which included on some occasions, bombings. The following comment came from an experienced observer in late 1997, which is to remain non-attributed:

'JR oversees all the funds and has done for a long time now. There are some operational people who do things, but he oversees everything... everything in Sinn Féin and the Provos. When money would be collected from Sinn Féin fund-raisers... armed robberies and so forth... it didn't make a difference where it was coming from, it was all going to the same use anyway. Some of it would be kept locally for local operations and stuff... but the most of it... it would be brought eventually to JR in Dublin... and it would be literally put into a safe, in the upstairs office of the building in the headquarters office. He would know how much was coming in from whoever, and would... more importantly, as he was concerned... he would know how much was going out... he would be the one that would give the money out for operations... if there was a job that needed cash, to finance an operation, he would give it out to the OC. There would be a weekly payout to the OC, but all the time there was the emphasis on having ... there was an emphasis on units having to come up with their own money. He was a bit thick... about that... he was always very mean with the money and wouldn't be willing to keep giving it out if he thought you weren't making the effort'.

A security force member in the south of Ireland has described JR (in January 1999) as:

'... one of the meanest people you're ever likely to meet. He's so tight with the money. He even doesn't eat fancy meals himself. There's a lot of people make fun of him for it, but it shows you what his priority is. He just doesn't waste money, and doesn't like people who do'.

His reputation within Republican circles is similar. A former PIRA member interviewed said:

‘Whenever he comes down for a meeting or to give a speech or something, he always insists that there’s a door collection for people to give on the way out... you know, give money towards his travel down. If it cost him he wouldn’t do it. And when he does come down, he’ll eat sandwiches and that’s that. There’s no wining and dining with grand meals there. I don’t think it rubs off on anyone to the same degree, but you’ve got to admire his attitude to money. You’ve got to respect it’.

While engaging in participant observation, the first author observed JR’s parsimony first hand. Upon attending a Sinn Féin meeting in the Republic of Ireland in late 1999 (by which time the majority of the research had been completed), during which several local PIRA figures voiced their dissent at the prospect of weapons decommissioning, the meeting Chairperson, a local Sinn Féin member, called on all those attending the meeting to: ‘please give what you can now, to support [JR’s] trip down here today’.

The PIRA’s Finance Department: ‘NN’

The second significant figure in the PIRA’s Finance Department to emerge from the research is ‘NN’. While JR was said by Gardaí in 1996–1997 to have moved into ‘more of an advisory role’, with Sinn Féin duties taking more prominence, NN was described by several as the ‘finance operations man’. NN appears to have been the second most senior finance figure in Southern Command following the death (from natural causes) of the person he has replaced, BJ, an ‘immensely successful’ Director of Finance during the early to mid-1980s. NN was a long-standing Sinn Féin member, also based in Dublin, and was a senior member of PIRA during the research period. Republicans and security force members alike describe NN as having links to almost ‘every significant figure in the Republican movement’.

After being incarcerated for several years on arms charges and membership of the PIRA he emerged from prison to take a formal role in Sinn Féin’s activities. Although in 1999 he was not a member of any branch of the formal Sinn Féin structure, Gardaí and a small number of Republicans described him as playing a strong role in guiding Sinn Féin’s initial anti-drugs activities during the 1990s in areas of the Republic of Ireland. Republican interviewees (including one former senior PIRA figure) were particularly open about this and praised him for ‘doing some good work’.

Like JR, NN refused to be interviewed, and a Republican source in 1998 said that it was inadvisable to pursue the initial request (sent by letter to NN

through another PIRA member interviewed by JH earlier) for an interview. However, several people familiar with NN were interviewed. One of them spoke at great length about him, but remarked in particular:

‘Yes. He’s been with them for a long time. He’s one of the most hard men you’re ever going to meet. Totally ruthless and dedicated to the IRA. I’d personally be very surprised if he wasn’t promoted after [the then O/C¹¹ southern command] is stepped down because of the shooting [the Adare murder]’

NN was not promoted to this position, and a younger, Belfast PIRA man was. At the time of the research, NN was seen as Southern Command ‘no. 3’ under two senior PIRA members (including the Belfast man). NN also had another important role in the PIRA, and this relates directly to his role in the Finance Department:

‘NN runs a small taxi company out there in [city]. It’s fairly lucrative, but the money he started it out with definitely didn’t come from his own pocket, ‘cos he isn’t exactly the man about town. He’s just like any other Provo in that sense. The money came from the Sinn Féin office... The money then just ‘went to work’. It’s not NN’s money, or his company, that’s for certain, but again, for all intents and purposes... it is’.

The ‘small’ taxi company became a relatively successful business and had a popular customer base in the area in which it is located. The business was listed in the golden pages telephone directory, and advertised locally in newspapers. It was in this sense no different to any other taxi company. It remained the case, however, until late 1999 at least, that NN and JR were seen to work closely together and hold regular consultations about money matters: ‘how much is coming in, how much is going out... what things need to be talked about, all this stuff’. According to security forces in the Republic, JR is ‘like a schoolmaster’ and NN, according to one detective with a dislike for NN, ‘tries to identify opportunities all the time’.

The Accountants

JR and NN represented important PIRA finance figures – in essence, it appears that they were the Finance Department at the time of the research. It emerged through several interviews, however, that they were not alone, and it is in this context that the PIRA, and specifically JR and NN, have made use of the services of at least four accountants when financial advice and assistance has been necessary from the limited role played by at least one of these accountants, it appears that four is probably an underestimate.

Use has been made of accountants in particular with respect to money laundering. These we will identify as 'Accountant W', 'Accountant X', 'Accountant Y' and 'Accountant Z'. Three of these have Republican sympathies (X, Y, Z), and one (W) appears in actual fact to have unwittingly been in the service of the PIRA, or at least that is what W has directly suggested to the authors and several others. This is also the view of knowledgeable security force members operating in the same jurisdiction as W. The first author was able to procure interviews with W, and some of W's revelations are described below. These accountants have all worked in the service of the Provisional IRA at one stage or another, but an important assertion that must be made is that none of these accountants occupies a formal role in the PIRA's command structure.

According to security sources, and one Irish detective in particular: 'They're outsiders... called in to do jobs'. Each of these accountants has had a principal source of income, which related to their own otherwise apparently legitimate work – that is, they were primarily involved in private accountancy, insolvency, and financial advice services and firms. These were operating fully and openly, and one of these continued to do so at least until 1999.

It has been difficult to ascertain whether the accountants are or were employed in tandem, or are summoned to do individual jobs on their individual merits: this did not emerge in any clear sense during the research, but the view of police force personnel is that one principal accountant occupies a somewhat temporary full-time role (in that X has been described as a 'PIRA accountant' for nearly 10 years), and the services of other accountants are merely supplemental, depending on the specific context and situation in which their services are required (this applies particularly to W, as will become clear from his marginal involvement). Since one of these four accountants, 'Accountant X', is at the centre of one of the case studies to follow (with a fringe involvement in the other), the others will be described briefly first.

Y was based in the PIRA's Northern Command area for several years as a chartered accountant and subsequently departed to live in the Republic following death threats, from, according to him, 'the UDA' and rogue elements of 'the RUC'.¹² While he is said by Irish police to have played a role in the procurement of at least three pubs in Belfast in the early 1980s, interviewees do not describe him as the most significant financial expert whose services the PIRA have utilized. He has been described as 'an IRA accountant' by several knowledgeable sources, both inside and outside the security forces. Some Republicans described Y as 'paranoid', while the Gardaí described Y as 'mentally unstable'. A security source that

investigated the background of Y in the months before the 1994 PIRA ceasefire recalls the accountant as:

‘... all too willing to take the Provos’ money, but when he was written about... recently, he went even more mad. He’s not a Provo *per se*, but he’s kind of willing to stay well in with a few Sinn Féiners since he gets on socially very well with them. Well, he thinks anyway. He doesn’t want anything to do with them anymore now though’.

The only certainty by late 1999 was that Y was no longer in the paid services of the PIRA, and was ‘not an IRA accountant any more’, according to various interviewees.

W is an accountant who practiced from a legitimate and well-known base in the Republic of Ireland. W falsified tax returns and numerous other documents with a bookkeeper specifically for two PIRA-controlled pubs in the Republic. Although the security forces believe that W’s services were employed specifically so that he could be ‘encouraged to fiddle the books’, W himself claims adamantly that he did not initially know that the pubs were PIRA-controlled, and his claims do appear valid. Several months after having asked W for an interview, the first author was successful in conducting two interviews with him, one of which is quoted in detail later. The first interview lasted about an hour, and the second lasted 20 minutes. W was specifically asked about the nature of fraudulent activity in pub management as well as his view on his previous ‘part-time’ employment as the ‘accounts-person’ for one of the pubs:

‘Well, you’re gonna help your employer out, naturally, but while he would... he would have Republican sympathies, I mean everything was up front as far as who owned the pub... I’m just there do to the job like, and while I wouldn’t have any time for Sinn Féin or any of that... I wouldn’t ever bring it up in conversation or anything... It’s never brought up anyway... but I was asked to do the job... I was recommended by [name of another person for whom W had ‘prepared books’] and the money was good, so I did it. I stayed working for [name of pub manager] for about 2 years, and made some good money out of it... But ah... I have no sympathies with [name of pub manager]’s cause at all... It was never brought up in the ... the bar though... I was there to do my job, once a week for a couple of hours, and that was it’.

W was hired as the accountant for two small but initially popular pubs in urban areas in the Southern Command region. W was paid in cash for one night of work per week in each pub. During one of the interviews with W, he briefly wrote down weekly and monthly financial figures on a piece of

paper, denoting how £1200 per month was being ‘creamed off and put into the back pocket of the [boss]’ of one of the pubs he worked in. An important assertion to make here is that W is not a Republican – he could perhaps be best described as having been an opportunistic, freelance accountant, whose services (and his willingness to conduct services of this particular nature – that is, overseeing fraudulent tax returns, and so on) probably owed more to word of mouth than anything else.

W himself described how publicans and shopkeepers, when seeking the ‘right person’ to do a job, will go through the ‘correct channels’ – in other words, if a publican wants to defraud his own business, he will employ a fraudulent accountant, and pay him well, to help him do so. W will be returned to shortly, with reference to his descriptions of the procedures necessary to launder money. While it is certain that W did not have any role in the actual establishment of either pub for which he worked, he played an instrumental role in preparing the ‘books’ and in supplying financial advice to the manager of one particular pub – a convicted PIRA member whose pub, according to a senior Irish detective, was at the time owned and controlled by the PIRA.

Accountant Z, on the other hand, played a much more important role in PIRA financing, especially in the mid-late 1980s and early 1990s. Security forces and, significantly, a small number of Republicans, described him as directly owning a ‘mini-empire’ of pubs in the northwest of Ireland as well as being a qualified accountant. One financial crimes investigator in Ireland brought up the activities of Z during a conversation in which it was asked whether the PIRA made use of accountants:

‘He... was responsible, we believe, for fronting many pubs in [county in northwest of Ireland]. He brought in no-one that didn’t have some connection to the Republican movement to run the pubs, and most of his bar staff were all ex-prisoners, and so forth... there certainly was an interest from [the RUC] and more so also from the Gardaí about just where he did get the money to start all these places up from, and I’m sure that that’s going to be the Provos’ downfall if the proper legislation is introduced in the south. He was big into finances and controlled much of the money from the pubs with BJ [the senior PIRA member described earlier, now deceased]. From money from pubs, and all the one-armed bandit machines, they were taking in a tidy profit... And of course, it’s what we believe it is – a veritable pension fund for senior Sinn Féin and IRA members if they ever do decide to... stop’.

Overall, this accountant was said to be no longer involved with the PIRA’s Finance Department. From interviews beginning in June 1996, Irish security sources identified X as being ‘the IRA’s accountant’. X is an

accountant in the PIRA's southern command area, and he also has offices in other cities in the Republic. X is middle aged, and has a reputation among Gardaí for being a 'hard man':

'Oh he's really tough [mockingly]... or he's got the attitude anyway. He definitely doesn't like to be seen backing down from anyone. I'll give you an example. During the time I was investigating him and his business dealings about the 'Ravendale' [a business – not its real name - which is the subject of one of the case studies described later], he was still up to all sorts. One girl came to me saying how he had swindled her out of money, and that she was finding things hard to make ends meet. My heart went out to her... So I traced a few numbers, and ah... got his number anyway. I knew that he stayed in [name of town] with his girlfriend, his ah... 'mistress' so I knew I'd surprise him by ringing him up. So I got the number and rang them. She answered and I asked to speak to X. X came on the phone and I said, plain and simple, 'You took money from a girl... in [county]. I want you to give it back to her or I swear I'll make trouble for you, make no mistake of it'. He went mad [laughs], started swearing and blinding. 'Who... is this?' he says, 'what do you think you're doing threatening me?' and all this. I said the same again to him, 'You're after fiddling a girl out of her money, and I'm telling you now, you'd better give it back to her, or I'll make it my business to stay on your case till the day you die... '. Well, the next day, what happens? He went back down and gave her the money'.

