Opinion

Guest Voices



Lucia Bozzi, Venerando Marano, Giuseppe Pignatone and Carlo Bonzano, judges of the Vatican City State court, listen to proceedings March 16, 2023, during the trial of Cardinal Angelo Becciu and nine other defendants on charges of financial malfeasance. (CNS/Vatican Media)



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For Americans, making sense of the Vatican trial of 10 defendants charged with financial crimes is nearly impossible.

The charges are a tangle of alleged corruption and misconduct. At the heart of the trial is a London luxury property investment that lost the Vatican almost $200 million. Then there are payments to a woman who was supposed to help free some nuns from kidnappers but allegedly spent the money on luxury goods, holidays and other extravagancies.

Finally, there were loans and other payments made to a charity run by a cardinal's brother. Investigators found forged invoices and receipts introducing doubt as to whether the money was used for charitable purposes.

Next, there is the legal process that is foreign to American audiences raised on watching legal TV shows featuring juries, judges who act as referees, and the right to a speedy trial. The Vatican trial does not have a jury; instead, it has three judges who can direct probing questions at the prosecution and defense. The judges will rule on the guilt or innocence of the accused at the end of a proceeding that has gone on for two years.

But at its heart are the complexities of any trial. What are the facts? How does the law apply? And which figures in the trial are credible?



Cardinal Angelo Becciu in 2020 (CNS/Junno Arocho Esteves)

One thing is clear. Those involved in the scandal were either corrupt, stupid or both.

The central defendant in the trial is Cardinal Angelo Becciu, formerly *sostituto*, or chief of staff, in the Vatican Secretariat of State, traditionally the third most powerful post in the church. He was involved in the London real estate deal and made payments to his brother's charity and to Cecilia Marogna, a self-styled diplomacy and national security consultant who, they say, was hired by Becciu to save the nuns.

As the trial began, Pope Francis removed Becciu from his Vatican job and from the College of Cardinals.

Others accused include Vatican officials, Italian businessmen and lawyers with whom the Vatican made deals or paid commissions. The charges include fraud, money laundering, extortion, embezzlement and abuse of office. Some of the accused outsiders are refusing to show up for the trial.

Becciu denies all wrongdoing, but neither a 125,000-euro donation to his brother's charity nor the more than half a million euros paid to Marogna pass the smell test: There is an obvious conflict of interest when an official gives money to his brother. Prosecutors say Marogna lacked the qualifications for the work she was supposed to perform for Becciu.

The London real estate fiasco, with its multiple deals and contracts of dubious value to the Vatican, raises the most pertinent question: Did the businessmen outside the Vatican take advantage of foolish and incompetent officials, or were the Vatican officials conspiring with the outsiders? Did the scandal start with stupidity but transition into criminality as the players attempted to cover up their mistakes?

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For example, when the Vatican attempted to exit from the London deal, it decided to first buy out its partner. The contract that the Vatican signed allowed the Italian investors to retain control over the fate of the London property. As a result, the Vatican had to pay more money to finally get control of the investment in order to sell it.

Why did no legal expert spot the problem before the contract was signed?

The prosecution has not been without its problems. Until recently, the prosecutor, Alessandro Diddi, has been saying that the money for the London real estate deal came exclusively from Peter's Pence, the pope's collection for the poor. Just last week, as closing arguments began, the lead prosecutor finally acknowledged that money came from other Vatican sources.

The prosecution has made some odd choices in its indictments, particularly that of René Bruelhart, a Swiss lawyer with a stellar reputation, whose watchdog authority only extends to the Vatican Bank, not the London investment.

When the prosecution rests its case and the defense has had its opportunity to respond, the judges will have until December to pass judgment.



The headquarters of the Institute for the Works of Religion, commonly known as the Vatican bank, with the Apostolic Palace in background (NCR/Joshua J. McElwee)

There is a silver lining to the scandal. In the past, all of this would have been swept under the rug. The money would have been lost, but it would have been kept quiet to avoid scandal. In 2019, when the Vatican bank refused a bailout loan to the Secretariat of State, the current cover-up began to unravel. The bank reported the problem to the appropriate Vatican authorities, who then began an investigation that led to the prosecutions.

The Vatican bank, thanks to reforms begun by Pope Benedict XVI, is now the most reputable financial agency in the Vatican. There is a lesson here.

The Vatican bank was cleaned up by submitting it to outside supervision from Moneyval, the international monitoring body created by the Council of Europe to

crack down on money laundering and the financing of terrorism. Cleaning up the bank involved bringing in outside auditors and experts. Since forensic accountants are not cheap, this was an expensive process.

Francis has not been willing to spend the equivalent amount of money to clean up other aspects of Vatican finances. This is penny-wise and pound-foolish.

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The pope needs to appoint and adequately pay a lay finance czar with the authority and sufficient staff to manage Vatican finances. This includes the power to investigate every office and person in the Vatican, including the Secretariat of State and the cardinals. Anyone who does not cooperate must be fired.

This is not rocket science. Governments, as well as for-profit and nonprofit corporations, have been doing this for decades. But it will not be cheap if the Vatican hires, as it must, financial experts at competitive salaries. This is the only way to clean up the Vatican and restore confidence in its financial management.

The Vatican response to financial scandal must not be one-off dealing with the symptoms. Systemic reform is called for so that scandals do not continue.