

**THE HIGH COURT**

[2022] IEHC 550

[2020 NO. 22 CAB]

**PROCEEDS OF CRIME  
IN THE MATTER OF SECTION 3(1) OF THE PROCEEDS OF CRIME ACTS 1996-2016**

**BETWEEN**

**CRIMINAL ASSETS BUREAU**

**APPLICANT**

**-AND-**

**STEPHAN SAUNDERS & TAMMY SAUNDERS**

**RESPONDENTS**

**JUDGMENT of The Hon. Mr. Justice Alexander Owens delivered on the 6th day of September 2022.**

1. This is an application by the Criminal Assets Bureau (the Bureau) for an order under s.3(1) of the Proceeds of Crime Act 1996 (the 1996 Act)
2. Stefan Saunders and his wife Tammy Saunders (née Gillard) own a house at Hazelbury Park, Dublin 15 (*Hazelbury Park*) comprised in Folio DN135866F. They bought *Hazelbury Park* in 2005 for €360,000 with a mortgage loan of €324,000 from Ulster Bank. *Hazelbury Park* was extended and refurbished shortly after it was bought.
3. Stefan Saunders and Tammy Saunders also owned a house at Mayeston Lawn, Finglas, Dublin 11 (*Mayeston Lawn*). They bought *Mayeston Lawn* around July 2006 as a buy-to-let investment for €300,000 with a mortgage loan for €255,000 from First Active plc, a subsidiary of Ulster Bank.
4. *Mayeston Lawn* was sold recently in their personal insolvency arrangements. A small surplus on this sale was used to reduce the mortgage balance owed on *Hazelbury Park*.
5. The Criminal Assets Bureau (the Bureau) claims that *Hazelbury Park* and *Mayeston Lawn* were bought with proceeds of crime or in connection with property that, directly or indirectly, constituted proceeds of crime. The Bureau claims that *Hazelbury Park* and *Mayeston Lawn* were acquired with proceeds of criminal activities of Stefan Saunders.
6. The Bureau invites me to conclude that the sources of value given to acquire the two houses and to extend and improve *Hazelbury Park* comprise or include or are connected with proceeds of crime and that each of the properties "...constitutes, directly or indirectly, proceeds of crime..." and "...was acquired in whole or in part, with or in connection with property that, directly or indirectly, constitutes proceeds of crime..." within s.3(1)(a), (i) and (ii) the 1996 Act.
7. The Bureau relies on affidavit evidence of belief of the Chief Bureau Officer as to the matters set out in s.8(1) of the 1996 Act in relation to each of these two houses. This affidavit sets out the basis of his belief that Stefan Saunders was involved in criminal activities and that the properties were acquired with proceeds of crime and using arrangements to launder proceeds of crime. He relied on information contained in the other affidavits filed on behalf of the Bureau in forming this belief. These affidavits and the exhibits contain a wealth of details which support this belief.

8. I have considered the material presented by the Bureau in these affidavits and exhibits. These materials include documents submitted to support mortgage applications, revenue information relating to earnings, VAT, and motor vehicles. They also include copies of statements relating to several bank accounts. This information provides very strong and persuasive support for the beliefs of the Chief Bureau Officer that *Hazelbury Park* and *Mayeston Lawn* were acquired by Stefan Saunders and Tammy Saunders using proceeds of crime. There are reasonable grounds for this belief of the Chief Bureau Officer in relation to both assets.
9. In summary, I have concluded from this evidence that proceeds of crime from activities of Stefan Saunders as a member of a gang of robbers funded a spending spree by Stefan Saunders and Tammy Saunders on houses, cars, and businesses between 2005 and 2008 and that they got into financial difficulty from 2010 because they did not have access to enough money to meet commitments at that stage.
10. These conclusions apply to the sources of funding for acquisition of the two houses and the renovation of *Hazelbury Park*. They also apply to sources of funding for mortgage payments until 2010, when the mortgages fell into arrears. They also apply to rental income received by Stefan Saunders and Tammy Saunders for *Mayeston Lawn* and to surplus funds from the recent sale of *Mayeston Lawn*. These benefits were all derived from proceeds of crime.
11. The material advanced in evidence by Stefan Sanders and Tammy Sanders is insufficient to demonstrate that these core conclusions are incorrect.
12. I do not accept some of the contentions advanced in affidavits presented by the Bureau. The Bureau suggests that *U Design* trading receipts may have been a vehicle to launder money. There is insufficient evidence to support this.
13. It is necessary to avoid speculation where records such as bank account statements or business vouchers are incomplete or not available for periods in the past. However, sufficient records of transactions and other items of documentary evidence are available to enable this Court to draw inferences on matters relevant to the key elements of the Bureau's claim.
14. Evidence presented by the Bureau shows that between 2003 and 2006 Stefan Saunders and Tammy Saunders had access to amounts of money grossly out of kilter with possible sources of legitimate earnings. From April 2005 until 2007 they engaged in a spending spree on expensive cars, houses, and extensive renovation of two properties using funds which cannot be explained except by reference to access to proceeds of crime. I accept the conclusion of Bureau Forensic Accountant No 3 that their expenditure did not square with their identified legitimate sources of income.
15. This spending spree is not capable of being explained away as a mixture of legitimate earnings from businesses or employments and easy access to cheap sources of credit. Evidence establishes that other factors were in play.