X acted as a 'front man' for PIRA members in the Republic of Ireland who sought to purchase businesses for the purpose of money laundering. In one southern command county in particular, X himself bought one hotel and two pubs for the PIRA, licensing the hotel under his own name. On numerous other cases, which were referred to in more general ways by Republican interviewees and a small number of security force interviewees, he has provided substantial financial advice to the PIRA's Finance Department, and particularly to NN. Most Republican and former-Republican interviewees did not discuss anything whatsoever relating to X or any of the accountants, with some exceptions. In the majority of cases, however, this apparently related to not knowing anything about these people (or at least claiming not to). It appeared that in some cases this was something that was of no significance at all. One former PIRA activist interviewed reported that:

'It's not something you'd hear about. I mean you've got enough to be worried about without asking about other stuff like that, and when it clearly doesn't concern you, well, then it doesn't. I'd imagine you'd end up looking kinda suspicious if you go from your lessons [training]

to asking, well, who's actually handling the money...? It's not something you'd be concerned about. But I know there are very trusted people in charge, and it kind of stops at that you know? You probably shouldn't be asking those questions anyway...'

This lends tentative support to the existence of need-to-know principles as illustrated through the formulation and development of the command structure. A man, whom the Gardaí and Police Service of Northern Ireland (PSNI) have both described as an Army Council member, was certainly more forthright when interviewed about alleged PIRA fundraising, and especially when asked whether the PIRA uses 'outside people'. Having been asked about the PIRA's financial operations, his answer (to JH) did not in any way refer to one or any accountant or any similar details:

'All this stuff about fundraising. It's just black propaganda. That's what it is, plain and simple. It's common knowledge on both sides of the border that the republican movement have been taking on the drugs issue'.

This senior figure went on to describe one Republican who was well known to the public but subsequently became:

'... discredited... he has also discredited Republican sympathy with his activities. And what that fella is... what he's involved in... at the moment he's involved in a criminal gang... Just tied in with the criminal gangs down in Dublin. The problem which we have... is that he's perceived in public eyes to be a republican, as part of the republican movement, and those activities he's involved in is just... he just says, ok, 'I'll be part of the republican movement'. I can assure you categorically like that... under no circumstances does he have any involvement with the republican movement'.

The above statement reflected a common theme with those Republicans who agreed to be interviewed – when asked about specific fundraising details, answers or comments usually were quite general in nature and were expressed within a clear political context. That some of the alleged-PIRA interviewees were long standing members of Sinn Féin added to their ability to respond to such questions with their own particular type of answers. However, the resulting conclusions from the types of statement as above are as significant as the conclusions from those instances in which no answer was given at all.

Within the context of the research presented here, in the early to mid-1990s, X, along with a bank manager and personal friend, MU, played his part in the management and co-ordination of some of the Provisional Irish Republican Army's income from illegal activities (primarily armed robbery

and extortion). X and this bank manager friend were close associates who used each other as references in business dealings. They worked closely with NN. The relationship between NN and X will become clearer within the case studies that will now be summarised.

In the first case study summary, an account of a PIRA money-lending scheme will present details of the interconnections and dealings surrounding a series of events, people and places. All of the following is reconstructed from the interviews, archive material and documentation, and, unless specifically indicated, we keep most of the details non-attributable. Most interviewees from security or paramilitary backgrounds who agreed to be interviewed expressed that they not be identified in any possible way. The reader should be aware that the cases to follow are already known by the security forces.

To reiterate the point made earlier in the discussion of methodology, the veracity of these accounts (and the details given from key interviewees), and their completeness, has been checked as much as practically possible with several sources upon completion of the reconstructed details presented here.

Fundraising Case Study 1: PIRA Money-Lending And Attempted Money-Laundering

‘Joseph’ was born in the late 1950s in the Republic of Ireland. He was raised by his parents at their suburban home where Joseph’s mother and father still live. The family was small, middle-class, and respected in the local community. Joseph and his family were certainly unremarkable in any obvious respect from any other small Irish family. Joseph attended secondary school but: ‘... didn’t really like it that much, and... I think he was just bored’.

After secondary school Joseph took up a number of small, part-time jobs, mostly based around the locality, before gaining work for a number of larger companies. Joseph worked in an industrial plant for a year or so, but began to become interested in developments in technology. Particularly, however, Joseph saw this, especially in the late 1970s as a lucrative means of financing what was becoming an increasingly expensive lifestyle:

‘Joseph liked the good life, and still does. He’s a bit of a man’s man when it comes to the ladies, and he likes to show his pals and colleagues a good time. If you’re potentially valuable to him, in no matter what way, he’ll take a shine to you. A real charmer’.

In 1980, Joseph gained work experience in a technology business, where he learned about business in general as well about various types of electronic

technology. He left this company a few years later, however, and went to work in a company that specialized in selling security alarms to businesses and residences. Joseph's role in this job was to sell car telephones and 'two-way radios'. Joseph still saw opportunities elsewhere however, and joined what has now become a major Irish company where he spent some years before leaving this job also.

In 1988 Joseph joined a Dublin company that specialized in communications technology. The company, which we will refer to as 'Konic Systems', hired him, apparently, on the basis of his experience, but as was more gradually revealed, probably his personality also: 'I think he was kind of a charmer if you know what I mean. A good salesman, very persuasive; he had a kind of an Arthur Daley buzz about him. He was always very good with people'.

However, Konic Systems, like innumerable other small businesses, did not flourish. The company Director, who had taken the decision to employ Joseph, decided in 1990 that he no longer wanted the business, as it was: 'a company which really never did any good. Actually, relatively speaking, it was a total failure'. Joseph saw an opportunity, and took it. He decided:

'... to take control of the business. He was adamant he was going to be successful with it. So much so, that not only did he want to take over, but he even used the same trade name in all subsequent dealings'.

Joseph's reign as Director was not successful, however, and soon after the original Director left, he found himself in January–March 1990 with an unsuccessful business 'tied around his neck'. Around this time, Joseph sought other sources of finance for Konic, however. He was 'adamant that he wasn't going to get a loan from [the bank]. I mean, it [Konic] was really looking [bad] at that stage'. At this time, Joseph decided to make enquiries about procuring a loan from unofficial sources.

He made informal enquiries through some of his business acquaintances that he had built up during recent years, as to who, in the Dublin area in question, could be in a position to loan the kind of money Joseph was looking for. He indicated that he was seeking £20,000 to finance his company and he attempted to approach business people in a similar business to himself, but was, by all accounts, very unsuccessful in convincing them to invest in Konic. Joseph did not see this as the end of the road, however, and through a number meetings with several people whom Joseph had come to know about through his acquaintances, there appeared to be some light at the end of the tunnel. These people were described thus:

‘... none of whom you could really describe as, I suppose, typical criminals. I mean that had access to big bucks, and they were hardly charities. But if you’re stuck, and you need funds, y’know it’s not that hard to ask around as to where you should go’.

After several meetings, of varying lengths and with varying perceived degrees of success, Joseph quickly discovered that there was a man near where his business operated that could provide a loan for Joseph’s business. This man was HC, who was in turn an associate of NN, the PIRA member and community activist described earlier. HC is described as NN’s ‘right hand man. He accompanies him to all the anti-drugs meetings, and is very close to him’. Joseph had identified a possible solution to his problem:

‘The meeting between Joseph and NN was set up. Joseph was told by friends of his down the pub that HC was ... in the Republican movement, and that so was NN. I think he was kind of dismissive about the whole thing. I know for a fact there was no way he thought he was actually dealing with the IRA. In hindsight, it was kind of stupid, but he definitely underestimated who they were from day one. I’d say to be honest, all that was going through his head was “where do I get some money from?”’

HC introduced Joseph to NN one evening and, following the meeting, NN agreed to help Joseph. NN was described as being ‘apparently impressed. He must have been or otherwise he’d not have given yer man the... time of day’.

NN expressed a great interest in Joseph’s business and equally expressed enthusiasm that such a business might actually do quite well. All relevant interviewees were adamant that NN strongly wanted to see funds from JR and NN being invested in Konic. About a week after this meeting, NN and HC supplied Joseph with a sum total of just over £19,000 in cash and bank drafts. The person who supplied approximately half of this sum in cash was JR. The nature of the bank drafts remains unclear, but there have been suggestions from interviewees that half of the bank drafts were short-term loans issued by business ‘friends’ of NN, not associated with the PIRA in any formal sense. The rest of this money had been stolen in an armed robbery in a neighbouring county.

An important point, which might appear obvious but nevertheless needs to be restated, is that both NN and HC were, it seems certain, under the strict understanding that the money was to finance Konic. NN’s enthusiasm became clearer, however, when in addition to being Joseph’s source of finance, he also began to give Joseph some helpful advice on the evening of the first meeting. Joseph was told that he was going to have a contact telephone number to call if any problem arose during the ‘revival’ of Konic.

This referred to possible inquiries by the Gardaí or if Joseph was having particular problems with Konic.

NN continued to show a strong degree of enthusiasm in the development and growth of Konic in the presence of Joseph, and according to one interviewee: 'he was sure he wasn't going to let the company go downhill if he could help it. Not only was he obviously looking for his money back, but he was looking for it back reasonably quickly, or at least signs that the business was a sound "investment" if you know what I mean'.

NN, the second in charge of the PIRA's Finance Department, had identified a source to launder PIRA money. NN's appreciation of Konic as a potential business investment for the funds he had provided is clear. The contact supplied by NN that Joseph was to call was a woman, 'Maria', who lived in the opposite side of the city. Because of NN's insistence and through Joseph's practical knowledge and experience in telecommunications technology, Joseph had a telephone line connected directly to Maria's house.

Through subsequent meetings with NN, both NN and Joseph agreed that everything possible needed to be done to promote Konic Systems. With NN's direction, Maria was going to promote Konic Systems in the Dublin area. Maria lived with her boyfriend, who worked for a telephone company, and to whom Joseph was introduced one evening, in the company of NN. NN and Maria were concerned about security, however, and her boyfriend was introduced to Joseph under a false name. Maria's boyfriend was a hated figure amongst Gardaí in Dublin because he was apparently able to avoid being arrested and charged for his involvement in criminal activity.

Just as plans for Konic were about to be put into practice, events took a completely bizarre twist. In June–July 1990 Joseph 'took holidays' from Konic and went to Italy with friends. A member of a Garda team investigating the PIRA's financial crimes in the Republic provided the following comment during interview:

'That was it then. I think that was the first time that NN knew something was going seriously... wrong. Joseph didn't use the money for Konic at all. He blew the lot on the World Cup. Took a load of friends out there, and got tickets to the matches when they went out. Had a ball. Don't be fooled that for one minute... that the money was for the good of the business. He was never going to use it for it'.

Joseph's unpopularity was reflected through several subsequent interviews with those whom he has had 'chasing after him' (the words of the detective who finally apprehended him on related charges). A detective investigating organized crime in the Republic of Ireland noted that:

'It was complete rubbish. He's a through and through conman. He was never, not in a million years going to use that money to finance Konic. Or if he did, there was something very odd going ... He's devious, and completely underhanded. No-one could trust him. All money, money, money and having a good time, that's his prerogative at the end of the day, but it didn't emerge until much later that that's where the money from NN and HC was spent'.

When the holiday was over, a few weeks later, Joseph returned to Dublin, and realised he would have to eventually start paying back NN's money. In the coming months, however, Joseph would find it increasingly difficult to meet the monthly repayments to NN and HC. Konic Systems had been a complete failure, despite two different Directors and the £19,000 input, much of which had now been spent on financing Joseph's affluent lifestyle. Joseph's activities were certainly not then in the interests of the almost-bankrupt business.

One evening, about nine weeks after having returned from his extravagant holiday, Joseph received a telephone call from HC and was told to 'report to NN' to find out what was happening. Why were repayments not forthcoming? NN was said to have been furious with Joseph and wanted to see all the accounts for Konic. NN apparently still did not know that the money had been spent on the World Cup: 'He told Joseph he was going to have his own accountant in to have a look at what was going on. And that was it. Joseph didn't have any say in the matter'.

The accountant was accountant X. Increasing pressure from NN and HC, in the form of telephone calls and regular visits to Joseph's home and to Konic Systems, resulted in Joseph panicking. He left Dublin, fleeing to another county in the Republic with his wife and two young children. He told his wife that they simply had no choice because of 'threats... that there were criminals who didn't want him doing business...'. Joseph revealed that he thought that his problems with NN and HC were over at that point.

