

Tuesday 11th July 2023.

Opening Remarks for Noel Kelly of NK Management to:

The Public Accounts Committee

and

The Joint Oireachtas Committee on Media, Tourism, Arts, Culture Sport, and the Gaeltacht

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A Cathaoirleach, Deputies

Thank you for the opportunity to meet with you today. I hope this meeting will help to clarify the confusion which has arisen in the past few weeks.

At the outset I want to say that we appreciate the seriousness of these issues. The controversy of the past few weeks has been damaging to RTE. It's also been hugely damaging to Ryan Tubridy, to myself, and to my own business.

Earlier today we circulated a pack of what we believe are key documents which will help in understanding this crisis.

[Information contained in our document pack.](#)

The document runs to 39 pages. It includes:

- Relevant excerpts from Ryan's 2015 and 2020 contracts with RTE
- Extracts from the accounts of Ryan's company for relevant years
- Various emails which track the back and forth of the negotiations for the 2020 RTE contract and the Renault contract.

We have made redactions where necessary but have been as transparent as possible with all the information at our disposal.

I want to highlight a number of documents which go to the heart of these issues.

[Contract One 2015 – 2020](#)

[The under declaration by RTE of Ryan's earnings in 2017, 2018 and 2019 and the confusion over the "exit payment" due at end 2015 contract.](#)

Let me start with RTE's under-declaration of payments made to Ryan when they published figures for 2017, 2018 and 2019 in January 2021.

This issue has caused a lot of distress. It's entirely a mess of RTE's own making.

Ryan's 2015 contract (**pages 1- 4 of the pack**) clearly states the fees he was to receive in each of the following five years. They are set out in **clause 8.1 of the contract (page 2 of the pack)**.

He received those fees exactly. Nothing more. Nothing less.

This is confirmed in the extracts from the filed accounts of his company, Tuttle Productions, which we include in the pack.

Note that the accounts of Tuttle Productions run from January to December whereas the RTE contract ran from 1st September 2015.

Check Against Delivery

In January 2021, when RTE made its incorrect declarations, they knew what they had paid Ryan. Indeed, the then Chief Financial Officer emailed us on the **19th of December 2019 (page 5 in pack)**, and she set out the actual earnings for each of the relevant years correctly.

But just over a year later (January 2021), RTE made false or incorrect declarations about these same figures.

In some respects, this was an accident waiting to happen. We had previously asked RTE to give us reasonable notice when they planned to publish these figures (my email on **16 January 2020 – page 6 of the pack** specifically requests this).

If they had done that, we would have had time to **check** the figures and **avoid** errors. However, RTE ignored our request for reasons which I don't understand.

In March 2020 we saw the first sign that RTE - with all its accountants and auditors - might be struggling to understand the correct *accounting treatment* for what they paid Ryan in 2017, 2018 and 2019.

That month, they sent us a letter about the exit fee/ bonus Ryan was due as part of his 2015 contract. It was agreed that Ryan was not going to raise an invoice for this, and they wanted to agree how to explain that.

But in the draft which they sent to us they proposed to change the payments **which they had made to Ryan already** – effectively lowering them by a total of €120,000. Their logic was that they could offset the €120,000 we had agreed **not to ask for** in 2020 against payments **which they had already made** to Ryan in 2017, 2018 and 2019.

We argued against that, and they accepted our point at that time (this is clear from the documents at pages 14-16 of the pack).

For some reason however, it looks like their confused thinking returned and they published the wrong figures in January 2021 effectively causing huge reputation damage to Ryan in the process.

One important point I should add.

Just last month, on the 23rd of June RTE published new figures. Effectively they restated figures for payments to Ryan in 2017, 2018 and 2019 and added in declarations for figures paid to him in 2020 and 2021.

Bizarrely, the figures they declare for both 2020 and 2021 are wrong. In both years they **overstate** the amount they paid Ryan. We address this issue on **pages 28 and 29** of the pack.

Check Against Delivery

- For 2020, the overstatement is €62,536.
- For 2021 the overstatement is €83,381.

So clearly RTE is still struggling with these declarations.

Contract Two 2020 – 2025

The Renault Contract

Now let's turn to the Renault Contract which ran parallel to the 2020 contract which Ryan has with RTE.

I refer you back to Page 5 of the pack.

This is an email sent to NK Management on the **19th of December 2019** from RTE's then Chief Financial Officer, Ms. Breda O'Keeffe.

This email sets out RTE's starting position for negotiations on the 2020 contract.

You will see in the email that this is where the idea of a Commercial Sponsorship with a 3rd Party with an annual fee of €75,000 is first suggested. It comes from RTE.

That did not strike us as unusual as Renault was a key sponsor for RTE so it was understandable that they would wish to ensure that all parties were aligned.

Underwriting the Renault Contract

Next we come to the RTE decision to underwrite this Renault contract.

This is perhaps the most shocking revelation this morning.

Since this controversy began, RTE has tried to distance themselves from this decision. Effectively they have blamed former Director General Dee Forbes for doing a solo run and for giving a verbal commitment to underwrite the contract on a Zoom Call in May.

RTE executives have said how there was a strong "push-back" against the idea of underwriting the agreement.

That is incorrect.

I refer you to page 10 of the pack.

So, at the time Ms. Breda O'Keeffe was the Chief Financial Officer of RTE.

On this page you will see an email which she sent to my office dated the **20th of February 2020**. It is copied to another member of the executive board, the then Director General and RTE's solicitor.

In this email Ms. O'Keeffe responds (in red) to various points we had been discussing. She states at the top of the email that this is **"our final position"** in respect of the new contract.

