

My own analysis of Email 2 above (in the previous email communication I sent to you) upon which you can compare your own analysis/expert opinion:

My experience with the Irish Government on the FDI/business side to help create jobs in Ireland has revealed to me what seems to be a serious injustice.

In summary, one of the investor groups I established brought a world class life sciences company to Ireland to consider setting up an operation in Ireland. In all, my group engaged this company with the Irish Government as often as possible over a period spanning approximately four years. All companies setting up operations in Ireland are eligible to apply for Irish Government funding, tax, employee etc. incentives. One such incentive at the time that my group decided to submit an application to was the Innovation Fund Ireland program (IFI). Two Government agencies manage the IFI program: Enterprise Ireland (EI) and the National Pensions Reserve Fund (NPRF - legislation now pending to liquidate the Fund's discretionary portfolio that partly supports future social welfare and public service pensions). International Venture Capital Fund Managers can apply for matching funding under the IFI program to leverage their own investment to create new businesses and jobs in Ireland, and help develop Ireland ultimately as a Global innovation hub. My Group was structured as a startup Irish Venture Capital firm to apply for funding on behalf of the above life sciences company. The IFI program is touted as being a Euro 500 million fund, 250 million of which is meant to be given by the Irish Government as matching funding to attract venture capital funds and businesses to Ireland.

So what was this possible serious injustice?

The National Pensions Reserve Fund it seems did not follow correct processes, and possibly unjustly awarded tens of millions of Euros to one of the applicants to the IFI program, a U.S. based Venture Capital Firm (VC firm), outside the parameters of the IFI program, and just before the collapse of the Fianna Fail Government.

Specifically, **immediately after** the closing date for applications to the IFI program and not long after the Irish Government had accepted the humiliating approx. Euro 80 billion EU-IMF bailout but **just before the fall of the Fianna Fail Government**, according to Enterprise Ireland it was perfectly acceptable for, and it seems Enterprise Ireland allowed, the NPRF, which jointly manages the IFI program with Enterprise Ireland, to circumvent the IFI evaluation process that all applicants to the IFI program had to undergo, and 'independently' and arbitrarily award Euro 50 Mil. (a significant portion of the money set aside for the IFI program) to **one** of the 32 applicants to the IFI program, a U.S. based VC firm (and if you continue reading, most if not all of this money could have left the country).

How can you invite investors to submit an application to a competitive tender (IFI), and then immediately give away tens of millions to one of the applicants before you have fairly evaluated and

shortlisted all other applications, and just before the fall of a Government? Answer: You can't! Once an applicant, in this case the U.S. based VC firm, has submitted an application for funding under a competitive tender, in this case the IFI program, it has to be treated like all other applicants. In this case, the Government had no right to give this U.S. based VC firm funding when it did. No exceptions!

This would seem to be a very serious breach of the Expression of Interest/competitive tendering process. An expression of interest is a multi-staged process that requires various assessments of applications before funds can be awarded. I was even told verbally by Enterprise Ireland themselves over the phone that even after the initial IFI evaluation process was complete, a more detailed evaluation process would then begin once applications were narrowed down, which is exactly how this process is meant to work. Why then was this U.S. based VC firm given what seems to be preferential treatment?

So how do I know this? I'm actually surprised nobody else noticed this possible injustice by now, but then again, I never suspected anything at the time either.

Email 2 (Appendix A in previous email I sent to you) was the reply I received from Enterprise Ireland when I first questioned back in 2011 the timing of this disbursement of funds to this U.S. based VC firm. I want to make clear that the U.S. based VC firm is not in question here as I have no reason to believe that it acted in any way inappropriately, and can only assume it followed the appropriate application process like all other applicants.

Immediately below is an extract from Email 2 excusing (quite a weak excuse) the NPRF's disbursement of funds to this U.S. based VC fund outside of the IFI evaluation process.

According to Enterprise Ireland:

"The NPRF and EI intend to invest alongside each other following the call for expressions of interest however both have the authority under their respective mandates to invest separately. On this independent basis the (XXX VC firm) investment was made by the NPRF in November/December."

According to Maurice Landers:

"No, both do not have the authority, not when they are both part of, and jointly manage a competitive tender/expression of interest program such as Innovation Fund Ireland, wherein no one applicant can be given preferential treatment."

First, certainly had the NPRF **not** claimed this U.S. based VC firm to be a recipient of the IFI program, it could have independently invested in this firm under its own commercial mandate (assuming it had one back in 2010. Perhaps it didn't?).

Second, the IFI expression of interest document (attached) clearly states that:

“Innovation Fund Ireland will have up to €250 million available to make commitments. This funding runs along **two parallel tracks**.