Almost as soon as Joseph's arrival in the new county, he became involved in a number of small companies that he established himself: 'he was very resourceful. He obviously sees money as no object, but I think it's a matter of *when* he wants money, not if he wants it, or if he needs it...'. In late 1990, Joseph opened an office in an industrial estate, from where he would attempt to establish a small communications business. He employed only one person, a young secretary, 'Joan', from the local region. After about two months, Joseph suggested that Joan should enter into partnership with him. With the aid of £14,000 from Joan's mother, Joseph started another company, and closed down the one that he initially established. He and Joan moved business to another business park and 'set up shop'. Unfortunately for Joan and her mother, she unwittingly was to obtain further

loans to aid Joseph's business. And unfortunately for Joseph, this eventually stopped when Joan's mother received bills for hired cars, which, at least until late 1996, had not been repaid:

'He was very persuasive. And he really manipulated Joan. She was very hurt, mentally, after she realised just what he was like, and... I don't think... that Joan has really come to terms with it yet. He's just a sly... there's no other way I'd describe him. A conman, 100%... '.

Although it was still not clear perhaps to Joseph that he did not make a good businessman, his life was soon to change dramatically, and his past in Dublin would catch up with him:

'NN, in 1991, finally traced Joseph to [county]... he didn't do anything at first, because he knew where he was. But ah... NN and HC... but mostly NN, began keeping tabs on Joseph's dealings... he took a real keen interest in what Joseph was doing... or what he was trying to do more like... NN was convinced he was going to get his money back in one form or another, and for one reason or another, NN was still going to try to get the money put to some use, like investment in something... Don't ask me, I don't know, but he definitely wasn't going to go shooting him... I suppose he wanted to ah... get all of his money back first... '.

NN and a gang of five PIRA members approached Joseph's house one night, and knocked on the door. Joseph answered and was 'very surprised' to see NN:

'Joseph's activities were always bordering on the fraudulent from an outside point of view, but one thing for sure was that he definitely underestimated the impact of his association with NN and HC and the IRA people that were his to use as contacts [Maria and her boyfriend]... I'd say the money distracted him a bit... I mean the prospect of him getting that much... he thought he was going to screw them over just like everyone else he'd done it to... Joseph was... from the moment they called out to his house, with his wife and children inside... he was terrified of them... absolutely terrified of what could happen to him... '.

The men accompanying NN on his visit were Dublin PIRA members. They all, including NN, wore balaclava masks, but Joseph recognised that it was NN. NN told Joseph that he would be paying close attention to him. He said that he would have to pay back the loan with added interest for all the trouble he had caused. They left quickly but the visit appeared to have worked. By 1994, Joseph had paid £15,000 to NN over a 15-month period

but it is not known how much was left to pay off this loan, given that by then NN was looking for added interest.

By mid-1994, NN once again began to express 'interest' in Joseph, and suggested that they discuss 'business again'. NN was about to learn a lesson too, however, and found out rather quickly that not only was Joseph unwilling to foster NN's business concerns, but also certainly was not interested in paying off his PIRA 'bank manager' (NN) any longer. Joseph abandoned his wife and children and left Ireland. He went 'on the run' with his 'mistress', a woman with whom he had struck up a relationship after having left Dublin for the other county. Much of Joan's money (the secretary he employed) had been lodged into a savings account under four different names, and detectives investigating Joseph stated that over £4,000 was taken out of one of these accounts days before he left with this woman. A detective who investigated Joseph's dealings made the following comment:

'We don't know where he is now... when he immediately left [county], he went over to [country] with one of his girlfriends from [county]... he obtained a couple of false American Express credit cards through a friend of his who specialized in them... the friend was working in a travel agency and spilled the beans about everyone he'd prepared cards for. We had information passed onto us then about Joseph from some of the local Garda. We traced him... and put out a small bit of surveillance on him. We nabbed him one evening in a flat where he was with the girlfriend... he'd been living there under an assumed name...'

While in police custody, Joseph spoke of his dealings with NN and HC. He emphasized that he himself was 'never a member of the IRA', and, according to detectives who interviewed him, was quite emphatic that they believe him on this point. Joseph's wife and children moved back to Dublin. Joseph himself, after having been released from Garda custody, left Ireland using a false passport:

'... Joseph was not, nor ever was a Provo. He's a lot of things but is not a Provo. He was terrified of them. It was clear that NN wanted to do things through Joseph's business, but it's probably going to be impossible to figure out what exactly he had in mind, apart from the obvious, [which would] be just having a front company to put some money into, which is, ah... money laundering'.

Intermediate Conclusions Of Case Study 1

1. Even from the summary of this case study, there is clear evidence that the PIRA are willing to engage with those outside its formal organization in

financial dealings when it appears that the PIRA might be able to benefit financially from such contacts. The fact that HC appears to act as an identifiable (but unofficial) go-between for the PIRA's Finance Department and those seeking financial assistance (at least in this area of Dublin) is significant in itself, demonstrating that the PIRA has an unofficial banking system in operation, whereby in contrast to extortion, money appears to be actually *given out* to those whose usage of that money may *benefit* the PIRA's concerns and practical needs.

It is not clear whether this relates to a broader process of money lending in general – or perhaps some form of informal banking – but the perception of there being potential advantages appears central to the decision to lend. NN, by giving Joseph £19,000, much of it in stolen money, clearly identified an opportunity to be exploited: by lending money to Joseph, the PIRA would, through NN and HC, be laundering its funds from armed robberies and other illegal activities into a legitimate company. This company, with the right support (illustrated through the use of NN's contacts – for example, Maria and her boyfriend) might actually begin to make a profit. That NN did not make such a wise choice, to say the least, is an issue that is of interest in itself (and will be returned to). What might have happened if Joseph did not leave the country and entertained NN's further suggestions in 1994 is only a matter of conjecture, but again does not lend support to the idea of NN as a completely sound financial investor, at least in this case.

2. There is a level of preparedness and expertise in the non-terrorist world, which Joseph clearly inhabits, that the PIRA is able to draw on and utilize in the planning and execution of its involvement in business. This is illustrated through the details about NN's contacts, Maria and her partner, who were identified to Joseph as sources of expertise for the development of his business. This is although the Gardaí continue to describe them as 'members of PIRA'.

Although NN featured prominently in this short case study, the only reference made to X was that NN wanted to introduce X into Joseph's business to oversee the management of Joseph's otherwise hazardous accounting procedures. X's role is more adequately illustrated in the next case study.

Fundraising Case Study 2: PIRA Money-Laundering in the Republic of Ireland

'The Ravendale Hotel' (fictitious name) was built in the late 1950s in the Republic of Ireland. It lies about 8-9 miles outside a major urban area. It

was a popular social location during the 1960s and 70s, often the regular home to several Irish showbands, which saw big crowds in regular attendance. The Ravendale was probably no different to any other popular social club in the Republic of Ireland except for the change in ownership that occurred in the 1990s that led to the social club being under the ownership and control of the PIRA's Finance Department.

The first owners of the Ravendale Hotel were 'very decent men. Very respectable, and never had any dealings in crime at all. They were a father and son who operated the hotel on a strictly legal basis'. These men were described as having managed the hotel well, and were responsible for success during this time. An equally 'respectable' owner took over from these proprietors, and remained in place from the late 1970s to 1980. This owner was a man who was later to become the manager of a busy city-centre nightclub. The Ravendale saw much success during this time also, and its owner became 'a very wealthy man because of it then'. This man left the Ravendale with the specific purpose of establishing his club. Although this man did not, and does not, have any involvement in the PIRA, he is aware of the nature and identity of the subsequent owners of the establishment.

When this man left the hotel, the Ravendale was officially bought in 1980 by 'Mayflower Ltd', a company that had their offices at an accountants' firm in a town not 30 miles away from the hotel. The director of Mayflower Ltd was 'Lloyd', not an accountant, but an interior decorator. Lloyd had originally come from a town in this same county, and had been a suspect in early-1970s PIRA circles both in the Republic and Northern Ireland.

Details remain very unclear about Lloyd's source of funds for the hotel, but interviewees from two police forces claim that Lloyd possessed this money himself, and that it was not the PIRA's Finance Department (with JR and NN) who provided the initial money for purchasing the Hotel. However, as we will see, JR would provide some money at a later date (described below) when Lloyd wanted to give up the business. After legally acquiring the Ravendale Country Club Hotel, Lloyd employed his brothers-in-law, the McGartlands, in it. These two men were both from a border county within Northern Ireland. Gardaí had arrested one of these brothers in the Republic in 1980 under Section 30 of the Offences Against the State Act (anti-terrorism legislation in the Republic of Ireland). Both men had long been affiliated with the PIRA. One of them was convicted of robbery on more than one occasion. According to one detective:

'They are IRA members. And they're not Sinn Féin members either. They're still of interest to us since they've come down here [to the county in the Republic where the Hotel is located] as they've more or less settled down here now'.

Although it would appear reasonable to suspect that the hotel was being bought at this stage as a 'PIRA business', it has not been possible to establish this with certainty. What is certain is that in 1981 the McGartland brothers bought the Ravendale Hotel from Lloyd. Gardaí in three counties in the Republic of Ireland are of the strong opinion that Lloyd bought the hotel for the distinct purpose of later leaving it, to be sustained by the brothers, although it has not been possible to establish this with certainty:

'It was a Provo job. There's no point denying that. It looked completely legit because of the firm [Mayflower] in [town] being the sole proprietors, but when Lloyd... aah... officially opted out, and the brothers took over, it ahh... was a bit obvious like... but it was completely legit what they were doing, because the cash that was put up for it first day came from a legit source, so why are anyone going to be bothered with something that looks straight on the books?'

What is certain is that Lloyd did not make a financial profit from the transfer of the hotel to the McGartland brothers. The latter having now officially been put in place as the legitimate owners and managers of the hotel, the running of the Ravendale did not last long, to say the least. Under the control of the McGartland brothers, the hotel had, according to one of the detectives who investigated suspicious activities surrounding the hotel's business, 'subsequent difficulties' in trading and was soon closed for the main period of ownership of the McGartlands, up until 1991. The brothers were described as 'poor managers'. A detective who spent three years investigating PIRA involvement in the hotel recalled during interview that:

'You'd kind of wonder what... they were up to at all like. I mean I suppose the thought of being hotel managers was enough for them to be happy like, but that doesn't mean that you're automatically going to be a good one [manager]. What would Provos know about running a business anyway? Sure all they're good at is take, take, take... ripping off post offices and banks like...'

The McGartlands were consequently a laughing stock among Gardaí. Despite the brothers' failed attempt to manage and run the hotel, they did not attempt to sell it on the open market. The events that followed illustrate NN's opportunity-seeking nature.

NN drove to the hotel from Dublin where he stayed for three days, and asked the brothers to 'retain ownership' of the hotel. This was apparently not the first time that NN had contact with the brothers but it appears to have been the most significant in terms of what NN was planning. NN made known to the brothers his desire to acquire the business, and 'put it to them

like he was going to take a weight off their shoulders as it were... which they obviously weren't going to say no to'. An non-attributed source gave the following short comment:

'Everyone around thought it was closed down for good. Just with bad management. And also that there were more and more places springing up in the city, so why would many people come out here y'know? But that was the feeling at the time. No-one expected it to be re-done'.

The brothers retained the hotel, although by now they had taken the decision, with advice from NN, to keep the hotel closed and to cease trading altogether 'to avoid even more loss'. This was even after the McGartland brothers began to contemplate reopening just the bar section of the hotel. NN advised them not to and it is clear that they heeded his advice. It was not until 1994, however, that NN's intentions towards the hotel became clearer. It was time for a new owner and manager:

'NN had a hand in it. He saw an opportunity... it was a potential investment, but I think he saw it as a challenge too. This place was big in the 60s and 70s and he wanted to bring it back to life as it were. It would be a *good* investment and would be a profitable investment if it was handled right'.

In 1994, NN approached an accountant with whom the PIRA had had some previous contact through consultation about potential purchases in the Dublin area. This was accountant X. X was described as being 'very excited' about the prospect of 'getting the hotel up and running':

'NN more or less offered him the job. NN was to supply the money and the contacts obviously, but X was to use his own contacts also to make the whole thing look legit. They met and held long meetings about the right way to proceed. And X being an accountant, he already knew the procedures and everything, but the Ravensdale Country Club Hotel was going to be bought in his own name'.

