

To : Stephen Hughes
Central Secretariat

cc Mr Simpson

From : Deirdre Kenny
DED

PAUL McGLINCHY : ASSISTANCE FROM LEDU

I attach a copy of Fr Denis Faul's letter to Mr Cope concerning this case and a draft copy of the submission Mr Simpson proposes to put to Mr Needham.

I would be grateful if you would confirm legal clearance of the proposed draft reply in line with the statement at paragraph 6 in the draft advice note. As this is due in DED Private Office by 25 May I would be grateful if you could deal with this request urgently.

Deirdre Kenny
22/5/90

DRAFT

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cc PS/Minister of State
Secretary
Mr Gibson
Mr Buckland
Mr Wilson
Mrs Kenny
MC

To: PS/Mr Needham (DED & L)

From: P Simpson
Policy Division

PAUL McGLINCHY: ASSISTANCE FROM LEDU

1. Fr Denis Faul wrote to Mr Cope on 2 May 1990 on behalf of Paul McGlinchy, an ex-prisoner who is seeking LEDU assistance to establish a fruit and vegetable processing business. Mr McGlinchy is a brother of Dominic McGlinchy who is a convicted terrorist.
2. Mr McGlinchy applied to LEDU on 12 January 1990. During the course of his early discussions with LEDU he raised the issue of security clearance. He claimed to have been advised by an ex-LEDU employee that his application for assistance would need security clearance.
3. The matter was further complicated when Bishop Daly at Mr McGlinchy's instigation made representations on his behalf to PAB in late January. PAB sought clarification from DED and we then requested information on the case from LEDU. Because of this request LEDU erroneously assumed DED had initiated security clearance on Mr McGlinchy and suspended action on the case pending instructions from DED.
4. This incident highlighted procedural weaknesses within LEDU which have now been resolved. In line with revised Departmental guidance issued on 30 April, which was cleared with Central Secretariat, LEDU has now resumed its commercial consideration of Mr McGlinchy's application.

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5. The Minister will wish to note however that Mr McGlinchy has been unsuccessful to date in raising the necessary private sector funding for his project. His proposals require around £70,000 to fund start-up costs. He is at present seeking to raise £50,000 plus overdraft facilities from the banks for his proposals. Until he has raised this money LEDU cannot make a decision on his application.
6. A draft reply is attached for the Minister's consideration. It has been cleared by Central Secretariat's legal advisers.

P SIMPSON

21 May 1990

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cc PS/Minister of State
Mr Fell
Mr Gibson
Mr Wilson (Cent Sec)
Mr Simpson

DRAFT

Rev Denis Faul
St Patricks Academy
DUNGANNON
Co Tyrone

May 1990

Dear

I am replying to your letter of 2 May 1990 to Mr John Cope, MP concerning Paul McGlinchy's application for LEDU assistance. This was referred to Mr Needham's office for reply as responsibility for LEDU falls within his remit as Minister for the Economy.

You queried in your letter why Mr McGlinchy had been advised that his application for LEDU assistance would require security clearance. I must advise you that LEDU apply only normal commercial criteria in considering applications for assistance. Mr McGlinchy has never been advised by LEDU (or the NIO) that his application required security clearance. The issue was raised by Mr McGlinchy himself who was under the erroneous impression that because of his previous jail sentence his application to LEDU could not be considered solely on its commercial merits. I would stress that such "security" considerations form no part of LEDU's appraisal of any business proposal.

Finally I understand that Mr McGlinchy has been unsuccessful so far in securing any private sector financial support for his proposed business. You will appreciate that until he has secured the necessary private capital for his proposals LEDU cannot make a decision on his application.

I hope this is helpful.

Yours sincerely

JENNY PYPER

Private Secretary to
Mr Richard Needham, MP