Vatican

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A British judge has blasted Vatican prosecutors for making "appalling" misrepresentations to the court about their investigation into the Holy See's investment in a London real estate deal, determining they don't have much of a case against their key suspect.

In a remarkable ruling made public this week, Judge Tony Baumgartner of Southwark Crown Court reversed another judge's decision to seize the British-based bank accounts of broker Gianluigi Torzi and awarded Torzi legal fees.

The Vatican had requested the seizure as part of its corruption investigation into Torzi and other suspects whom prosecutors accuse of fleecing the Holy See of millions in fees stemming from its 350 million-euro investment in a luxury building in London's Chelsea neighborhood.

But Baumgartner ruled that the Vatican's seizure request was so full of omissions and misrepresentations that it likely affected the original judge's decision, which he ordered reversed. In examining whether the Vatican's allegations justified a new asset seizure, Baumgartner concluded that the Vatican hadn't provided sufficient evidence to make the case against Torzi.

"I do not consider there is reasonable cause to believe that Mr. Torzi has benefited from criminal conduct," as the Vatican alleges, he wrote.

Baumgartner wrote that the Vatican's "non-disclosures and misrepresentations are so appalling that the ultimate sanction" of reversing the asset seizure was appropriate.

The Vatican didn't immediately provide a comment from its prosecutors' office.

The ruling was the latest blow to Vatican prosecutors, who have sought international judicial assistance in their probe into the Secretariat of State's investment of donations from the faithful. Vatican prosecutors have faced a series of embarrassing setbacks in foreign courts that have pointed to incompetence, overreach and problems as basic as getting documents translated properly.

With carte blanche from Pope Francis, the prosecutors have been investigating the London investment for nearly two years. No one has been indicted.

Torzi is accused of embezzlement and fraud in connection with his role in helping the Holy See acquire part of the London building it didn't already own. Prosecutors allege he extorted the Vatican for 15 million euros in fees, although Vatican monsignors and officials approved the payment and signed contracts giving Torzi voting rights in the venture.

Torzi has denied any wrongdoing and maintains his dealings with the Vatican were completely above board. Baumgartner seemed to concur, citing documentation provided by the Vatican that showed Torzi's involvement in the deal involved "arm's length, commercial transactions."

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Torzi's lawyer, James Mullion of Janes Solicitors, was pleased with the ruling. He said in a phone interview, "It is rare that a court will make such a categorical finding, given that the bar is relatively low" for getting an asset seizure approved.

The bulk of Baumgartner's 42-page ruling concerned what Torzi's lawyers said were omissions and misrepresentations in the Vatican's original request to freeze his bank accounts.

Baumgartner concurred with most of the key defense points, dismantling the Vatican's claim that Torzi had been "secretive and dishonest" in his contract negotiations. The judge said the detailed, clear and signed contracts "speak for themselves."

The judge questioned why the two top Vatican officials who authorized the deal, the No. 2 in the secretariat of state, Archbishop Edgar Pena Parra and his boss, Cardinal Pietro Parolin, hadn't at the very least provided a witness statement to back up prosecutors' claims that they were "astonished" by Torzi's fees.

If the prosecutors' account was to be accepted, Baumgartner wrote, Pena Parra and Parolin "must have had the wool pulled completely over their eyes."

Vatican prosecutors have told The Associated Press that neither Parolin nor Pena Parra knew what their underlings were up to in negotiating such a big fee for Torzi.

The Vatican tried to keep Baumgartner's ruling private, citing its ongoing investigation and Vatican law requiring confidentiality of documentation.

The ruling gave Vatican watchers tantalizing new details about the investigation, including Torzi's assertion that one of the Vatican suspects offered to provide him the services of a prostitute to thank him for his work. Torzi said he declined the offer.

The judge ordered the ruling published, saying there was already so much information in the public domain and that he didn't believe the Vatican tribunal's judges would be prejudiced by his ruling.

"The fact that an investigation is confidential in another jurisdiction does weigh in my mind," he wrote. "But to my mind, such a blanket claim does not sit well with the principle of open justice."