X agreed to the deal and made it known to several close colleagues, including a Dublin bank manager who was later to provide fraudulent bank references for X (to be sent to a local bank manager in the urban area near the hotel - from whom X would attempt to procure a loan), that he was going to be 'buying a hotel'. He advised people who associated with him to state that if anyone asked, that he had absolutely no interest whatsoever in the hotel:

'He was kind of ... not paranoid about it... but I think he'd prefer someone else to go down if anything happened y'know? [laughs] I mean, after all, he's an accountant, so he's earning a nice bit already. The last thing he wants is to lose his letters [academic qualifications]'.

X ensured that he would be physically distant from the actual running of the hotel by employing some practical measures. He quickly identified:

'... potential managers who he located through a contact in Dublin. 'Charlie' and 'Pamela'... from [city in England] were brought back from England specifically to manage the hotel. They had been good business people and had run a pub before, a big pub... They had met X socially about a year before and had gotten to be friendly with him, but definitely had no idea that he was a crook or anything of the sort... they had no reason to think he would try to con them or take their money you know? They hadn't kept in contact so X had to do a bit of digging around to find out where they were living at the time... it wasn't very long before X got their [telephone] number... '

X told them that there was going to be a reopening of a hotel in that county of the Republic and that they would be X's 'first choice as managers':

'I think X struck gold really... he had something in mind when he chose them all right, whether he thought then that he was going to screw them out of cash later or not... but Charlie was out of real work at the time and was a bit itchy to get going in a project... so ah... it looked rosy for all of them... '

NN informed X that he had located managers for the hotel, and X and NN remained in very close contact over the days and weeks that followed.

The next step was for NN and X to procure the finances for tangible capital support for the hotel. This would be a necessary next step since finance would be needed to 'finally take over the hotel from the previous boys [the McGartlands] and to re-do the place [refurbishments and improvements etc.]'. NN recommended that X try to raise as much money as 'investment cash' as practically possible. The plan was that NN would, having arranged this with JR, provide the bulk of the money which would be transferred into X's firm's bank account - the accountancy firm. X would be the legal owner of the hotel, and therefore he needed to be seen as having enough capital to effectively finance what was already a business which had been 'run into the ground' (i.e. by the McGartlands' poor management), and the hotel was already on account of that not looking like the most promising business to invest in.

X, although primarily based in Dublin at the time, had a small office in the county in which the hotel was located and he approached the manager

of a major branch of one of the leading Irish banks. Unidentifiable representatives from a law enforcement agency made available to the researchers a considerable amount of documentation in relation to the hotel that was seized in a coordinated series of anti-racketeering raids in late 1994. These sources, senior detectives, said that they could be used as we wanted, providing that we act 'responsibly' with these documents. Copies of this extensive documentation made available to the researchers have since been destroyed, but we have decided (with expressed and informed consent) to include details of one of the letters that were seized in their raids. The following is an amended transcribed copy of one of the letters that X sent to the bank manager:

FIGURE 1
LETTER FROM PIRA ACCOUNTANT 'X' TO BANK MANAGER

X AND ASSOCIATES

ACCOUNTANTS, [*****]
[address]

Tel. (**) [*****]. Fax (**) [*****]

Branch offices: [*****]

REF: *****

*** 1994

Mr *****,

RE: Ravendale Hotel Account

Dear [manager],

I spoke yesterday with MU, Manager in [Bank] and you are more than welcome to ring him to get a reference on me and I fully informed MU of what we are doing in the Ravendale.

I enclose for your information copy of the Mortgage documents from [major financial institution in Ireland], copy of the valuation on the premises carried out for [the same institution] and a letter of confirmation from the Solicitor that we concluded the transaction.

I enclose for your information copy of other bank references on myself and Projected Management Accounts for the Ravendale for two years.

If there is any information you require please do not hesitate to contact me and I greatly appreciate how quickly you opened up the account for me.

Yours sincerely/...

We chose to include this letter because, with additional description to follow now, it illustrates just how well organized a network of contacts X has at his disposal. MU, as described earlier, is the Manager of a *branch* of the *same bank* in which X sought the loan from the bank manager above. MU, however, has long been a contact of X and has provided several references for him. MU is described by security services as:

‘... a strong contact for the PIRA’s finance people [i.e. X]. If you need people in the private sector that can make sure that deals go through, then he’s one of them. He’s known X for a long time now, and you can be sure he got a nice backhander [cash payment] for that business in the hotel’.

The mortgage documents and valuation report of the hotel supplied by the particular financial institution X referred to in his letter were prepared by a long time contact of X’s who was working in this institution until his arrest for embezzlement in a non-PIRA related case (in late 1996) by Gardaí. ‘George’ received a ‘backhander of £10,000’ from Accountant X simply for supplying the false documentation for presentation by X to the bank manager who would approve the loan. Furthermore, yet another ‘backhander’, this time of £3,000, was given to an Auctioneer’s representative (a contact of George) in the county in which the hotel is located to furnish a ‘proper’ valuation for Accountant X for the hotel. The hotel was ‘undervalued to the tune of about £100,000’. The amounts given as ‘backhanders’ therefore (£10,000 and £3,000) are relatively small sums in comparison with the savings X would make in purchasing the hotel. George and the auctioneer’s representative are also not PIRA members, but have long been associated with X. It is very likely that they know for whom X was conducting the hotel business, although it has not been possible to establish this with certainty.

The solicitor referred to in the letter (who provided confirmation of the relevant transactions) is yet another example of a well-placed contact for X. Security force personnel declined to allow the use of more specific details due to a then ongoing investigation.

While the legal procurement of the hotel seemed a certainty, X meanwhile managed to persuade Charlie and Pamela, his managers, to invest ‘at least £20,000 in shares in the hotel’ under the premise that X had himself provided the bulk of the finance through his own personal investment in the hotel. X did *not* reveal any of the specific details conveyed in the letter to the bank manager (above): in other words, neither Charlie nor Pamela knew that the hotel was not only undervalued for the mortgage evaluation, but they also had no idea about the extent of fraud which had culminated in X’s approach for the loan. It should be reiterated that they

believed X to be nothing more than a good business partner, and it became obvious throughout the interview process that neither Charlie nor Pamela had any suspicion whatsoever that X was connected to the PIRA.

The loan was approved. The Ravensdale had been saved from extinction and began to operate its business. It is still unknown to the McGartland brothers what exactly happened to the hotel subsequent to their relinquishing it, as one was imprisoned for robbery (not while a member of the PIRA) and the other brother went back to Northern Ireland, where he works to this day. It is certain that the brothers made a financial loss, as emerged from interviews that focused on the nature of the transaction from the brothers to X, but the brothers claimed that this was due to their poor business sense. Both brothers feel that they have been manipulated by X and NN for their own ends. It has not been possible to establish just how much the brothers lost in the transaction, although it is estimated as at least several thousand pounds. This is not surprising, however, given that the business remained closed for such a long period of time, and would have been subject to devaluation anyway.

Unfortunately for its new owners – and perhaps more so for NN – what happened in the next 4–6 months was to lead to the eventual downfall of the hotel. This, again, was apparently due to poor business sense rather than any other reason in particular. One interviewee emphasized that the managers' attempts to 'run the hotel competitively met with a series of obstacles', which were to lead to it yet again being 'run into the ground':

'Well... the business started off again, and opened up fine... they got some bar people from the local area, and got a couple of outsiders in too... place looked all nice and shiny again... but ah... well, talk about a mess. X must have thought they [Charlie and Pamela] were... stupid or something. Money was needed for various bills, and equipment, wages, etc. and Charlie got X to write cheques himself with the understanding that there would be just a simple transfer after that... but joint cheques with X soon began to bounce. They [Charlie and Pamela] went ballistic and knew something was seriously amiss. They thought of themselves obviously and wanted out – in other words, they wanted their 20 grand back, and they wanted it now...'

The money that X had persuaded his new managers to invest in the hotel had been taken by X and put into a secret, offshore account, which to this day has not been traced by Irish law enforcement efforts. The managers left the Ravensdale in late 1994 following a serious dispute with Accountant X:

'Charlie wanted to make a go of it, but I think he just didn't have a very good business sense... All the money... he's still not over it. He got some of it back all right, but by no means all of it. I really think

he would have killed him if he stayed on in the Ravendale... Charlie just had no idea at all that X was a fraud... all he saw was an opportunity, which he took... '

Events began to take on a particular momentum of their own. X did not yet inform NN about the specific reason why the hotel managers left. X did not waste any time though and offered Lloyd his old job back as manager, which he accepted. A detective described:

'As soon as he [Lloyd] was brought back in, it was... open day. We kept the place under surveillance there was so many Provos coming in and out... He [Lloyd] gave bar jobs to Provos he knew that were looking for work... I think he thought he was doing them a huge favour, which he was I suppose, but its because they were known that ... it's because they were known to us that brought even more pressure down on them... we started eyeing up the place from top to bottom...'

Another officer added:

'NN was coming down a lot from that point on, keeping things in check 'cos I think he was thinking that the place wasn't being run as well as it should have been you know? And when NN was coming down... obviously there was two or three more Provos coming down with him too... he wouldn't come down alone... '

NN began to meet X in person in Dublin as well as in the hotel itself at weekends and wanted to be kept abreast of details on a very close basis. When X told NN that the managers left because they 'thought some of their money was gone', X did not tell NN how much they had given X on the first day (this will be returned to shortly).

X and Lloyd became very 'close' associates and X was particularly anxious that the Ravendale should become successful. However, this was not enough to save the hotel and, in early 1996, following increasing Garda attention and NN's increasing suspicion and frustration, X was 'officially ordered' by NN to sell the hotel:

'It was make or break, and NN was sick of trying to get more money put into it. He was, I'd say [laughs] a bit [annoyed] with the whole thing, and it was time to move on. He knew that the cops were taking an interest in the place now too, and that was unwanted attention, which he wouldn't be that used to in a personal sense... '

The Ravendale was sold on the open market and was bought by someone completely unrelated to all of the previous owners. It was sold at a loss of approximately £60,000.

Reflections

There are several issues that it has not been possible to fully 'close', but one which was brought to our attention in 1999 by a former interviewee is that X's offshore bank account was thought to contain much of Charlie and Pamela's money – originally supposed to have been invested in the hotel. X continued to practice at least until 1999 as an accountant in Dublin and was described as still working closely with NN on occasion.

On reflection, what is striking about the Ravendale is that on the one hand, it appears to have been a complete failure as far as the prospect of it being a sound business investment was concerned. Several reasons can be clearly identified for this, but more closely relate to X's involvement in overseeing issues of management. We might conclude that X is not a good businessman; or perhaps the issue is that he certainly is not a trustworthy one, at least not as trustworthy as NN appears to have assumed, given their prior contact and cooperation. A 'criticism' of NN is perhaps that he did not play a greater role in monitoring the activities of all of those involved in the hotel, especially X, but overall this illustrates just how difficult it is to effectively monitor such activities and to detect 'sticky fingers', even for experienced PIRA personnel such as NN. This point will be returned to.

On the other hand, however, that the hotel did in itself allow the PIRA to submerge funds means that it inevitably was a success as far as the laundering of its money was concerned. Although the hotel was sold at a loss, this loss can only be considered in the context of already illegally obtained money. The operation was a success if only judged from this perspective: it initially fulfilled one core objective and important task for NN and the PIRA's Finance Department. That it did not return a profit is a separate issue.

What is probably the most significant factor to emerge from the account is that a very successful attempt was made to procure the hotel and, if for nothing else, this is clearly something that X and NN are 'good at' - and this warrants further discussion. Although security forces North and South believe the Ravendale to be one of many PIRA investments, what is notable about this example is that it is one that eventually failed. Why the Ravendale was 'allowed' to fail is an emergent question. Several authorities with expertise in investigating the PIRA's financial dealings were asked whether NN is not merely a 'bad investor', but all responses pointed to the opposite. One source recommended that we remember that since the PIRA are thought to have over £30 million in assets, that to make generalisations on the basis of events surrounding a single case (in this case, a failure) is a mistake. Garda sources have supported the view that the Ravendale's business failed because of X's personal greed, which was detrimental to the success of the business.

Further Issues, and Implications for Law Enforcement

In 1997, we had begun to attempt to extract more general views as to what the most pertinent issues were for law enforcement in investigating this type of activity. One of the most experienced anti-terrorist detectives in Ireland stated that:

‘the most important thing to remember is that they do the basics... they do the *basic* stuff very well. What we’re interested in more than anything is trying to get them on the basis of their start-out money. Where do they get the money? Who is the front man? And also where are both the money and the managers from?’

It is clear from the example of the Ravendale that the initial step in procuring the business was neatly done - the appropriate stages were taken, the appropriate documents were furnished, and the appropriate people saw that this was done. In essence, with perhaps better management and more care in managing the Ravendale, it might have been ultimately more successful than the financial disaster it proved to be.

