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Editorial: Vatican bank oversight lacks independence

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Editorial

The Vatican bank, officially known as the Institute for the Works of Religion, is scandal-plagued and has been for years. Pope Benedict XVI took important steps in bringing reform to the bank, not the least of which was insisting that the Vatican follow the international standards set by Moneyval, the European anti-money-laundering agency. Moneyval reviewed Vatican financial procedures last year and will return in 2014 to see if the mandated improvements have been made. For example, Moneyval insisted the Vatican establish an independent Financial Information Authority with the power to investigate suspicious transactions. This agency is headed by René Brülhart, a highly respected Swiss lawyer and expert in the field who in May revealed more than a dozen suspicious activities since 2011. That is real progress.

At the time of his election, Pope Francis received a clear mandate from the College of Cardinals to move the reform ahead faster and further. Francis has said he wants "to allow Gospel principles to permeate [the church's] economic and financial activities, too."

We applaud these efforts and encourage a thorough examination of the Vatican bank's processes and practices.

The resignations of a director and deputy director of the Vatican bank and the arrest of Msgr. Nunzio Scarano underscore the importance of a speedy, efficient housecleaning. But obstacles may impede this cleaning.

A case in point is Carl Anderson's sitting on the Vatican bank's lay supervisory council. Anderson, head of the U.S.-based Knights of Columbus, inherited his seat in 2009 when Virgil Dechant -- Anderson's predecessor as supreme knight -- stepped down after nine years on the body. Do the Knights have a permanent seat on this council? Anderson has used the Knights' millions of dollars, generated from investment proceeds of the fraternal organization's insurance portfolio, to leverage extraordinary influence into every level of the Vatican bureaucracy. By paying for everything from infrastructure renovations to chauffeured limousines for visiting prelates, Anderson has made himself a Vatican establishment guy. He serves on several other pontifical councils, too. It is also worth noting that he has been largely silent on the decades-old clergy sexual abuse crisis, hardly the kind of courageous leadership a corrupt banking operation needs.

Francis' June 26 creation of a five-person commission to review the activities and mission of the Vatican bank should have been a major move forward in the reform. Unfortunately, it was not.

What should have been an independent commission is instead a group of Vatican insiders. The commission -- a librarian, a canon lawyer, a former Vatican diplomat, a bureaucrat and a former American ambassador to the Vatican -- would hardly seem to have the expertise needed to develop a reform plan for a global financial institution. It has been reported that all five have personal accounts at the Vatican bank. All are well-ensconced in the culture of the Vatican, which is as much a problem as corruption.

We also question the appointment of Mary Ann Glendon to the new commission. She not only has no obvious expertise in banking, but she was a staunch defender of the notorious sexual predator and financial fraud Fr.

Marcial Maciel Degollado, founder of the Legion of Christ. In 2002, Glendon called Maciel a man of "radiant holiness."

With more than a billion Catholics worldwide, Francis should identify bona fide experts with real independence. That is a significant change we could support.

Vatican spokesman Jesuit Fr. Federico Lombardi said the pope wants the commission "raising a broader question, which is the relationship between this institution [and] ... the mission of the church."

The commission could decide the bank functions well, but still question its necessity. "These are two separate questions," Lombardi said.

We are not confident that the current commission has the competence or the independence to answer either question.

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