The first one comprises a €125 million pool of funds provided by the Exchequer and managed by Enterprise Ireland. Successful applicants who receive an investment from Enterprise Ireland will have to commit to investing an equivalent amount in Irish companies or companies with significant Irish operations over the lifetime of their fund.

The second one is for a similar amount and designed to allow Ireland’s National Pension Reserve Fund to make **a similar level of commercial investments** assuming its criteria are met.”

The awarding of Euro 50 Mil by the NPRF to the U.S. based VC firm does not comply with the above. It did not run along “two parallel tracks” because no parallel funding was awarded by Enterprise Ireland.

And how could Ireland’s National Pension Reserve Fund have made “a similar level of commercial investments...” in this U.S. based VC firm if Enterprise Ireland had not yet invested in the same firm under the IFI program?

And third, it is even clear, not just implicit, from Enterprise’s reply to me in 2011 (Email 2) that both agencies had to follow the same evaluation process, because Enterprise Ireland clearly states in its very own words that its intention, hence the intention of the IFI program, was such that both agencies “[intend to invest alongside each other](#)”.

Was the email reply (Email 2) I received from Enterprise Ireland back in 2011 a deliberate attempt by Enterprise Ireland to misconstrue the parameters of the IFI Expression of Interest program?

Had the NPRF invested in this U.S. based VC firm **following** the evaluation process, then no injustice would have been done, but it didn’t, it gave funds to this firm **before** the evaluation process had been completed, and perhaps even before the evaluation process had even begun. By April 2011 when the evaluations were complete, a new Government was in place. So now you see a possible reason why it was so important to disburse funds to this U.S. based VC firm asap.

Incidentally, it’s unusual that the amount awarded, Euro 50 mil., to this U.S. based VC firm equaled what I thought was the maximum that both Enterprise Ireland and the NPRF collectively were going to award any one applicant under the IFI program either per year or to a total of five venture capital funds. Although I admit I cannot remember where I heard this, either verbally from EI or in a prior document I read, I therefore researched the internet to see if I could find an article to corroborate this. The closest I

could find was an article by Karl Whelan, Economist University College Dublin, which said “As I understand it, this is Euro 250 million from the Irish Government spread over five years (Euro 50 million per year) matched by private venture capital funds.”

So although the NPRF circumvented the IFI evaluation process, in doing so, it may have also possibly enabled Enterprise Ireland to in effect do likewise i.e. if Euro 50 mil. was the max., then it must have also included Enterprise Ireland’s portion of funding.

And according to an Irish Times article on Innovation Fund Ireland “The main difference between it and the NPRF, however, is that Enterprise Ireland will also require venture capital firms to match the Government’s contribution by investing an equivalent amount in Irish companies, or companies with substantial Irish operations, over the lifetime of their fund.”

Since the NPRF awarded the Euro 50 mil., does this then mean that this U.S. based VC firm **also** did not have to comply with Enterprise Ireland’s matching requirement? And remember, there’s no requirement that funds awarded by the NPRF go directly into any Irish company, so this would have enabled this U.S. based VC firm to take all of this Euro 50 million out of the country.

What’s even more unusual is that according to this same article i.e. a quote within it from a General Partner of the U.S. based VC firm, you could infer from it that the NPRF had possibly already committed to giving the Euro 50 million to this U.S. based VC firm before the closing date for applications to the IFI program, and who knows, maybe even before the announcement of the IFI competitive call itself. Only the above general partner of the U.S. based VC firm would be able to confirm this.

But if in fact this was the case, then why did, and how could, the NPRF announce the awarding of this Euro 50 million under the IFI program in the first place? This in my opinion would be an even bigger breach than that which I have detailed above as not only would the NPRF have circumvented the IFI formal evaluation process, but it would also have unfairly and prematurely told one of the applicants the outcome of a competitive tender (that the applicant was going to receive funding) before the closing date for applications to the competitive tender.

So you can now see that there are a lot of questions that need to be answered here.

Additionally, included in Appendix A (previous email I sent to you) are the two email replies I received from the Irish Government, one recently in response to my concerns (from Minister Bruton's private secretary), and the other I received from Enterprise Ireland back in early in 2011 upon which my concerns/issues are based. **I also believe both emails are inconsistent with each other to some extent.** For example, the most recent response I received from Minister Bruton's private secretary mentions 25 applicants to the Innovation Fund Ireland program, while Enterprise Ireland's email back in 2011 mentions 32 applicants. The Government is already contradicting itself, and it would seem, based on their most recent email to me, trying to distance certain applicants, perhaps including this U.S. based VC firm, from being a part of the IFI program.