With this in mind, we regard it as necessary to include the following, which is taken from an extensive interview with Accountant W, who was interviewed in connection with his views on Accountant X’s involvement in laundering money through purchasing and investing in the Ravendale. W no longer works in the PIRA-controlled pub. He was very open and frank about how such procedures operate (emphasizing that they are not exclusive to PIRA practices), and gave other examples of just how different businesses can be adopted:

‘... Setting up a bar is easy... say if you wanted me to front the bar, well let’s just say the bar was going for about half a million, they [the financial backers] would come up with 400,000, you’d go to the bank to make your business look legit... You borrow 100,000... all right. Up till recently you didn’t have to declare it to the bank where you got this money from, you just tell them you had it... it’s easy... ’cos your 400,000 is paid to the man selling the bar anyway... so there’s a only a balance of £100,000 due on a bar worth of half a million and they [the bank] are quite happy to lend you another hundred thousand for that bar because they know they’ll get it back out of it... they’re holding the deeds in any case so they can’t go wrong. The next step is that you buy it in your name, you’ve then got a sound name and no-one’s gonna be doubting you that you’re this or that... and that’s... that’s basically it... officially I own the bar even though I don’t... I might never be there, I don’t have to go near the place’.

The initial procurement of the Ravensdale Hotel, and subsequent loans, were arranged with the assistance of X's own bank manager as a referee, the fraudulent valuation estimates provided by the consultant, and of course, the initial finance provided by NN. As W continues:

'The starting out is the absolute doddle part. Up until recently, the only people that would be interested are the Revenue Commissioners. They'd be the only ones who would be interested in who owns a bar. They'd have the records of every pub in Ireland 'cos you've to apply to the Revenue Commissioners for a license. Getting the documentation in order is the most important stage here, and unless you get this right, you're leaving yourself open from day one like. You need to show them a tax clearance certificate... in your name... or in the owner's name. I'd have to have a tax clearance certificate before I could hold a license anyway. A worry is being audited, to see if everything adds up, but ah... chances are you're only going to be tax audited once in seven years. So I can go in and front the bar, and I'm only fronting it, and ahh, it's a safe bet that you're gonna have a successful operation for 3 or 4 years, I mean, the most you're likely to have in that length of time is a basic VAT [Value Added Tax] check-up, which is only a routine check-up, when they check PAYE [Pay As You Earn] returns, PRSI [Pay Related Social Insurance] returns, and VAT returns, which is very basic. The pub could be running for up to seven years without a tax audit and have anything up to three to seven percent of a cream-off off the profit, undetected by the Revenue Commissioners in which case the pub might be sold on... I'd be out, someone else in...'

According to a security source in the Republic:

'There have been only a few pubs that we know of at the minute that the Provos have *kept* a firm hand on... some of them they'd leave go after a few years, but if the place's doing well, why get rid of it... ah... even if it looks like the cops are coming? They'll do *everything* they can to keep control of it, so someone else comes in to take charge as it were. The owner officially changes, but the same guys are in control... it's just the name down on the paper that changes... so they'll have a new license, and ah... more to the point, on paper it looks like there's a new pub there...'

According to W, the key to maintaining a 'front' is to manage and conduct one's business as a business, and not to engage in excessive personal enrichment:

'The *most* important thing is that you've got to be careful not to attract attention. If you're careful you'll get away with it... but as soon as there is even a hint of trouble and the Gardaí are in, then it's time to run. The tax audit basically has to make sure that there's nothing illegal going on. It cuts into severe details like... proper margins, control of stocks, your own lifestyle. They go into your private house, walk through your private house, they check your passport, how many times have you been foreign, ah, if you're going foreign... you... I've come across situations where you had a fella running a business... supposedly taking £150 a week for himself [his officially designated salary] and he's gone on three foreign holidays a year! Now on £150 a week going out of the business for yourself, 'twould hardly ... pay the [electricity] and telephone and feed you... 'twouldn't even feed you yeah, let alone send you foreign three times a year like. Unless alone that you could prove that you had a private account somewhere, and that 'twas above board anyway, but what are you supposed to pay for your trips with like? You can't expect to make any money once there's that kind of stuff going on, and you can't expect people not to wonder, well, what's going on...?'

To restate the above assertion, security forces believe that the PIRA have over £30 million in assets based on the mortgage value of pubs and clubs such as the Ravendale, and several other types of small businesses. This excludes the profits made from the actual money laundering process itself (when profits *do* emerge, examples like the Ravendale aside), and the subsequent fraudulent activities regarding documentation. W gave some insight into the nature of the documentation:

'They're actually falsifying the documents. They're fraud... the books are completely fraud. They're fictitious rather than fraud. They're both, I suppose, they're fictitious and fraud. I mean, a pub... certain pubs can trade and turnover for argument's sake, £10,000 per week, which'd be a pretty good turnover for a pub. They pay their expenses out of that, they know they're making in the region of two and a half, £3,000 and they say 'we're not gonna... pay the tax on that kind of money, so we'll cream off £700 or £800 for our... pocket', put down the rest as what we took in, provided that the place isn't over-mortgaged... and provided that there isn't any heavy short-term repayments due on lease, you can cream off in a good way, in both pubs and restaurants'.

According to the security services, the Ravendale was only one of several such hotels in the Republic which the PIRA attempted to procure and run in

the mid-1990s, significantly predating the momentum gathered in the 'peace process'. According to one detective:

'Some are big and some are small, but generally they tend to be fairly small, short-term investments... or rather short-term in the meaning that if there's trouble, they can either bail out, or transfer the details of the license. And that is what's happened in several cases here in the Republic. The licences of three bars changed across 6 or 7-year periods. When they're afraid of being audited or checked out on the basis of start-out money, they'll change their front man, and that's what happens. I've seen several cases in which that has happened... now that being said there are a few bigger establishments... ah here... I mean forget about Belfast... that's another kettle of fish altogether... but here [the Republic] there are a small few bigger places that are netting quite a tidy profit...'

W gives a more brash account about the police response to PIRA money laundering:

'The [police] will never shut them down because they can't even prove that they exist in the first place. It all relates to having your contacts in gear first day. If I was going to do something similar to that in the morning, I could own a pub in Dublin no problem. The only thing I'd have to say is where did I get the money to buy it, which is why half the time, they bring in foreigners. There were some people in the Republic from the Isle of Man recently... brought in to front a pub for them. The IRA would have supposedly money invested over in the Isle of Man, and probably *still* have, and they can introduce it into the business quite legit. If the front man is asked, they'd have to say, right, that money's from the Isle of Man, 'I brought it across' or whatever, but there's no tax payable on it, there's no VAT return on it or anything like that... and I've seen that happening in one establishment, where money was introduced from the Isle of Man supposedly for investment to the company in Ireland...'

Accountant W's comments on strategy and choice considerations finished with a recommendation and some hypothetical scenarios worthy of note:

'Basically, all you're going to arrive at is details that are just pie in the sky. Unless you have intelligence. Unless you have *real* intelligence, you can be surmising, you can say, right, they might make this, they might make that, but unless you have an individual that's running a place like that, fronting a place like that, and you're never gonna find out that no matter where you go. I mean, am I gonna come up to you now... I'm running a pub in Dublin... and to all intents and purposes

I own it... Am I gonna tell you, ah... I don't own it at all, I'm only fronting it for the boys. I can't give a **** who you are. I can't... It's as simple as that. No matter who you are or what you do, you're not going to get *that* information out of me. I may as well hang myself, same thing. For this kind of thing, you're definitely wasting your time asking for examples like. You're not gonna get examples... iron-clad examples. If you're still lucky you might get people like me that'll tell you... ah... how it can be done, how they can make money, and they *do* make it like, huge money, but as for getting actual facts, well, you'll never get them... '

Intermediate Conclusions of Case Study 2: Overview of Key Points

It is useful at this point to review the issues presented through the details in both case studies, but especially those issues that might have become particularly clear through the second case study. The examples presented highlight a number of key issues related to the conclusions of the first article, and as related to both articles, may be summarised as follows:

1. *PIRA fundraising is organized.* Although there are numerous activities with the potential for being encompassed under the description 'PIRA fundraising', their heterogeneity is united by an organizational context. While the initial cash to finance PIRA terrorism may derive from sources including robberies, private and public donations via various public, private and semi-private fundraising functions, there are specific organizational influences that underpin how and why the PIRA obtains this immediate funding from such traditionally associated sources of terrorist fundraising – this is clear from some details in the first article.

Details of a 'next step' however, have emerged from both case studies presented here. Although much of the obtained cash appears to meet other equally identifiable sources of cost and expense, there is evidence that some of this money is made available to the PIRA's Finance Department for 'investment'. This is illustrated both through NN's loan to Joseph, and through NN's movement towards obtaining control over the Ravensdale Hotel.

2. A point related to this is that *PIRA fundraising appears to be task specialized and person-centred.* Active Service Units of the PIRA have often been task specialized, a theme reflected more generally upon closer examination of the PIRA command structure. Although ASUs often appear to have to self-finance certain local activities there are ASUs who specialize in armed robberies. With respect to the management and implementation of

strategy concerning money, the PIRA's Finance Department, controlled by NN and JR, is characterized by its specialization in this context. For the most part, these two men oversaw PIRA financing operations and clearly these men were trusted with the PIRA's money at least during the time frame in question. They were also marked by at least some degree of business sense. Although the two 'investment' examples described here *appeared* unsuccessful, it is unreasonable to assume that the events surrounding both case studies can be characterized simply as clear successes or clear failures.

Although there appears to have been a misjudging of the situation with Joseph, the case of the Ravendale (despite the problems) cannot be described as wholly unsuccessful. If the purpose of money laundering is to hide stolen money, then the PIRA succeeded in this. Because there was a failure to run the Ravendale like a successful business, this cannot be assumed to reflect the PIRA's sense of organizational planning and task specialization *per se*. Similarly, it is unreasonable to assume (at least without detailed examination and analysis of other detailed examples) that the failure to make a successful business out of one of the PIRA's investments is a theme that is persistent.

Clearly the men responsible for the PIRA's Finance Department have occupied this role for their perceived efficiency in financial matters and a generalisation on the basis of what might appear to be poor 'performance' in both of these cases cannot be established within the inevitable limitations of the data presented here. If the results of the cases presented here were representative of the Finance Department's performance, it is clear that JR and NN would probably not have retained the roles they occupied for very long.

3. *PIRA funds are centralised for operational use and organizational survival, and funding activities do not, in the main, serve the purpose of enriching individual members for non-operational reasons.* This is an important assertion that serves to distinguish the PIRA from other terrorist groups who have not been so successful in their persistence and longevity, particularly in the context of fundraising. This assertion mirrors a broader theme in Republican terrorism, emphasizing the personal sacrifices of potential and actual PIRA members. It is misleading to view the weekly wage that the PIRA are purported to have paid their members as a 'lure' or a significant motivational factor in the context of becoming and remaining a terrorist. The special relationship that the terrorist has in his or her community is of particular relevance here and explanations emphasizing the role of material goods as a motivator of Republican terrorism clearly are at odds with the true nature of PIRA fundraising operations.

4. *PIRA fundraising operations draw on considerable and influential resources and contacts in the non-terrorism world.* This is a significant assertion and one of the most important of the research, as it raises broader issues relating to the identification and nature of both the terrorism process and the range and nature of participants encompassed by it. This assertion is clearly illustrated through the extensive range of fraudulent contacts that the PIRA's financial controllers have outside the main Republican family. NN's employment of X's services in procuring the Ravensdale hotel illustrates this, but it is further emphasized by the degree to which this particular procurement was facilitated by the use of false documentation and testimony on the part of X's colleagues, who included a bank manager to provide references, and an auctioneer to provide appropriate estimates for the mortgage arrangements.

There is a network of individuals, each of whom has his or her own particular role to play, and each of whom may be drawn upon in the execution of a specific fundraising operation, as seen in both case studies. That one of the accountants, W, whom the first author was fortunate to briefly interview, was apparently not aware initially of the true nature of his work for the manager of the pub for which he supplied fraudulent tax returns, merits further investigation. The need to describe and contrast the accountants and the nature of their contacts with the PIRA would represent a desirable next step. Although X clearly is sympathetic to the aims of the PIRA, having maintained close links with NN for several years, it appears that this is by no means a prerequisite for 'employment' by the PIRA in facilitating its financial operations in legal business.