16. Money from unidentified sources was used to part-fund acquisition of houses and at least one car and to renovate two houses. Money from unidentified sources was also used to provide working capital for an interior decoration business (*U Design*) established in June 2005 in Berkeley Road in Dublin. Money from unidentified sources was used to open and operate hair salons in Berkeley Road and in Meakstown, near Finglas. Stefan Saunders used bank accounts of the hair salons to pay himself weekly income until 2010. The interior decoration business paid wages to Tammy Sanders until 2010.
17. Cash from unidentified sources was used to renovate a house owned by the mother of Tammy Saunders and her partner in 2006, at or very close to the time when they contributed €30,000 which assisted Stefan Saunders and Tammy Saunders in buying *Mayeston Lawn*. Cash from an unknown source was used to pay €17,500 bail money which Tammy Sanders' mother put up for Stefan Saunders in November 2006.
18. In 2007 Stefan Saunders and Tammy Saunders re-mortgaged *Hazelbury Park*. They used this loan to fund monthly mortgage and car payment commitments and lifestyle. This car was bought with a mixture of funds from unknown sources and car leasing finance. The sources of identifiable income available to Stefan Saunders and Tammy Saunders to meet monthly payments for the car and the mortgages consisted of rental income from *Mayeston Lawn*, salary from *U Design* and drawings from the two hair salon businesses.
19. On 30 March 2005, a Brinks Allied security van was robbed of €1,889,000 at a service station in Artane with the complicity of the driver, David Keenan. Four unregistered burner mobile phones were used in the robbery. One of these was in contact with a phone outside the circle registered to a former girlfriend of Stefan Saunders who is also the mother of his older son.
20. A motorcycle imported into Ireland from the UK and used by Stefan Saunders ended up registered to David Keenan in October 2006. Documents relating to this vehicle were located in a search of *Hazelbury Park* in November 2006. Evidence of the subsequent criminal career of Stefan Saunders leads to the unavoidable conclusion that his association with the Brinks Allied robbery in Artane cannot be explained away as unfortunate coincidence.
21. In November 2006 Stefan Saunders and an associate, Francis Murphy, were arrested. Stefan Saunders was charged with drugs offences which were later dropped. Francis Murphy was convicted. Cash bail put up for Stefan Saunders by his mother-in-law at the time was not sourced in her assets. However, she ended up keeping this money when it was repaid.
22. In May 2009 Stefan Saunders was caught lurking along with a convicted criminal in a vehicle which he did not own outside the house of a bank manager in Bray County Wicklow.

23. In January 2010 an employee of a cash in transit company was the victim of a tiger kidnapping in Dublin 4. Forensic traces linked Stefan Saunders to a vehicle used to hold the victim. This vehicle was bought by a criminal associated with Stefan Saunders. This resulted in a charge of false imprisonment and Stefan Saunders spent a period in prison pending a trial which was eventually abandoned as a result of a decision of the Supreme Court.
24. In October 2015 he was spotted lurking in a vehicle in Dunshaughlin, County Meath in the company of Damien Noonan. They had implements of the sort used by burglars.
25. In May 2016 he was at Heathrow Airport with Damien Noonan. On that occasion he also visited an airport car park in a blacked-out vehicle in the company Damien Cummins. A cargo plane used to transit cash from Heathrow Airport to Dublin was visible from where this vehicle was parked.
26. In October 2016 he was caught along with Damien Noonan and Francis Murphy during an attempted armed robbery of cash being delivered at an ATM in Dunboyne, County Meath. They were convicted of offences in relation to this incident in 2018 and sentenced to long terms of imprisonment.
27. Stefan Saunders is about 45 years of age. Tammy Saunders is about 40 years of age. They married in August 2005. They have two children: born in 2008 and 2011.
28. Tammy Saunders had very modest income prior to her marriage. This is disclosed in bank statements relating to her current account at Ulster Bank in Phibsborough which was opened in October 2003. She was unemployed and in receipt of benefit of €148.80 per week until May 2005.
29. Tammy Saunders' mother, *EG*, and her mother's partner, *RC*, also had modest means. They lived in a house in at Rusheeny Court in Clonsilla (*Rusheeny Court*) which was transferred by *RC* into their joint names in April 2005. *RC* did not make tax returns for the period between 2007 and 2010 and he was in receipt of jobseeker's benefit between June 2007 and March 2008.
30. *EG* was operated a small curtain alterations business in 2004. She registered this with Revenue on 1 October 2004. Her tax return for that year disclosed annual turnover of €11,245 and other income of €3,142. *EG* and *RC* operated a joint current account with PTSB.
31. Statements relating to the operation of this bank account for the period from December 2004 to July 2005 disclose their main source of income as a series of irregular credits from "*Team P R Reilly*". These totalled €16,317 odd. These related to *RC*'s activities as a driver or courier. Thereafter, until early 2007, he earned a weekly salary ranging from between €350 and €450 odd, as a driver for Ryan's Investments (Hertz).
32. On 9 May 2005, Tammy Saunders "*T/A U Design*" was recorded as owner of BMW 320 convertible 03D72702 imported from Northern Ireland and registered on 29 April 2005.

