

VOTE 18 - OFFICE OF THE CHIEF STATE SOLICITOR

14. Irregular Encashment of Cheques

Fees paid to counsel or costs awarded against the State are processed through the Chief State Solicitor's Office (CSSO). In general where costs are awarded the relevant cheques, whether drawn directly from the CSSO or from other Departments/Offices, are issued under cover of a letter signed by an official in the CSSO and are made payable to named solicitors or counsel.

In October 1998, following a complaint to the CSSO by a private solicitor about the non-receipt of payment due in respect of costs it was discovered that cheques issued from the Office were being cashed irregularly. In some instances the cheques concerned were generated correctly on foot of proper claims but never reached the payee, while in other instances duplicate and fictitious cheques were generated for the purposes of irregular encashment. The cheques were cashed in a licenced premises and, although crossed, were subsequently accepted by the bank for lodgment to the business's account. The Garda investigation into the matter indicated that 135 cheques, with a value of approximately £61,000, had been so irregularly cashed in the period January 1996 to October 1998. The investigation suggested that the irregular transactions had been carried on for some years prior to 1996, but details of numbers and amounts involved were difficult to ascertain. A member of the staff has been suspended on part pay.

In response to my enquiries the Accounting Officer informed me that:

- The Gardaí were carrying out a thorough examination of all documentation relating to the alleged irregularities and it was his understanding that a considerable amount of investigation work remained to be done as the investigation covers a period of 6 years.
- A preliminary review of payment control procedures indicated that inadequate segregation of duties within the office generally in the procedure for requisitioning and issuing cheques to counsel and solicitors and a lack of computerised checks on the issue of duplicate payments facilitated the alleged irregularity. New computer based checking routines had now been implemented in the general accounts area to provide comprehensive checking facilities. Total segregation of duties would require additional staff resources which are not available at present. A further possibility, also under consideration, is to have all Departments/Offices issue cheques, in respect of both costs and awards, direct to the solicitor involved rather than routing them through his Office. A more detailed review of this matter will be carried out when the results of the Garda investigation become available, and any further procedural changes deemed necessary will be put in place.
- Internally, he had endeavoured to ascertain (through a limited sample) if cheques were irregularly cashed at outlets other than the particular licensed premises. Neither the Gardaí nor his Office had come across any irregular encashment anywhere other than at the one licensed premises. That being so, he could only conclude that the irregular encashments through the licensed premises represented the full extent of the misappropriations. The Gardaí are still endeavouring to obtain details of possible irregularities prior to January 1996, but a number of factors including the disposal of some older records is making this difficult. He had no current knowledge as to how that part of the investigation is progressing.
- He proposes to seek full recovery of the amounts irregularly cashed and formal legal advice is awaited on this matter.