5. *PIRA funding operations are opportunistic, adaptive and sensitive to internal and external instrumental and organizational factors.* This assertion is significant, not least within the broader study of terrorism which to date has been unable to assert such a claim with any degree of certainty. This assertion was illustrated particularly through the discussion presented in the first article, emphasizing a number of clear issues, including: a) the PIRA's refusal to tolerate its members' use of drugs. This has implications for the 'pull' factors which motivate individuals to join a group such as the PIRA, and has equally important factors in creating and sustaining public support for PIRA activities, and b) the PIRA's public 'zero tolerance' stance against drug dealers, illustrated through the series of murders committed by DAAD – discussed in Part 1 – fuels point [a]), as well as having more immediate practical benefits, that is, money extorted from drug dealers adds to the PIRA's funding resources and has the secondary benefit of not extorting (or not being forced to extort) that same money from the communities in which terrorists depend on passive and active support.

From the detail presented in the case studies here, PIRA fundraising is clearly adaptive in that it has been marked by opportunistic development and progression. This also has implications for the 'public image' of the PIRA and our understanding of the role that the PIRA hold within their constituent communities. The case studies represent the simplest glimpse into what is clearly a murky world of complex activity.

Discussion

Although an analysis of the implications of terrorist fundraising for law enforcement efforts is worthy of a lengthy paper in itself, it is useful to briefly address some key issues, particularly in light of the proposed establishment of the Assets Recovery Agency in Northern Ireland.

The Cook Report (details of which are cited in Cusack and Taylor¹³) was instrumental in uncovering the nature of UDA fundraising schemes in 1987 and it is clear that this was one of a number of factors that proved instrumental in the downfall of the UDA before its resurgence. The RUC launched several high-profile anti-racketeering operations in the 1980s and 1990s, including 'Operation Whiplash', 'Operation Christo' (in which, as Maguire¹⁴ describes, several PIRA members were arrested), and Maguire argues that Noraid has also been the subject of closer scrutiny in recent years in an effort to establish the true nature and direction of the funds being transferred to Ireland.

However, despite increasing attention to the suspected extent of fundraising activities including money laundering in the Republic, there have been no properties seized with connections to the PIRA. The response to terrorist fundraising in Northern Ireland has been seen as weak and limited in its effectiveness.¹⁵ When the Irish government seized the PIRA's extortion payout in the Republic in 1985, as described in Part 1, it represented an encouraging step forward, and perhaps the success of the response to terrorist fundraising reached its pinnacle in 1994 when 'Operation Madronna', a coordinated multi-jurisdiction effort by the Garda, RUC and British police services seized extensive amounts of documentation and financial records of several businesses suspected of being under the control of the PIRA.¹⁶

Specialized units were developed in Northern Ireland that dealt specifically with this kind of crime. The RUC's Anti-Racketeering Squad, C13, ensured that over 500 people faced charges since the unit's inception in 1987,¹⁷ and the Terrorist Finance Unit (*ibid.*), a Governmental body managed by a 'top civil servant', drew on experts in taxation, organizational management, economics, banking and accountancy, and the unit's members included specialists in company law. Another welcome measure against

extortion came in 1996 when the then Security Minister for the British Government announced proposals for new measures via the Draft Proceeds of Crime Act (Northern Ireland), to combat racketeers by seizing illicitly-gained assets, thereby making it difficult for 'drug traffickers and terrorist racketeers... to profit from their crimes'.¹⁸

Complementing this was the 1994 Criminal Justice Act¹⁹ and the 1996 Proceeds of Crime Act,²⁰ in operation in the Republic of Ireland, which has dealt a hammer blow to Irish criminals. The Criminal Assets Bureau, part of the National Bureau of Criminal Investigation in Dublin, equally continues to enforce very effective measures to combat illegal activities of this nature, and it is hoped that the Assets Recovery Agency will merit the same broad level of support from the public and Government alike in the coming months and years.

The Studies: Methodological Issues

Although it could be argued strongly that only one instance of money lending and one instance of money laundering were examined here, these particular cases examined were inadvertently of special benefit. Rather than provide broad generalizations about fundraising activities which are usually based on guesses in any event, there is special value in examining particular cases as those described here, and although the details are not complete, there is a strong case to be made that this represents an encouraging start.

Systematic analyses have been few²¹ – and certainly this is so in the context of Irish Republican terrorism. That this can only change for the future should serve as an impetus for further research efforts particularly in this area. With respect to Accountant W's concluding comment from the interview cited earlier, it is difficult to get 'actual facts' about terrorist fundraising: it is extremely difficult, but it has not been impossible.

It remains the case, however, that pressing questions, such as: 'how much money do the PIRA possess now?' or 'how much money does the PIRA receive from Irish Americans?' are probably inappropriate if not impossible to answer, certainly by any academic. The research process and interviews for the original research yield data that has been reconstructed with the highest possible methodological rigour to produce the accounts given here, and despite any methodological shortcomings that have inevitably truncated the level of 'completeness' of any case study, a number of highly significant conclusions have emerged and more importantly, have been derived from empirical research.

The case studies in their entirety, that is, the command structure and two fundraising case examples, provide a valuable, if inevitably incomplete and time-constrained view of the complexity and fluidity of this particular

organization. It is inescapable, however, that the nature of the data collected in the research process adopted for this exercise needs addressing and some commentary. Perhaps nowhere more clearly do the limitations of the methodology appear than in the relatively minor level of direct commentary that has been produced *verbatim* from participants.

Although the case study accounts that were reconstructed are indeed valid accounts, having been subjected to verification to varying degrees, to have had *all* such commentary in respondents' own words would have proved perhaps more valuable in acquiring a qualitatively better perspective of the overall accounts. However, most respondents would not speak if recorded. Given the nature of the research area, this should be seen as a necessary and understandable limitation. In perhaps different circumstances, the 'illustrative' uses of such data might be questioned rather more vehemently. And again, indeed it might well be that if perhaps a different area, even still encompassed within the 'terrorism' sub-areas, had been studied (if only slightly less thorny and difficult an area as terrorist fundraising) then perhaps this might have changed the nature of the constrictions on the data collection procedures themselves, which overall would certainly have improved the level of perceived methodological rigour.

The method of 'snowball sampling' (when one participant is asked to assist in the identification and 'recruitment' of another etc.) used in the case studies needs brief reference also. Although it is clear that this method has proven immensely helpful in similar contexts, mostly involving sensitive research, a reliance on this technique can inadvertently, and very quickly, lead to a somewhat skewed set of views.

The participants interviewed in both terrorist and police contexts do not necessarily have experience of other similar networks operating within the broader terrorist or police movement, however. Breakwell, Hammond and Fife-Schaw²² warned that sometimes an over-reliance on the 'gatekeepers' in such research could lead to too narrow a focus and involve the researcher falling into the conceptual traps illustrated by Crelinsten²³ and White.²⁴ The 'gatekeepers' are the ones who inevitably select those who will talk – we were mindful of this, and the use of snowball sampling in both the law enforcement and terrorist context was employed, both formally and informally, to achieve a wider range of approaches to identifying and approaching participants.

Furthermore, especially given that a small number of interviews with Irish security forces led to the decision to develop two particular fundraising cases, it is clear that if these 'stories' had not been focused on, different case studies might have emerged, which may have led to different conclusions. For this reason, caution must be used in attempting to extract generalized principles from these case studies. The heterogeneity of terrorist

organizations has already been highlighted and this concern must be expressed here.

Implications for Understanding the Nature and Identification of Terrorism

In the context of understanding the nature of terrorism, the most significant points to emerge from analyses of terrorism is that often our perception (and ultimately, understanding) of the terrorist and the processes of terrorism is shaped by the drama of the events surrounding a small range of activities with which terrorists are most often associated – violent activities. However, those who commit the violence that is synonymous with terrorism represent but one element of a much wider set of activities and context-specific functions that exist and operate within a broader organizational setting.

Fundraising illustrates one such set of broader activities. Indeed, when one looks closer at the range of activities encompassed under the label ‘terrorist fundraising’, there is almost a sense of heterogeneity of function and activity even within this single category. It is in this sense that our understanding of the wide-ranging and complex nature of both the processes within and functions of such an organization is actually limited by the use of the label ‘terrorist’. Clearly the PIRA is not just an organization concentrated on terrorist activities, and the sense of forward planning and opportunistic decision-making styles illustrated through its financial activities, indicates that the organization is much more than that.

It is clear that, unless one appreciates the wider variety of activities that may be observed as playing a functional role for a terrorist organization, our ideas about what terrorism involves will be underdeveloped and narrow. We may even take this argument one step further. Although it is true that most terrorist movements have some form of organizational capabilities attached to them (even at a very rudimentary level for the smallest of groups), few have aspired to the capacity that the PIRA appear to hold, at least in a formal sense. Without necessarily commenting yet on the actual effectiveness of its physical structural and strategic planning, we must appreciate the complexity and heterogeneity of activity inherent in this one organization. This can inform our understanding of the nature of terrorism, as well as raising questions not only about the definition of terrorism (in an academic, social and political sense as much as a legal one) but also about the identification of terrorism and terrorists. The implications of this are wide-ranging and important, particularly in terms of formulating responses.

The problem of the identification of the terrorist is illustrated when the more specific issue of PIRA membership is considered. There is a strong sense of a ‘continuum of membership’ within the PIRA. The term terrorist

(when it is used) always applies to the person committing violent acts. It is also often used as a term for those who direct the violence – the leadership. How those involved in the fundraising activities might be thought of is a different matter, however. While the two principal members of the Finance Department clearly occupy a role in the PIRA organization (as finance ‘personnel’), the role of the accountants clearly marks the beginning of a ‘grey area’. Accountant X might not be referred to as a terrorist for obvious reasons. He does not occupy a formal role within the command structure – he is in this sense, an outsider who is ‘employed’ to perform certain activities. Secondly, X operated a legal business and did not devote all of his available time to the PIRA, and yet he was intimately involved in, and responsible for, an essential support activity.

The continuum of activity does not stop there. With reference to the money-lending case study, Maria and her partner would probably not be referred to as terrorists either, and indeed probably even less so than X would. However, a step further again could be illustrated by thinking about the identification of the role of the bank manager whom X called upon to provide assistance in the procurement of the loan for the Ravensdale Hotel. For him, being a colleague of X’s represents another step beyond ‘true membership’. So, although there is a certain blurring of the boundary between accountant and the PIRA, this blurring is made even greater between, for example, the bank manager and the PIRA. Richardson²⁵ remarked that the relationships between states and the terrorists they often sponsor could be characterised by seven degrees of separation. On a much smaller scale, there appears to be several states of separation within this small circle of people, although they are still united by a single purpose. From the PIRA’s perspective, and the perspective of the Finance Department, they all perform and sustain a vital function within the overall purpose of raising and managing money for the PIRA.

Furthermore, some of the details described here on the whole appear so far removed from the processes we assume to be characteristic of terrorism per se that it may appear unusual or even inappropriate to discuss such matters under the description of ‘terrorism’. The involvement of the PIRA in such activities also serves to blur the distinction between terrorism and other types of illegal activity, contributing to a potential problem of identification – this time between terrorism and organized crime. If we try to isolate the activities of those financial figures outside the PIRA command structure (accountants, bank manager, and other professional contacts), their behaviour appears criminally oriented. That the nature and direction of their activities reflects, upon closer inspection, the PIRA leadership’s fundraising strategies, only becomes clear when the relationships between all of the figures involved is examined.

Implications for Understanding Terrorist Fundraising

Adams,²⁶ Anderson²⁷ and Maguire²⁸ emphasised that terrorists who do not properly organize their fundraising operations inevitably suffer as a consequence. Anderson emphasizes a point about Republican fundraising: 'the Provisionals no longer have to live the hand-to-mouth existence of most guerrilla groups; through prudent financial planning and entrepreneurial acumen, they have achieved long-term fiscal security, a solid base of investments to draw on'. Anderson cited estimates of the value of these to be up to \$60 million (highlighting the variation in 'guesstimates' of PIRA's wealth) and concludes that the purpose of this money is simply 'an endowment fund for the waging of future war'. While a terrorist movement may conduct terrorist attacks using very little financial sustenance, the point to make here is that the extent and nature of those activities (as well as the range of other activities engaged in by the group) is limited by finance. The PIRA leadership appears to have formalized this concern and the degree to which the PIRA's financial strategies have become elaborate reflects a basic consideration towards future planning.

It is clear that, at least up to and during the 1994–96 ceasefires, the PIRA raised and spent a lot of money. It has not been established whether PIRA income matches PIRA expenditure. However, the income estimates available at the time of the research far exceeded expenditure estimates. This may be a reflection of both law enforcement's need to err on the side of caution in tackling these activities (and contributing to the public's awareness of such activities) as much as the media's dramatic speculation of just what terrorist 'godfathers' earn through their illegal activities.