The recommended base value of the vehicle was €42,338. VRT of €12,701 was paid using a bank draft. This car was part-funded by €35,000 hire purchase finance to Stefan Saunders from Anglo Irish Bank. He had a previous loan from Anglo Irish Bank which may have been rolled into this arrangement.

33. The source of finance for the balance of the cost of the BMW convertible is unknown. On 6 April 2005 a cheque for €17,000 was lodged to the credit of the joint account of Stefan Saunders and Tammy Saunders at Ulster Bank in Phibsborough and two days later a direct debit for €16,995.57 in favour of "KL Gilbert" was paid from this account.
34. The source of the cheque for €17,000 cannot be traced to any asset or bank account of Stefan Saunders, Tammy Saunders, *EG* or *RC*. Notes in the working papers of Stefan Saunders' accountant describe the €17,000 as "Tammy claim" and the payment in favour of KL Gilbert as for "car". Until 2007 monthly payments to Anglo Irish Bank for this car were debited to the current account of Stefan Saunders at Ulster Bank in Phibsborough.
35. As other explanations given by Stefan Saunders to his accountant have been demonstrated by objective evidence to be false, the explanation that the €17,000 was sourced in a compensation award to Tammy Saunders was questionable. However, I excluded this in reaching my overall conclusion as the Bureau did not present evidence of results of investigations with insurers which might tend to contradict the explanation for the source of this money.
36. In April 2004 *EG* opened a PTSB current account for the business name "*U Design*." Credits to this bank account show modest activity of somewhat less than turnover disclosed in her return to Revenue for "*Curtain Alterations*" in 2004. €2,000 was transferred into the *U Design* account from the joint current account of *EG* and *RC* at PTSB on 21 June 2005.
37. Earlier that month a cheque for €47,945.65 was credited to this joint current account. This credit represented proceeds of a mortgage loan which *EG* and *RC* took on the security of *Rusheeny Court*. A sum of €26,099 withdrawn from their joint PTSB current account on 21 June 2005 was funded by this credit.
38. *EG* took over a business called "Coffey Interiors" which operated out of premises in Berkeley Road in Dublin in June 2005. There is no direct evidence of what, if anything, was paid to acquire this business and take over any tenancy of the premises. The €26,099 debited to the joint PTSB current account on 21 June 2005 may have been used for this purpose.
39. Three round sum lodgements totalling €12,500 from unknown sources were credited to the joint account of *EG* and *RC* in late July 2005. These credits were followed by a withdrawal of €27,000 on 25 July 2005 which matched a cheque credited on the same date to the joint current account of Stefan Saunders and Tammy Saunders at Ulster Bank in Phibsborough.