On the last paragraph on that page Ms. O'Keeffe – on behalf of RTE - states explicitly that **"we can provide you with a side letter to underwrite this fee for the duration of the contract."**

To our surprise, Ms. O'Keeffe told the Committee last week that when she left RTE **in March** there was **no** support to provide that type of guarantee and no such guarantee was on offer. But she had written to us making exactly that offer a month earlier.

Last week nobody from RTE here with Ms. O'Keeffe challenged her when she said that.

We were surprised by that too because on the 30th of June, 4 days before they appeared at the Media Committee - we wrote to RTE and highlighted the significance of Ms. O'Keeffe's email.

Her email also casts a new light on the contribution of Adrian Lynch, Deputy Director General at the Committee. Mr. Lynch told the Committee that **agreement to give underwrite the contract was given verbally on a Zoom call with NK Management on the 7th of May** by the then Director General. He described that as "the significant point at the centre of this".

RTE has tried to portray the guarantee as a decision given late in negotiations on a Zoom call by Dee Forbes without the awareness on the part of the executive board.

Clearly that is not correct. The decision was taken early by RTE and was known widely within the executive board of RTE.

Invoicing for the Renault Contract

Now let's move to the invoicing arrangements for the Renault Contract.

Our document pack shows that RTE did not just suggest the idea of a contract with Renault, they oversaw its development and implementation.

We were happy with that. We knew Renault was a major sponsor for RTE, so RTE would be committed to keeping them happy.

We knew the contract with Renault was **separate** to the contract for independent contractor services Ryan had with RTE for Radio and TV work.

We understood that Ryan would have to do extra work for Renault. But that was no different to the extra work he did to fulfil obligations for the BBC or for his book publishers.

Ryan was agreeing to a substantial pay cut from RTE and he was entitled to seek work outside RTE.

But there was nothing secret about this. Far from it. The contract required Ryan to do **public** appearances for Renault for which they could seek and expect **attention** – as indeed they did.

So, with the terms agreed, RTE instructed us on how to invoice for this work.

For the first invoice, they instructed us to raise an invoice directly with Renault. They gave us names and details and they set out the proposed narrative for the invoice.

You can see the instructions RTE gave us for this in an email on **24th July 2020 (page 23 in pack)** and on **page 24** you can see the invoice we did indeed send to Renault.

But when it came to invoices two and three, RTE gave us new instructions.

I refer you to page 25 of the pack.

This is an email from RTE's then Commercial Director, Ms. Geraldine O'Leary (dated 29th April 2022). The invoice passes on instructions to for how invoices two and three should be raised. That email instructed us on:

- the company name to be put on the invoice – Astus.
- the address to be put on the invoice.
- the VAT reference to be included on the invoice.
- and it instructs us *not* to put any person's name on it.

That email also gave us a general assurance from a colleague of Ms. O'Leary's that "if he" (meaning NK Management) "sends it back to me I will then sort everything else out."

You should know that while the invoices were made out to Astus, we were directed to **email them to RTE**. They would do what was necessary to process them with Astus.

I should stress that at this time we in NK Management had no idea who Astus was.

We had no reason to think Astus was linked to RTE or that it was acting on behalf of RTE.

We had no idea that they might be making the payments to us *on behalf of* RTE or that the payments were linked to RTE underwriting the Renault contract.

Check Against Delivery

RTE never said that to us. Astus never said that to us. Renault never said that to us.

We simply followed the instructions we were given as we had with the first invoice.

You will see a copy of the two invoices we raised in the name of Astus being sent by email from us to RTE in the pack –**pages 26 and page 27.**

People have asked why we went along with those instructions and why we didn't set out more detail about what the invoice related to.

But at the time we had no reason to suspect that RTE might be trying to hide payments to Ryan. I am still shocked that was their intention.

We trusted RTE. It's not some unknown start-up, with opaque funding, a chequered past or a record for dodgy financial dealings.

It's a national institution. Almost 100 years old. A massive business turning over hundreds of millions of euros each year. It has internal and external auditors. It has a heavyweight board. Teams of financial advisors and accountants.

As Mr. Bakhurst said yesterday, RTE has robust processes and rigorous oversight of finances in many parts of the organisation. That is what we assumed too.

Why would we suspect they were hiding information about one of their key contracts. *Why* would they even do that?

Side Letter re no further cuts

We are nearing the end.

But I want to address one other thing.

There has been a lot of coverage of a side letter with the 2020 contract in which the RTE Director General says the agreed earnings in the contract won't be reduced during the term of the contract.

As any lawyer will confirm, this letter had no practical impact. The contract itself guaranteed the earnings...that is what a contract does.

We were simply trying to impress on RTE that Ryan had just signed up to cut his earnings from RTE by €525,000 so they shouldn't even think about coming back for more given the size of those cuts.

Conclusion

So - to conclude.

For the past number of years, Ryan has continued to perform at the highest level; working with colleagues and leading shows which bring in tens of millions in commercial and raise tens of millions for charities through the Toy Show Appels and through Covid appeals and so on.

We have heard a lot about RTE's public service ethos. But let's call a spade a spade. RTE is a hybrid organisation. Its commercial activities are key to keeping the station afloat, maintaining jobs and creating content. Ryan has been a huge driver of RTE's successful commercial activities for the past 14 years.

Ryan and I have attracted a horrendous amount of criticism and abuse in the past few weeks because he is such a high profile and successful figure in Ireland, and he has been made the poster boy for this scandal. That is undeserved.

Ends.