Investment in the types of businesses described in this article is not simply for laundering this money, but both case studies described here at least tentatively suggest forward planning. Not only this, but the PIRA finance department could have been characterised by a sense of entrepreneurship that initially appeared surprising given how the PIRA are assumed to value their traditionally limited resources. Given the nature of the 'investments' in both case studies, it appears that the PIRA not only grew substantially in its financial acumen, but also was actually willing to invest its money in what amounted in these cases to speculative, almost adventurous, enterprises. This suggests that it was, and possibly remains, an organization that is certainly not short of money, while seeking opportunities which yield as high a return on that investment as possible.

Certainly NN's undertakings with Joseph appear in hindsight rather bold, and despite the problems that emerged when Joseph attempted to flee his debtors, NN's continued attempts to sustain a business partnership with him reflected a level of concern both to 'invest' money (laundering) but also

to seek a tangible return on that investment. The second case study, the investment in the Ravendale, was at least marked by a level of professional assistance from financial experts (particularly X), although ironically, the accountant's personal greed appears to have served as a catalyst for the eventual downfall of that particular enterprise.

Again, it must be reiterated that it is dangerous to attempt to extract too many generalized principles from these cases, but if we are to make but one conclusion in the present context, it is that the PIRA has had a considerable amount of disposable income to seek investments with. This alone sets the PIRA apart from the many terrorist organizations who have come and gone and have failed, as James Adams memorably put it, to look *forward*.

Another interesting finding, and a point raised in Part 1, from the interviews is that many PIRA units appeared to be self-financed. One might ask then why this is so if the organization is already supposed to have such financial resources at its disposal. There are several possible answers to this, and include the possibility that funds are differentially designated and funds from specific sources are used for specific purposes. Funds submitted to the Finance Department appeared to serve a different purpose than funds kept for local use against local expenses. A valuable interview revealed that £60,000 from a Cork-based Active Service Unit was submitted directly to the PIRA's 'General Headquarters' around the time of the 1994 ceasefire.

To take a further example: at the time, the thinking behind the Adare shooting appears to be that the PIRA were somehow 'starved of cash' and sought to replenish what were thought to be diminishing coffers. However, we can now reassess the Adare shooting as an example of how, despite the necessary political conditions being in place (that is, the ceasefire was in existence) this specialist ASU (specialized in money raising) maintained its activities during this time. This is also illustrated by the Newry robbery described in Part 1 when a different ASU robbed a post office in Newry, Co. Down, and killed a worker in the process. This can represent a fundamental difficulty for the terrorist leadership, and no more clearly is this illustrated than in the events that followed in the week after the Adare shooting.

An internal problem that Bruce²⁹ claimed dogged the UDA in their own fundraising activities was a failure to adopt suitable mechanisms for the management of their illegal monies. The problem of 'sticky fingers', according to Bruce, was partly due to the organization's failure to draw on specialised expertise and function to handle money gained from extortion, racketeering and robberies. To an outsider, terrorist activities are secretive by their very illegal nature.

However, within the PIRA's command structure, and certainly as far as the rank and file members of the ASUs are concerned, there is evidence to suggest that some intra-organizational activities are even more secretive than others. Finance falls into this category, and it is perhaps a purposeful

strategy of the Republican leadership that this has been the case. The PIRA certainly does not want its membership (and potential future membership) to consider financial lures a possible reality during their membership. This is an issue that posed considerable internal difficulties for the UDA, and goes a long way towards understanding how the PIRA's attitude and reaction to those who have siphoned off funds for their own benefit was expressed in practice by swift punishment.

There are other types of benefits for keeping such activities hidden from the rank and file members as well as the broader movement and communities that the leadership claim to represent. These activities conflict considerably within the context of both Sinn Féin's leftist ideological dogma on the one hand, and within the more tangible and practical concerns surrounding the support for the Republican movement from the urban communities in which most Republican support is found. To illustrate this important point, it is worth reflecting on the role of the terrorist group within the communities it claims to represent.

Terrorists and their Communities

Larger terrorist groups need numerous sources of support to survive. Not least, potent support has to come from the local communities where the terrorists themselves live, survive and operate, and this is clear from the perspective of Sinn Féin and the PIRA. Such support can be expressed (from the perspective of the terrorists) as simply as turning a blind eye to illegal activity within the community, by not calling the police when one witnesses a weapon being moved, or other suspicious activity occurring.

It is not always so easy to encourage passive acceptance of such activities, however, and sometimes the terrorists have to adopt measures to persuade and coerce the communities within which they operate so that the security of the terrorists and their operations is not compromised. As Taylor³⁰ noted, 'the terrorist must exercise some control over that community to protect himself and his organization, however large or small' and the PIRA have recognized this. In 1997, the PIRA stuck posters on walls in West Belfast threatening to kill anyone who reports suspicious activity in their area to the police. Clarke³¹ noted that the warning illustrates how 'the [then] recent upsurge in terrorist violence has alienated people in nationalist areas'. The PIRA's statement read as follows:

'The Belfast Brigade of the IRA has become aware that a number of people in the Belfast area have compromised operations and placed the lives of volunteers in danger. These individuals have informed the RUC of the presence of volunteers in our area... The IRA will take

action against anyone placing the lives of our volunteers in danger in this way' (ibid.).

According to Clarke, the IRA's statement is based on the 'assessment that Catholics living in Belfast's ghettos can no longer be trusted to turn a blind eye' (p.24). The local population is certainly not encouraged to call the official police force to deal with problems, or to report 'suspicious' activity, be it from the PIRA or anyone else.

The relationship which terrorist groups have with their surrounding communities is central to understanding the public image of terrorism as well as the sustenance of terrorists. Morrissey and Pease³² described what they termed the 'Black Criminal Justice System in West Belfast', illustrating the nature of the control exercised by the Provisional IRA over its community. The Black Criminal Justice System, according to the authors, runs parallel to the 'black economy', and the PIRA's role of 'service' providers is illustrated by them having nominated themselves as the local law enforcement, judiciary, and penal enforcers in their communities.

The important point here is that punishment assaults are not solely used to intimidate communities and maintain a level of control, but they are also used to maintain an explicit level of support. It seems likely that the significant rise in punishment assaults during the ceasefire (and afterwards) relates to the preservation of good order on *behalf* of those same communities as much as control and maintenance factors (illustrated by the posters in West Belfast in 1997).

Punishment assaults are a visible indication of the continuing presence of the terrorist organizations as *functioning* organizations in their communities, and as such may well go some way to addressing the problems of perceived lack of focus and activity, particularly during ceasefires, when the immediate objectives of the terrorist organization may become blurred. It is clear that the PIRA are serious about their role as a local police force in not only the detection and punishment of crime and criminals but also in its deterrence. The PIRA have seen themselves in West Belfast as a veritable alternative to the existing state structures³³ and thus 'a demand had grown for a better system of justice and the IRA was the only organization with the resources to develop an effective one'.³⁴

These communities represent the most important ground for the Republican movement, and the social and economic hardship that was often synonymous with such areas is something that the Republican movement is careful not to exploit, regardless of its own need for raising hard cash. Formally speaking, Sinn Féin has a developed outlook on the economic system of Northern Ireland³⁵ and firmly advocates several revisions and

improvements on employment practices in Northern Ireland. Sinn Féin's economic policy objectives include:

3. '... to provide sustainable and dignified livelihoods for all its citizens;
4. to develop economic resources, human and material to their fullest; and
5. to create an economic base which reflects the social and cultural values of all the Irish people and which fulfils their material needs and aspirations...'

It is in stark contrast to this then that the PIRA engaged in explicit criminal activity to the degree that it has. One of Morrissey and Pease's interviewees commented that the PIRA had rather inadvertently provided the model for the very behaviour against which the movement was purporting to act as judiciary and law enforcement. Given the PIRA's extensive track record of criminal activity, it seems rather ironic that they should see fit to act in such a role in their local communities. Clearly, PIRA fundraising activities are at odds with the aspirations described above, and, although the Ravendale Hotel provided employment for several former Republican terrorists, it is perhaps not what Sinn Féin's statement refers to. Nor is Sinn Féin referring to PIRA fundraising as helping the Irish people to 'fulfil their material needs and aspirations'. Indeed, it is even more ironic that Sinn Féin's attempts to attract investment and business to Northern Ireland were for a long time unsuccessful due to the fear of those same businesses and potential investors being the next victims of terrorist extortion and racketeering activities.

It is perhaps the scale of such activities however that have, for one reason, served to distinguish the PIRA from the Loyalist groups, in particular the Ulster Defence Association and the Ulster Freedom Fighters. If the extent and nature of PIRA fundraising activities were exposed to the degree it has in other organizations (even local ones) the PIRA's image would undoubtedly be tarnished. Considerable external support can be lost through involvement in certain types of fundraising activities, and this was illustrated through the PIRA's decision not to continue with its kidnapping operations, as well as having the strategic wherewithal to actually use the drugs issue to its own political advantage.

Although the PIRA derived considerable money from extortion practices, it is unlikely that such practices played a strong role in raising money from its own localised areas. The kinds of practices as described by James Adams³⁶ appear much more plausible, suggesting that the bulk of extortion and racketeering by the PIRA has become more subtle, with outright extortion having been curtailed since the earlier days of the movement. That the UDA did not appear to share the same concerns as the

PIRA in this regard alone contributed to the way in which the movement has been portrayed, both within and outside of its local communities.³⁷

One conclusion we may draw from this is that the successful terrorist group will have to impose restraints on both its instrumental and organizational activities in the context of fundraising, but must be sensitive to practical environmental consideration. This is an assertion we can derive clear support for in the analysis of the Adare robbery.

Internal Organizational Implications: Effects on the Individual Terrorist

Bruce³⁸ identified other specific problems related to fundraising that became evident in the pro-state UDA. Because of their frequency and nature, UDA fundraising operations (e.g. extortion and racketeering) had clear effects on the public image of the UDA (exacerbated by the Cook Report), and this subsequently had ramifications for the morale of the organization, the quality of recruits, and the sense of 'self-worth' of existing terrorists.³⁹

The UDA found it difficult, Bruce argued, to allay the argument from its enemies and other observers that the organization consists of nothing more than 'unprincipled gangsters... and, back to the pro-state problem, the unionist people are more responsive to the views of the state than are nationalists...'.⁴⁰ The Loyalists' involvement in these activities was clearly misjudged on that basis alone. But fundraising activities were also seen to 'exacerbate' tensions at various levels of the organization, especially at leadership level, about the degree to which individual members were involved procuring personal gain from the procedures of the Loyalists' activities. These included, according to Bruce, the hijacking of alcohol, 'bank robberies, extortion, prostitution, pornography, and drugs'.⁴¹

Personal morale of membership was one particular issue of interest, with Bruce describing how many Loyalist terrorists had 'personal problems with their self-image' following involvement in these types of fundraising activities. The implications of this for the success of subsequent police interrogations were evident, he argued. The subsequent quality of new membership could suffer, and recruits with perhaps different ideas about what it 'means' to be a member of the UDA, rather than some of the older, 'more principled Loyalists who did not become paramilitaries in order to rob banks, threaten building contractors, and sell pornography',⁴² may join.

Perhaps the most concise conclusion one might suggest here is that the UDA would have done better to heed the practices of the PIRA as far as all issues relating to fundraising are concerned. Certainly the opposite appears to have happened – the PIRA are well aware of how inadequate fundraising measures have affected the UDA. When the first author asked one leading

PIRA member about the PIRA's involvement in fundraising, his denials that the PIRA were involved in criminal activity did not appear surprising. However, his subsequent comments were of greater interest:

'You're better off looking at the Loyalists. Drugs, extortion, and all that. It's a definite means for them to raise funds. Drugs have always been a means of raising finance for the UDA. Now, from studying criminal psychology and so forth, it's easy to see how this kind of activity has developed. The UDA has sort of originated out of some of the real poor areas of East Belfast, the Shankill road and areas like that and in a sense, although it's... although the fundraising maybe politically orientated to a part, it's certainly criminally orientated as well. They're... I, I don't want to be putting the Republican movement on a pedestal, d'you know what I mean? But I mean, *we're* not involved in that stuff...'

The PIRA is certainly not involved in 'that stuff' – at least not in the same ways the Loyalists have been. Rather⁴³ it is the case that the PIRA was involved in similar activities, but it has developed a sense of strategy within the context of fundraising operations alone. The conclusions outlined at the end of the case studies contrast strongly with those that might be drawn from the UDA's involvement in what has, to a large extent, involved the same type of activities.