40. Only €14,500 of the €27,000 withdrawal can be traced to money raised on the mortgage of *Rusheeny Court*. Ulster Bank was told in the mortgage application for *Hazelbury Park* that the €27,000 was a gift to Stefan Saunders and Tammy Saunders.
41. The cost of *Hazelbury Park* was €373,327 odd, including €13,327 odd for fees, duty and outlay. €324,000 of this was borrowed from Ulster Bank on mortgage. This left a balance of €49,327 odd, which was funded from other sources. Of that money €14,500 can be traced as coming from personal resources of *EG* and *RC*.
42. Funding of €22,227 for the purchase of *Hazelbury Park* came from the joint current account of Stefan Saunders and Tammy Saunders at Ulster Bank in Phibsborough. This account was opened 24 September 2004 with a transfer of €13,000. €10,000 of this credit came from the Ulster Bank current account of Stefan Saunders which received credits consisting of a number of round sum lodgements in 2003 and 2004.
43. The cheque for the initial booking deposit of €6,000 for *Hazelbury Park* issued on 25 July 2005. This cheque was referred to in a letter from the vendor's estate agent which set out the terms of the proposed sale. It was drawn on the joint current account of Stefan Saunders and Tammy Saunders at Ulster Bank in Phibsborough. The cheque was paid on 27 July 2005. The balance of non-mortgage funds to close the sale of *Hazelbury Park* was withdrawn from this joint current account on 20 September 2005.
44. The source of other sums credited to the joint current account of Stefan Saunders and Tammy Saunders at Ulster Bank in Phibsborough is unknown. Fresh money from unknown sources credited to this account up to the end of September 2005 when the sale of *Hazelbury Park* was closed. This money totalled €38,170. After the sale was closed, the joint current account enjoyed a credit balance in excess of €10,000.
45. It is clear from the evidence that a large amount of money was spent on extensions and renovations to *Hazelbury Park* almost immediately after it was bought. An application for planning permission to extend this house was submitted in October 2005. This permission was granted in November 2005. The house was extended at the side and at the rear.
46. This work was completed by April 2007, when the house was inspected by a valuer in connection with an application for a mortgage top-up loan of €80,000. The valuer's report described the house as a 5-bedroom semi-detached house, newly refurbished to the highest standard, with a garage, attic conversion and house extension built within the last 12 months.
47. A carpenter was paid €30,000 by Stefan Saunders in instalments of €5,000 in €50 notes. He stated that foreign workers were hired by Stefan Saunders to do the building work. He estimated a total cost of the work at €120,000. The extension was kitted out with expensive sanitary ware, furnishings, projector screens and a jacuzzi. He noticed that Stefan Saunders drove a BMW motor car and that Tammy Saunders drove a BMW convertible. They were not living in *Hazelbury Park* while it was being renovated.

48. The second BMW motor car which Stefan and Tammy Saunders had at this time was a BMW X5 07D54048 with a recommended base value of €98,610. This was registered in the name of "*U Design Limited*" (sic) at *Hazelbury Park* from 28 May 2007.
49. This car was part-financed by a hire purchase loan from PTSB Finance. The outstanding balance on this loan as of 24 December 2007 was €84,606.24. On 2 May 2007, €15,000 was lodged to the Stefan Saunders current account at Ulster Bank in Phibsborough with a notation "*Kevin Kelly*."
50. On the same date the cost of a bank draft for €22,790 was debited to this account.
51. €8,000 of the credit balance used to purchase this draft came from round sum lodgements from unknown sources. These lodgements were credited to the current account on 1 March 2007, 12 March 2007, 23 March 2007 and 17 April 2007. The *Kevin Kelly* amount was noted in working papers of the accountant for Stefan Saunders as a "*loan*". The bank accounts show no evidence of repayments by Stefan Saunders which would support this explanation.
52. A monthly direct debit of €691.25 from the Stefan Saunders current account in favour of Anglo-Irish Bank for the BMW convertible ceased when this car was bought. I infer from this that part of the money from PTSB Finance was used to pay off the Anglo Irish Bank hire purchase loan for BMW convertible 03D72702.
53. When the carpenter completed work on *Hazelbury Park*, he moved immediately to a renovation job at *Rusheeny Court*. This job involved building a sunroom to the back of the house. He was paid €30,000 in in €50 notes in instalments of €5,000 by *EG* for all carpentry work, doors and windows, a fitted kitchen, and for his labour. The foreign builders who had worked on *Hazelbury Park* did the blockwork on this job. They were organised by Stefan Saunders.
54. The bank accounts of Stefan Saunders, Tammy Saunders, *RC* and *EG* give no indication that money was expended on renovation work to houses in 2005 and 2006. Vouchers located in a Garda search of *Hazelbury Park* appear to relate to some items bought during these renovations. The bank accounts of Stefan Saunders and Tammy Saunders were not used to purchase these items.
55. *RC* and *EG* did not have income to finance the cash paid to the carpenter or the other costs of labour or materials relating to the work on *Rusheeny Court*. The money for this came from unknown sources. The money which funded works on *Hazelbury Park* and the expensive fixtures and fittings installed in that house also came from unknown sources.
56. *RC* and *EG* obtained a further mortgage loan of €60,000 on the security of *Rusheeny Court* in 2006. The affidavits and exhibits do not disclose the purpose for which this loan was sought. If it was sought to fund renovations to *Rusheeny Court*, it was not used for that purpose.

