Vatican
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Cardinal Angelo Becciu attends the consistory inside St. Peter's Basilica at the Vatican, on Aug. 27, 2022. The Vatican prosecutor insisted Tuesday that his indictments of 10 people, including a cardinal, for alleged financial crimes held up under two years of testimony, scrutiny, criticism and defense motions, as he began closing arguments in a trial that exposed the unseemly financial underbelly of the Holy See. (AP Photo/Andrew Medichini, File)

Nicole Winfield

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The Vatican prosecutor insisted July 18 that his indictments of 10 people, including a cardinal, for alleged financial crimes held up under two years of testimony, criticism and defense motions, as he began closing arguments in a trial that exposed the unseemly financial underbelly of the Holy See.

Prosecutor Alessandro Diddi opened two weeks of hearings to summarize his case by accusing officials in the Vatican secretariat of state of committing "grave violations" of internal norms and canon law when they decided in 2012 to start investing the pope’s money in "highly speculative" investments, including in a 350 million euro (US $390 million) London real estate venture.

"There’s not a single faithful (Catholic) who has donated a euro thinking that this euro would be used in speculative operations," Diddi said, alleging that such canonical violations amounted to criminal abuse of office and embezzlement.

The sprawling Vatican trial originated in the London deal but grew to include two other tangents implicating Cardinal Angelo Becciu, once a papal contender and the first-ever cardinal to stand trial in the Vatican court: One involved allegations he donated some 125,000 euros in Vatican money to a Sardinian charity run by his brother; the other involved allegations he used some 575,000 euros in Vatican funds to double pay a self-styled security analyst ransom fees to help free a nun held hostage by al-Qaida-linked militants in Mali.

The ransom payments, in particular, exposed inner financial and diplomatic workings of the Vatican that were never supposed to come to light. Together with evidence that Vatican monsignors brought in foreign intelligence agents to debug their offices and cardinals secretly recorded Pope Francis, the trial has served as an eye-opening reality check of life in the world's tiniest country that is headquarters to the 1.3-billion strong Catholic Church.

All 10 defendants denied wrongdoing and, over the course of the two-year trial, some accused the tribunal of denying them basic defense rights, including access to

key prosecution evidence. Some defense lawyers even called into question Francis' role in the case, since he changed Vatican law four times during the investigation in ways that benefitted the prosecution.

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Diddi conceded that the trial, the most complicated in the Vatican City State's history, posed a test for the "capacity of the system" and that there were problems, difficulties and tensions. But he insisted that at the end of the day, "the indictment held up."

Diddi conceded flaws in his original thesis that donations from rank-and-file faithful for papal charities had funded the investments, acknowledging that the bulk of the money instead had come from the annual transfer of profits from the Vatican bank, which over 16 years came to some 700 million euros. But he said those monies too, should never have been used for speculative investments since they were designated for the pope's use or to support the Vatican bureaucracy.

That said, the defense repeatedly argued and offered evidence that both Francis and the Vatican secretary of state were well aware of the various financial investments and transactions and approved them, including the 15 million euro payout to a London-based broker accused of extorting the Holy See for control of the London property.

One of the most mysterious figures in the trial was Msgr. Alberto Perlasca, who was in charge of managing the secretariat of state's asset portfolio. He was initially a prime suspect but then flipped and started cooperating with prosecutors. Diddi acknowledged his decision to spare Perlasca indictment had been criticized, and suggested he would certainly adapt if the judges decide Perlasca should eventually stand trial for his own role in the fiasco, given evidence he was manipulated into changing his story.

Diddi has five more hearings, this week and next, to summarize his case. The court then takes a summer recess until the end of September, at which point the defense and civil parties present their closing arguments. Judge Giuseppe Pignatone has said he expects a verdict before the end of the year.