The PIRA has apparently placed a stronger emphasis on not being seen to be directly involved in some types of activities (such as the drug trade) as well as *being* involved in money laundering. It clearly has the professional expertise in the non-terrorist world to facilitate and sustain these activities; this contrasts sharply with the types of traditional fundraising activities associated with the Loyalist groups. It is reasonable to assume that the PIRA is involved in these activities *per se*, but it is not easy to see that they are. For example, in the context of the case studies presented here, Joseph was the owner of Konic, and Accountant X was the owner of the Ravendale. On the surface, there was nothing that appeared illegal in any way about these businesses, and who in reality controlled them.

As to whether it is likely that a 'Cook Report' could uncover PIRA fundraising activities to the same extent as the Loyalist terrorists, it is probably unlikely, unless the network interactions between the terrorists, their controllers, and their contacts in the non-terrorist world, are uncovered and illustrated in the context of the types of investment concerns and procedures outlined here. Also the PIRA's specialization of function and professionalism would probably mean that the movement would rarely leave itself open to the extensive humiliation suffered by the UDA when the Cook Report exposed crude extortion attempts. Certainly, the level of

internal corruption frequently seen within the ranks of the UDA would not even be considered, let alone tolerated, within the ranks of the PIRA. As Clarke⁴⁴ tellingly states: 'People like [Martin] McGuinness are no pushover. They are not motivated by the desire for fame, fortune or political recognition. They are a lot more resolute, more capable of keeping their eyes on the big picture and a lot less corruptible than most constitutional politicians'.

Returning to the point about ideological control, the 'atypical' PIRA activist may have been protected in some ways from what Bruce suggested as a problem of 'self-image' identity crisis for UDA members, because of the particular ways in which task specialisation works within the Republican terrorist movement. The interview material for the present research supports the notion that PIRA activists in general genuinely did not seem to be aware of the processes involved in the transfer of funds and investment in properties. While they may be aware of whether or not some property is owned or controlled by the 'Republican movement', that is probably the sum total of what is known.

The need-to-know principles of security apply to fundraising as much as they do to other activities. And this appears to work in reverse. The accountants did not occupy any formal role within the PIRA's command and functional structure, and one of the one-time accountants interviewed claimed to know little about his own boss's activities at all. Certainly he did not have access to any knowledge or information related to the activities of the Provisional IRA.

As we have seen, however, the necessary secrecy imposed as a result of leadership concerns does not always work to their own advantage. The second fundraising case study illustrated that the problems of failure to adequately manage funds is difficult to counter even for the PIRA. In a scenario perhaps reminiscent of the UDA's internal theft which catalyzed the movement's fall from what little grace it had towards the late 1980s, X's involvement in the 'mismanagement' of the Ravendale illustrates just how his PIRA bosses in the Finance Department remained unaware of the fact that his efforts at personal enrichment apparently allowed the organization *per se* to suffer. This is yet another example of how, despite several underlying strategic and organizational concerns and practical measures, secure organizational functioning is difficult to enforce even with the years of experience that many veteran PIRA members have.

The Longevity of Terrorism as a Function of Terrorist Fundraising

Anderson⁴⁵ argues that financial gain is the incentive that *keeps terrorism going* in Northern Ireland. Indeed, Maguire⁴⁶ suggests the radical hypothesis

that finance holds the central role in explaining the longevity of terrorism in Northern Ireland, since terrorist organizations have (true to the nature of organizations more generally) become 'self-sustaining entities within their own ethnic communities... by providing a range of inputs to their communities'.⁴⁷ For example, Anderson emphasizes the nature of the service which the PIRA's security companies provide with their protection money scams, in that the owners of businesses under the protection of the PIRA are: 'probably grateful on one level... now firmly under [the PIRA's] protective wing, he won't be leaned on or bombed by another paramilitary organization'. This theme needs some further exploration before conclusions about the assertions of Anderson and Maguire can be evaluated.

Maguire's conclusions are, on the surface, recommendations for studying terrorism with a particular emphasis on the surrounding environments within which terrorist movements exist and thrive. In Maguire's analysis, as with Adams', by focusing on the provision of 'goods and services' to constituent communities, this might go towards explaining why at least some level of support exists for the terrorists. Less clear is the role of goods in light of the increasing number of accounts emphasizing the particular types of 'services' provided by the paramilitaries since Morrissey and Pease's early account of how the PIRA have provided an informal justice system (also Pyle⁴⁸ and Silke⁴⁹). Maguire's thesis is based on the assertion that the reason why terrorists go into business involves playing 'a more active role in the formal economy'.⁵⁰

Such arguments do not only apply to Republican terrorism. The provision of services by the Loyalist paramilitaries to their communities was very evident in the early days of the campaign,⁵¹ and particularly during the Workers' Strike of 1974. Tommy Lyttle, a senior UDA member in West Belfast reported that the UDA were 'buying large supplies from Northern Dairies' and that the UDA had so much in stock that they would actually be distributing some of it free of charge.

A UDA statement,⁵² following Lyttle's announcement that the UDA was not making any profits from the sale of the milk, read: 'We know we have your full support and we will make every effort to ease the situation as regard milk and food supplies. Any hardship should be reported to your local paramilitary commander or welfare unit. We will try to help where possible'. Such hardship resulted from the strike that the UDA had organized, resulting in lack of pay for workers and families.

Hence the UDA, although not making a profit in a financial sense, clearly mitigated against any potential backlash for its role in the strike by the families of the workers. In 1974, the UDA, still a legal organization, answered claims that it was trying to move into the 'liquor business'.⁵³ Following allegations that the UDA purchased three bars in Belfast, 'run

along commercial lines, with the profits being used for the benefit of loyalist prisoners and their dependants', the UDA admitted: 'We have three bars now, two in West Belfast and one in the East'.

Anderson⁵⁴ takes Maguire's argument and makes it more explicit, describing factions of the PIRA in Belfast as having 'a very good reason for wanting to sabotage any prospect of peace, one that has less to do with flags and more to do with money'.⁵⁵ Anderson's argument does not address the apparent inconsistency, however. He argues that financial reward is a strong incentive for terrorists to remain conducting a terrorist campaign, particularly with respect to the PIRA. Yet on the other hand he goes to great lengths to emphasize that this money goes into the 'war effort', and not to fund individuals, as in the case of the Loyalists.

If the majority of this money goes into funding the PIRA's campaign of violence, one would imagine then that sustaining finances for personal gain during ceasefires should not be such a great, or realistic, concern. This would assume of course, that during ceasefires the terrorist group has the intention to pursue the achievement of its own stated aims, and returns us to Maguire's central assertions. It is clear therefore that in the current climate, and especially given the details that have emerged recently from the extraordinarily detailed House of Commons Northern Ireland Affairs Committee report, there are worryingly ambiguous answers to such questions.

Far too little is known about the black economy in Northern Ireland, how much of it involves terrorists and how much involves non-terrorist criminals, and perhaps whether some or all involves both groups. It might be attractive to attempt to formally measure the extent and 'size' of 'black economies', but perhaps to the detriment of examining just why and how they develop. Certainly an effort to strengthen the social and civil bases from which responses to these problems must develop must occur in order to debase continued terrorist involvement in organized crime in Northern Ireland.

From the accounts presented here, the PIRA's investment (and their seeking of investments) does not appear to be determined by a concern to play an active role in either formal or informal economies. It is perhaps made more relevant by the fact that both the case of money lending to Joseph (and NN's subsequent interest in the development of his business) and NN and X's involvement in the Ravendale Hotel, took place in the Republic of Ireland, away from the urban base of Belfast and other Republican areas. There are no 'services' and 'goods' to be provided of the type Maguire presents to us, apart from providing the basic hotel and bar services which any other hotel and bar provides. The costs are the same – not cheaper, not more expensive, and we may have to rethink just what the criteria for success is as far as terrorist money laundering is concerned.

It is clear that actual profiteering by the PIRA from such pubs or other businesses is probably overestimated. Unless the PIRA effectively run a well-managed and successful business venture for several years, it is unlikely that profits from money laundering will play a substantial role in meeting the real expenses of the movement.

There are several outstanding issues from discussing fundraising, however, all of which provide fruitful areas for further investigation. One particular theme that emerges is the level of expertise that the PIRA appears to display in contrast to their Loyalist counterparts. A major conclusion Bruce⁵⁶ points to about the differences between UDA and PIRA fundraising is that during its campaign, the PIRA had access to a recruitment and support base which is far wider than that available to the Loyalist terrorists: 'The IRA is able to recruit across a far wider spectrum of the class structure. Although it is primarily a working-class organization, it has some support from the university-educated middle classes and hence access to the accounting, legal, and business skills required to "launder" its funds'.⁵⁷

Bruce argues that this is why the UDA raised and managed its financial resources in a less professional manner. It is difficult to say whether the PIRA's financial sustenance was or is solely due to its greater professionalism, especially when one looks at how 'professional' the PIRA's accountant X was in the management of the Ravendale, it does not appear very promising for the GHQ Finance Department. The lack of expertise that Bruce refers to might more adequately be compensated for if other terrorist groups adopted similar internal organizational measures to those of the PIRA – specialization of function is one that particularly applies, but accountability and discipline represent the practical measures which most terrorist organizations at least in principle aspire to.

Another inescapable fact is that it is difficult to make generalizations about PIRA fundraising *across time*. If we compare and contrast the PIRA's fundraising activities in the early days of the movement and those it was involved in at the time of the current research, the differences are many, as far as both the nature and extent of those activities are concerned. The heterogeneity in the nature and range of fundraising activities necessarily requires us to examine particular fundraising activities within specific organizational, social and political contexts. The examples of the Adare robbery (and activities against the Gardaí in the Republic more generally) illustrate one set of concerns (clearly related to internal organizational pressures that needed attention) while the strong evidence for lack of involvement by the PIRA in the drug trade represents another set of concerns, this time directly related primarily to the political process. Indeed, at this point it may be useful to briefly broaden the discussion to a consideration of the PIRA command structure in this light.

Organization of structure and function

There is a need for future research to reflect a greater appreciation of the wide diversity and differences encompassed by terrorist activities, and the implications of this. When we initially speak about the individual involved in terrorism, we know now that there are many different kinds of involvement. Active service is only one of many, and it is increasingly obvious that the reasons people join a terrorist group can have little bearing on what they subsequently do as terrorists (or as something else). Having appreciated the organizational context to PIRA terrorism, we can see that, despite (or perhaps because of) the fluidity of the movement, there is extensive differentiation and specialization of function. Even the persons who commit the terrorist 'act' may be characterized as differing in the level of activity in which he/she engages – be it full-time, part-time, or the very part-time, as epitomized by 'sleepers'. There may be individuals who directly aid and abet the offence itself – the driver, the lookout, the carrier or storer of weapons. There may be the individual who offers support indirectly, for example, by allowing the PIRA to use his/her home as a 'safe house', providing respite and sustenance.

It is clear that the PIRA invested in the development of contextual and often context-specific internal and external support as a reflection of the concerns of the leadership. On the one hand, the direct procurement of funds was ensured by engagement in explicit terrorist moneymaking procedures, for example, armed robberies. The accountants and money 'managers' who were put in place to manage and invest this money represents another different side to this, one that the 'procurers' were not necessarily aware of. The hidden supporter represents another element in this chain, which is not unimportant by any means, as the PIRA rely on both hidden and passive contributors and supporters. This may range from the donation of small amounts of money in subscriptions to *An Phoblacht* or by the support of the Republican cause through attending benefit dances and other fundraising events. This part of the Republican 'universe' is important in other tangible ways – through, for example, the active support for the families of prisoners or those killed on 'duty'.

Conclusion

Parts 1 and 2 of this article have modestly attempted to argue a case for greater investment of researchers into a poorly understood set of terrorist activities, traditionally elusive to empirical enquiry. There is no doubt that law enforcement and intelligence agencies have access to data which would greatly benefit research efforts, and while we have hopefully demonstrated

that it is possible for academic researchers to access primary data on terrorist fundraising, the issue of access and cooperation needs greater discussion.

Furthermore, despite some difficulties given the nature of the area under investigation, attempts to strengthen both the internal and external validity of any conclusions we may draw from the data were paramount in the current effort. Given the current climate and the ways in which the role of the terrorism researcher is rapidly changing, any efforts to collect and interpret primary data on issues such as terrorist fundraising ought to be encouraged if we, as scholars, are to seriously entertain the possibilities of greater conceptual development in the broader area of political violence research.

One final point may be made. Unusually, the work reported in this paper (and its predecessor) has a discipline base in psychology, rather than in sociology, anthropology or political science. The significance of this lies in an openness to move beyond social constructions of terrorism to embrace, within a social context, a sense of the individual exposed to, and reacting within, dynamic environmental forces. Notions of process, flexibility and reactivity therefore become increasingly significant factors in our understanding. Further explorations of the significance of these constructs in understanding the 'process' of terrorism may well improve our conceptual capacity in this area.⁵⁸

NOTES

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