57. This mortgage loan was drawn down and a net sum of €59,450 odd was credited to the joint current account of *RC* and *EG* at PTSB on 12 July 2006. €30,000 was withdrawn from this account on 18 July 2006 and lodged to joint current account of Stefan Saunders and Tammy Saunders at Ulster Bank in Phibsborough the following day.
58. The remaining €29,450 credited to the joint current account of *EG* and *RC* remained in that bank account. The credit balance in this bank account was supplemented by a credit of the bail money of €17,500 paid to *EG* which was lodged on 30 May 2007. All of these funds were gradually used up by *EG* and *RC* on mortgage payments and living expenses in the period between 2006 and March 2010.
59. On 30 April 2007 *EG* was registered as owner of Toyota Landcruiser LWB Commercial 06D8290. The joint PTSB current account of *EG* and *RC* does not show any disbursement to finance this. Monthly direct debits to the joint current account in favour of BOIF for €628.96 from July 2007 may relate to this vehicle. These were paid for 3 years. This suggests a finance or HP loan of €20,000, with the deposit to buy this vehicle coming from an unknown source.
60. It is possible that a cheque on the *U Design* current account for €6,000 which was paid on 29 March 2007 relates to this. Revenue records do not indicate that *EG* disposed of any vehicle at that time which could have been used as a trade-in. There was insufficient information to support the drawing of any adverse inference relating to the source of funding for this vehicle.
61. The Bureau invites me to draw an inference that Stefan Saunders was not in fact operating as a self-employed plasterer during the years from 2003 to 2006 and that his returns to Revenue of income from the plastering trade for these years are a pretence to explain credits to his bank accounts which came from other sources.
62. It is impossible to conclude that Stefan Saunders did not work as a plasterer during these years. However, his bank accounts operated in a manner which makes it unlikely that the lodgements and withdrawals recorded had anything to do with earnings from plastering.
63. Working papers retrieved from the accountant who prepared Revenue returns provided no objective evidence to vouch that sums lodged to the bank accounts were derived from this type of trading. Analysis carried out by Bureau Forensic Accountant No. 3 revealed that information supplied to the accountant was limited and that some of that information was unreliable.
64. For example, a P60 Form dated January 2007 purported to show that Stefan Saunders earned €10,095 from a "*John Dunne t/a SPS Security*" during 32 weeks of employment in 2006. This was not supported by any Revenue record of employment returns or by anything in the Stefan Saunders bank accounts. The details of net pay on this document are close to a return made for net PAYE income of Stefan Saunders for 2006 of €5,855.



65. Documentation shows that Stefan Sanders was apprenticed as a plasterer in 1994 and served his time. He did not qualify with the Dublin and Dun Laoghaire Educational Training Board due to a failed exam on his final "off the job" phase.
66. He registered "*SS Plastering Services*" as a business name, effective from 1 September 2003. This registration ceased on 5 February 2004. He registered for RCT to allow him to be paid net of withholding tax in 1999. He registered for VAT on 1 September 2003. If he was working as a plasterer between 1999 and 2003, he was outside the tax system. He was not recorded as either employed or as making self-employed returns as a contractor or labour-only subcontractor during that period.
67. Examination of statements relating to the current account of Stefan Saunders at Ulster Bank in Phibsborough for the years 2003, 2004 and 2005 reveals a pattern and level of credit balances, lodgements, and items of discretionary spending inconsistent with what one would expect to see in the business of a young self-employed plasterer. The bank statements start with "*Statement 18*" which runs from 9 January 2003. This shows an opening credit balance of €2,693. Very intermittent round sum lodgements in greatly varying amounts were made to this current account in 2003.
68. These bank statements show expenditure on child maintenance and monthly direct debit payments for what appear to be motor vehicle loans. In late November 2003 two lodgements totalling €25,000 were made to the account on consecutive days. These were followed by cash withdrawals totalling €25,050 some 10 to 15 days later. The account shows very little evidence of normal day to day expenditure on social activity, clothing, or necessities of life. The account was used to pay for fuel for a vehicle. The account was debited with the cost of STG£8,650 draft which was bought on 18 March 2004.
69. The figures for gross and net income in the returns to Revenue relating for the plastering business show modest turnover for 2003, 2004 and 2005. The level of trading and expenditure disclosed was not such as could account for the significant credit balances in this current account or the credit balances in the joint current account of Stefan Saunders and Tammy Saunders during these years.
70. A total of €17,000 was lodged to this current account in three lodgements between 10 and 23 June 2005 and thereafter for the remainder of the year it continued to operate with credit balances varying between €13,000 and €28,000 and very few debits for items of normal day to day expenditure.
71. From the beginning of July 2005 to October 2005, a series of weekly payments of €500 designated "*Dowling & Saunders*" were made into this current account. Joseph Dowling is an associate of Stefan Saunders. While the designation of the payments gives the appearance of drawings for earnings or a weekly wage, there is no evidence that Stefan Saunders was in fact engaged or employed at a weekly wage at that time. These receipts are not reflected in his Revenue returns or in any returns made by companies or businesses run by Joseph Dowling.

