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P R E S S R E L E A S E

CONFIDENCE DEBATE: EXTRACT FROM SPEECH BY EAMON GILMORE TD

WOODS CHALLENGED OVER FAILURE TO ACT ON S.W. FRAUD CASE

POLITICAL PULL USED TO AVOID PROSECUTION

GILMORE QUOTES REPORT OF S.W. OFFICERS

The Minister for Social Welfare, Deputy Woods, during the course of his speech this morning followed the example given his party leader, Deputy Haughey, and his discredited colleague the Minister for Justice, Deputy Burke, by launching into yet another attempt to smear the Workers' Party.

Deputy Woods would be far better off doing the job for which he is so generously paid by the taxpayer and attending to the affairs of his Department. In the course of his speech to the Fianna Fail Ard Fheis last March the Minister said that 'an extra #20 million of taxpayers money would be saved in a new crack-down on PRSI related fraud' and that he would be 'ensuring that employers comply with their PRSI obligations'. Very admirable objectives, but I would like to ask the Minister to respond to very serious allegations which have already been drawn to his attention by my colleague, Deputy Eric Byrne, about the failure to initiate proceedings, as recommended, against an employer in County Leitrim. I particularly want to ask him if the failure to take action was due to the political connections of the employer involved.

I understand that the employer in question, who is based in Carrick on Shannon, Co Leitrim, was under observation by the Department of Social Welfare for two years for suspected false accounting and making false returns of PRSI. Last November the employer and his employees were interviewed, and as a result of the information received, both the Revenue Commissioners and the Social Welfare Officers involved pressed for prosecutions, under four separate headings dealing with various breaches of social welfare legislation and regulations. I am informed, however, that no such action was taken.

over/-

I have in my possession a copy of the report of the investigating officer which was submitted to the Supervisor of the Special Investigations Unit of the Department of Social Welfare. The report gives details of the activities of the employer in question, Mr. Liam Farrell, trading as William Farrell and Son, Main St, Carrick on Shannon. It talks of employees being paid #15 per day into their hands, no prescribed records being kept in respect of certain employees, incomplete records being held in respect of other employees, wage details in respect of others being greatly understated. It also reports that Mr. Farrell stated that his staff were paid by cash, employees subsequently admitted under questioning that they were actually paid by cheque - the significance of this being, of course, that there is a record of cheque payments.

The Report recommended that prosecutions should be considered under 4 separate headings dealing with various breaches of social welfare legislation and regulations, yet no action has been taken against Mr. Farrell, and certainly up to recently not one penny had been paid in respect of the outstanding underpayment.

I think that this House is entitled to an explanation from Minister Woods as to why no action has been taken. I know that staff in both the Department of Social Welfare and the Revenue Commissioners are furious at the way in which their work has been undermined - that having painstakingly built up the case against Mr. Farrell, no action was taken. They are particularly angry that political pull has been used to protect a corrupt and unscrupulous employer from prosecution. Why has no action been taken against Mr. Farrell? Social Welfare recipients, existing on #40 per week, who might try to make a few extra bob cleaning a few windows, are who are not lucky enough to have a brother as General Secretary of Fianna Fail, are dealt with very harshly by the Department of Social Welfare.

We have heard much in recent weeks about the operation of the golden circle in business quarters. But there is another similar golden circle operating in the political arena, which, it seems, can provide immunity from prosecution.

Dr. Woods is guilty of gross and sickening hypocrisy by publicly denouncing social welfare fraud, while secretly allowing a serious offender to go unpunished.

ENDS

Tony Heffernan -Press Officer