Please note that the most recent reply I received from Minister Bruton's office didn't even hint at any type of acknowledgement of inappropriate behavior by the previous Government and its agencies, which means that the Minister must find this type of business practice perfectly acceptable.

Anyhow, the purpose of my email to you is because it is clear to me now after having received the Irish Government's response, or lack thereof, to my concerns, that it is going to do nothing further about this issue. I am hoping that somebody will be concerned enough to do otherwise. I am also in the process of reaching out to investors who applied to the Innovation Fund Ireland program.

In essence, my concerns propose that at the core or root of possible corruption within the Irish Government is its **agencies**, as they are in the position to facilitate any inappropriate requests, relating to the disbursement of funds, by the incumbent political party. Political parties are elected in and out of power, but many employees at agencies such as Enterprise Ireland and the NPRF, which control part of the national purse strings, are long-serving civil servants that in many cases never leave their Government posts, aside from career movement to different pay grades. Any inappropriate requests by party incumbents can only be facilitated by senior level employees at these agencies. These agencies have at least a fiduciary responsibility to the Irish people. Therefore, this issue resonates deeper within the Irish Government and I believe this could have serious repercussions for the general public, and in particular, future investors in Ireland and how fairly they're treated. Keep in mind, Innovation Fund Ireland was responsible for awarding Euro 250 million of tax payer funds to worthy projects beginning in 2011, of the order of magnitude of 10's of millions per winning project, no small amount of money.

I believe in this case, Enterprise Ireland and the NPRF may have facilitated at the minimum an inappropriate request by the Fianna Fail Government before its demise. However, equally troubling is that the current Fine Gael Government does not want to do anything about it (this is the transparency the Government repeatedly refers to). Why would the current Government be reluctant to investigate the actions of these Government agencies, when by not doing so can have serious repercussions for the General Public and future investors in Ireland? **This is the serious conflict of interest that I believe prevents any hope of reducing or eliminating potential corruption within the Irish Government regardless of which party is in power.**

This issue I believe demonstrates that it was apparently back to business as usual in the Irish Government as early as late 2010 (**did they learn any lessons from the crisis?**) because Government agencies were seemingly willing to unfairly favor one group of investors over another within a competitive tender program. Therefore it seems the danger is as strong as ever that the Irish Government will again compromise domestic and international investors. Are there other existing Irish Government funding programs possibly compromised? Although I may be unsuccessful in my efforts to get full justice if indeed an injustice has been done (who wins against the Irish Government when it can use Irish taxpayer money to defend itself against the Irish taxpayer), my communication to you is a first step in an attempt to permanently include independent oversight on future Enterprise Ireland and NPRF funding/investing evaluation committees. Ireland it seems cannot be trusted to unilaterally award

funding on a fair and meritorious basis. I also hope that those responsible at Enterprise Ireland and the NPRF are brought to justice if found to be in the wrong. I have no intention of seeking compensation for myself. It's not about the money. This will most likely cost me money as many of my community efforts have in the past.

I've exhausted every avenue towards reaching a satisfactory resolution of this issue through the Irish Government, but its response to my issue has been very limited (see reply to me below from Office of the Minister (Richard Bruton TD) for Jobs, Enterprise and Innovation – Appendix A), which is very unusual to say the least since I have been very engaging over the years with the Government on many fronts (given voluntary suggestions including relating to immigration, the Gathering, ideas on applying a 'sales' approach to attracting FDI).

Incidentally, I now see the Irish Government reaching out to 'its' Diaspora. No doubt those within the Diaspora like myself had to leave Ireland for a job, and made their own way in a new land with no help from the Irish Government. But now that the Irish Government sees value in the Diaspora, it is trying to own it by appointing official Government roles and bodies responsible for the Diaspora. And I would have been somewhat fine with that had they not, the first chance they got, seemingly abused my (Diaspora member and Irish citizen) efforts to bring a top notch project (and investors) to Ireland to provide excellent jobs and opportunities. Now I'm convinced that the Irish Government's involvement in the Irish Diaspora, beyond its traditional small role in supporting some Irish social and immigrations organizations, will only serve to act to transform the Diaspora into a power structure resemblant to the political system back home. We the Diaspora have worked too hard to let this happen.

Thankfully, I'm still on good terms with the life sciences company above, although after engaging with the Irish Government as often as possible over a four year period with no result, it no longer has any interest in setting up operations in Ireland. My group wasn't discredited by this, only possibly the Irish Government.

Please understand that what I express in this email are only allegations, until such time as a ruling by an Irish and/or European court determines otherwise.

Kind regards

Maurice D. Landers