72. When Stefan Saunders and Tammy Saunders applied for a loan to buy *Mayeston Lawn*, he produced an earnings certificate dated 11 April 2006 signed by Joseph Dowling as "owner" of J.D. Security Limited. This certified that he was employed by that company for over 2 years as "Area Manager-North-side" at an annual salary of 28,792 ("Guaranteed €500 net p/week"). Bank statements for the current accounts controlled by Stefan Saunders covering payments made to him in periods before and after the date of this certificate do not support these claims.
73. A P60 dated for Stefan Saunders 10 April 2006 was also provided to the mortgage lender in an application for a mortgage loan for *Mayeston Lawn*. This showed the employers as JD Security and total pay of €28,792 for 52 weeks insurable employment for the year which ended on 31 December 2005, and total tax deducted as €1,328. This purported income is not reflected in any tax return for Stefan Saunders or in his bank statements.
74. A further P60 for Tammy Gillard dated 7 April 2006 was provided to the mortgage lender. This purported to show her gross pay from *U Design* as €28,000 for 52 weeks insurable employment for the year which ended on 31 December 2005 as €28,000 and total tax deducted as €2,750. This was incorrect as Tammy Saunders was not employed by *U Design* until late June 2005, at the earliest.
75. It is difficult to avoid a conclusion that these misleading documents were produced to support the mortgage application for *Mayeston Lawn* because Stefan Saunders and Tammy Saunders could not show capacity to repay a loan using legitimate sources of earnings.
76. Joseph Dowling and Stefan Saunders registered "JDS Security" as a business name in April 2005. J.D. Security Limited was incorporated in 2002 and Stefan Saunders declared PAYE income from this of €8,400 in 2004. This claim of income is also unsupported by employer returns or by any credits to bank accounts of Stefan Saunders.
77. All this leads me to conclude that it is unlikely that lodgements to bank accounts maintained by Stefan Saunders in the years between 2003 and 2006 were either receipts from a plastering business, or earnings from employment in a security business. Tammy Saunders had some receipts into her Ulster Bank current account in 2005 which may have come from *U Design*. However, she did not receive anything like €28,000 from that source during that year.
78. *U Design* operated without an overdraft facility. It was in business in a very small way before June 2005. The sources of working capital for the interiors business in Berkeley Road as disclosed in the bank account were the initial €2,000 from the joint account of EG and RC on 21 June 2005, a lodgement of €14,500 from an unknown source on 19 July 2005 and a lodgement of €23,104 from an unknown source described as "salary credit" on 17 October 2005. The "salary credit" is designated "home" in the accountant's working papers. The *U Design* bank account held hefty credit balances until 2009.

79. *U Design* was recorded as having received €19,048 for works relating to *Mayeston Lawn* in 2006. It is not possible to identify a source of funds for any of these payments. The information provided to the accountant indicated a breakdown of the amount on various expenditures.
80. The *U Design* bank account and VAT returns show substantial turnover in the years 2005 to 2008. *EG* and Tammy Saunders took drawings from the business during this period and Tammy Saunders was registered as the sole employee in PAYE records filed on behalf of the business.
81. Statements relating to the Tammy Saunders current account at Ulster Bank in Phibsborough show intermittent credits of cash and cheques in 2005, 2006, 2007 and 2008. Between March 2008 and October 2008, she was on maternity leave and in receipt of social welfare which was credited to this bank account. After this, the bank account was credited with weekly payments of €600 from *U Design* until May 2009.
82. Payments to Tammy Saunders designated in PAYE records for 2005 and 2006 as salary cannot be related to lodgements to her current account. Some of the accountancy working papers during this period refer to "drawings" by her. The working capital which enabled *U Design* to trade, and thus provide income to *EG* and Tammy Saunders, came from undisclosed sources and cannot be accounted for as coming from legitimate means.
83. While the business records for *U Design* may be incomplete, the bank statements demonstrate that it carried on a genuine business.
84. The sources of funding for purchase of *Mayeston Lawn* are clear. It is likely that a decision was made to acquire this property while *Hazelbury Park* was being renovated.
85. Correspondence reveals that at some stage prior to 27 March 2006 Tammy Sanders gave a cheque for €3,000 to an estate agent as a booking deposit for *Mayeston Lawn*. It is likely that this cheque was issued on the joint current account of Stefan Saunders at Ulster Bank Phibsborough. Two cheques for €3,000 each were paid on this account on 13 March 2006 and 22 March 2006.
86. On 25 May 2006 a bank draft for €7,000 was bought using the joint current account of Stefan and Tammy Sanders at Ulster Bank in Phibsborough. This was used to pay the balance of the 10% deposit on the contract for the purchase of *Mayeston Lawn*. The purchase price was €300,000 plus a service charge of €375.
87. Following the credit of €30,000 from *EG* and Raymond Crotty to the joint account of Stefan Saunders and Tammy Saunders at Ulster Bank in Phibsborough on 19 July 2006, €25,000 was transferred across into the current account of Stefan Saunders at Ulster Bank in Phibsborough on 8 August 2006.
88. On 2 August 2006 *EG* completed a declaration with reference to a "gift" of €5,000 as a contribution for *Mayeston Lawn* confirming that she was not claiming any interest in that

property. It is not clear what, if anything, this related to as there is no evidence of payment of €5,000 by her.

