

Grant aid for councillor's failing firm

● Embattled Donegal councillor O'Donnell got €122k from Gaeltacht development agency

BY SEAN HILLEN

An independent councillor who featured in an RTÉ Investigates programme was given a €122,000 grant by the state's Gaeltacht development agency.

John O'Donnell appeared on an RTÉ Investigates programme last month in which he appeared to ask for cash for political favours. He has subsequently denied the allegation.

But documents reveal that the Donegal County councillor was awarded a grant of €122,000 by Údarás na Gaeltachta, whose role is to promote economic development in the Gaeltacht.

Part payments were made by Údarás to Dúncrua Teoranta – a company established by O'Donnell on which he was both director and secretary – up to December 2008.

But just months later, the company went into liquidation.

Údarás na Gaeltacht confirmed in a statement that it granted O'Donnell the money, had paid €66,850, and then tried to recover it, with no success. O'Donnell said he employed ten people in 2008 and one in 2009.

A second director of Dúncrua Teoranta, also company secretary, was O'Donnell's fellow county councillor Michael McBride.

Both men were members of Fianna Fáil then, but label themselves independents.

High Court proceedings began against Dúncrua Teoranta by Corus (Steel Company of Ireland) in September 2008, with money awarded to Corus in March 2009. Another company owned by O'Donnell, Kilmac Form Work Ltd, went into receivership with debts of €4.8 million, much of it owed to AIB Finance.

Sinn Féin finance spokesperson Pearse Doherty said



John O'Donnell

he would be seeking further information about the awarding of the grant.

"State bodies, especially those heavily involved in spending of public money such as Údarás, must be seriously scrutinised and transparent. "I will find out more details about the initial proposal John O'Donnell put to the board," he said.

Former Donegal mayor Frank McBrearty, who resigned from the council's Independent Grouping, said that action was needed.

"I will call on councillors to ban John O'Donnell from all committees," he said.

Fellow councillor Micheal Cholm Mac Giolla Easpuig agreed, saying that public confidence in Donegal County Council was falling.

"State bodies, including Údarás, must be accountable. They are supposed to work in the public interest," he said.

O'Donnell is also due before court relating to a payment of €33,000 compensation legally entitled to a Donegal-based German woman, whom he injured when he drove over her foot on a building site in 2000.

Judge Paul Kelly earlier this month ordered O'Donnell to court on February 3 to answer questions in relation to the case or he would have him arrested.