89. A net total of €66,603 was credited to this current account of Stefan Saunders at Ulster Bank in Phibsborough during 2005. This mostly consisted of large round sum lodgements. At the end of that year this current account had a credit balance of 28,611.50. Further lodgements in 2006 brought the credit balance in that account up to €40,978 on 7 August 2006. The €25,000 was transferred into the account on 8 August 2006 and a draft for €51,958 odd was bought, leaving a credit balance of €13,913.94.
90. The draft for €51,958 odd was used to close the sale of *Mayeston Lawn*. The balance of the price was funded by a mortgage loan of €255,000. The total outlay of Stefan Sanders and Tammy Sanders on the purchase of *Mayeston Lawn* was €61,958 plus a further €1,300 paid to the solicitors by *RC*. This payment came from an unknown source. Stefan Sanders and Tammy Sanders did not use the full €30,000 provided by *EG* and *RC* on the purchase of *Mayeston Lawn*.
91. The evidence establishes that most of the "own resources" element of the money used by Stefan Sanders and Tammy Sanders to buy *Mayeston Lawn* came from unknown sources. €7,000 was withdrawn from the joint account of Stefan Saunders and Tammy Saunders at Ulster bank in Phibsborough which resulted in an unauthorised overdraft. This was regularised by a transfer from the current account of Stefan Saunders and a lodgement of a cheque on 7 June 2006.
92. The rest of the money was channelled through the current account of Stefan Saunders at Ulster bank in Phibsborough. The €30,000 provided by *EG* and *RC* was more than fully accounted for by the value of renovations to *Rusheeny Court* and other benefits received by *EG*. Much of the money used by Stefan Sanders to buy *Mayeston Lawn* originated in a lodgement of three cheques totalling €17,000 on 2 May 2006.
93. I examined the bank account statements to establish sources of funding for mortgage repayments made by Stefan Sanders and Tammy Sanders for *Hazelbury Park* and *Mayeston Lawn* and the manner in which rental income generated by letting of *Mayeston Lawn* was used. Initially, the joint current account of Stefan Sanders and Tammy Sanders was used to make monthly Ulster Bank mortgage repayments of €1,452 odd for *Hazelbury Park*. This account was funded by round sum lodgements of cash and cheques. From September 2006 monthly First Active plc mortgage repayments of €1,360 for *Mayeston Lawn* were also debited to this account.
94. By 2007 a pattern of cash lodgements and transfers to meet these commitments was established. Some of the lodgements were of €1,300. These may have been monthly rent received from a tenant of *Mayeston Lawn*. On 18 May 2007 an Ulster Bank top-up mortgage loan of €80,000 on the security of *Hazelbury Park* was drawn down. From this, €79,220 odd was credited to the joint current account of Stefan Sanders and Tammy Sanders at Ulster bank in Phibsborough. €70,785 was immediately transferred to current account of Stefan Saunders at Ulster Bank in Phibsborough. Until 2010

mortgage payments out of the joint current account were funded by a mixture of transfers from the Stefan Sanders current account and lodgements of cash and cheques.

95. During this period monthly outgoings on mortgages and for motor finance totalled around €4800. Sources of income for Stefan Sanders and Tammy Sanders as disclosed in the bank statements were monthly rent of €1,300, monthly income of Tammy Sanders from *U Design* of €2,400 and the capital generated by the re-mortgage of *Hazelbury Park* in May 2007. This money was used up by November 2008. This source of funding was then replaced by monthly drawings of Stefan Saunders from Elite Hair Salon Limited of €1,200 and monthly drawings of Stefan Saunders from STK Hair Salon Limited of €1,200. These payments were increased to €1,600 per month from each company in July 2009.
96. There were also some payments into the bank accounts during this period which cannot be attributed to any identifiable sources of income. This pattern continued into 2010.
97. The re-mortgage of *Hazelbury Park* in 2007 was of an asset which had been acquired using proceeds of crime and then improved using proceeds of crime. The funds from this re-mortgage were used to meet monthly mortgage commitments and other expenses.
98. The capital for establishing and running the hair salon business and for running *U Design* was sourced in proceeds of crime. It follows that the income received by Stefan Saunders and Tammy Saunders from these assets was derived from proceeds of crime.
99. *Mayeston Lawn* was bought with money derived from proceeds of crime and coming from an arrangement to supply funding in exchange for refurbishment of *Rusheeney Court*. It follows that any rental income derived from *Mayeston Lawn* was derived from proceeds of crime.
100. So, all sources of income which funded mortgage payments on *Hazelbury Park* and *Mayeston Lawn* during this period were, one way or another, derived from proceeds of crime.
101. In 2010 *U Design* and the hair salon businesses ceased to operate. These sources of income dried up. Stefan Saunders and Tammy Saunders continued to benefit from rental income and State subventions of rental income in subsequent years. Their main sources of income during subsequent years were social welfare payments of one sort or another.
102. Mortgage statements which cover the period up to the end of 2016 show that mortgage payments on *Hazelbury Park* and *Mayeston Lawn* were in very serious arrears for years.
103. There is insufficient evidence to enable me to conclude that mortgage payments made between 2011 and 2016 were to any significant extent derived from proceeds of crime. Payments made during this period were minimal and did not make any real impact on the residual equity of Stefan Saunders and Tammy Saunders in the underlying assets. The recent payment in reduction of the mortgage on *Hazelbury Park* from a surplus on

the sale of *Mayeston Lawn* is derived from proceeds of crime because *Mayeston Lawn* itself was acquired with and in connection with property which constituted proceeds of crime.

104. Having reached these conclusions in relation to *Hazelbury Park* and *Mayeston Lawn* on the evidence tendered by the Bureau, I examined the evidence presented by and on behalf of Stefan Sanders and Tammy Sanders. In essence, their evidence is that between 2005 and 2007 they borrowed heavily to buy houses and took on an unsustainable level of debt which they have been struggling with ever since.
105. They deny that Stefan Saunders was engaged in criminal activity of the sort set out in the affidavits filed on behalf of the Bureau. They make the point that they were investigated by Detective Garda O'Keeffe in relation to the matters now being pursued back in 2007 and that no action was taken. In my view this is not relevant. I am not persuaded that they have been prejudiced by any delay in bringing these proceedings or that loss of underlying records or documents had the effect of undermining the basis for the belief of the Chief Bureau Officer.
106. The respondents assert that Stefan Saunders was trading as a plasterer and making a good income and that the money used to buy *Hazelbury Park* and *Mayeston Lawn* was not sourced in crime. Their counsel submits that I should be cautious in drawing adverse conclusions because of lack of vouchers and supporting documentation relating to events which took place more than 15 years ago. I agree with this submission. However, I have concluded that there is sufficient reliable information available to justify the conclusions.
107. The evidence from the respondents is that €27,000 provided by *EG* prior to the purchase of *Hazelbury Park* was a gift. They say that €30,000 provided by *EG* prior to completion of the purchase of *Mayeston Lawn* was a loan. They agree that the carpenter was paid €40,000 and state that the rest of the work was done by Stefan Saunders and family members. They state that the work on the structure cost €40,000. They state that it was paid for by savings, ongoing income, and loans from a business partner. I do not accept this evidence. There is nothing to back up these explanations. The work done to *Hazelbury Park* was a significant renovation which was carried out to a high standard.
108. Stefan Saunders asserts in his affidavit that his understanding is that the work on *Rusheeny Court* was funded by a mortgage or a loan to *EG*. Analysis of the manner in which the money borrowed on *Rusheeny Court* was utilised shows that there is no basis for this suggestion. There is no evidence of repayment of the alleged loan of €30,000. The correct inference is that €30,000 was swapped for benefit derived from proceeds of crime.
109. The affidavit evidence of Stefan Saunders and Tammy Saunders is general and unconvincing. Their affidavits do not engage with the details of evidence presented of criminal activities by Stefan Saunders or with the details of evidence presented relating to unexplained sources of wealth in the affidavits and exhibits presented by the Bureau.

110. The forensic report put in evidence by Stefan Sanders and Tammy Sanders makes some of criticisms of the analysis presented in evidence by the Bureau forensic accountant but does not challenge overall conclusions.
111. I do not understand the Bureau witness to have been contending that the accountant for Stefan Sanders should have retained original vouchers. All that the Bureau's accountant stated was that there was no material to substantiate sources of lodgements and figures claimed for expenses. As the defence expert observes, it is sometimes necessary for an accountant rely on explanations from the client.
112. The issue of whether it was necessary to make capital acquisitions tax returns of items identified as "gifts" by EG to her daughter and son in law is of small significance. The evidence of Stefan Saunders is that the €30,000 was a loan and not a gift. His affidavit is silent on repayment of this "loan", and he does not make the case that it was repaid by covering costs of renovation works on *Rusheeny Court*.
113. The important point about the documentation associated with expenditure of €19,048 on items associated with *Mayeston Lawns* is that this expenditure cannot be connected to disbursements from bank accounts of Stefan Sanders and Tammy Sanders. Any expenditure on furnishing this property or providing equipment or otherwise making it fit for rental cannot be traced to a legitimate source.
114. The various points made by the defence expert do not persuade me to alter my conclusions.
115. It follows that there will be an order under s.3(1) of the 1996 Act in relation to *Hazelbury Park*. The residual value of this property after discharge of the mortgage is derived from proceeds of crime and nothing has been identified which would establish that a serious risk of injustice would arise from the making of this order.