

## Church downplays Slovenian financial scandal

John L. Allen Jr. | Feb. 4, 2011

Church officials in Slovenia have downplayed reports that the Maribor archdiocese, nestled in a popular Alpine skiing destination, is facing what an Italian media outlet described as "one of the most devastating financial disasters in the history of the church" and a potential scandal that "makes the pope tremble."

A January 21 report in the Italian weekly *L'Espresso*, which has been widely circulated on the Internet, asserted that the Maribor archdiocese is mired in more than \$1 billion of debt after two decades of speculative investments, and that a mini financial empire controlled by the archdiocese is on the brink of collapse, putting the savings of thousands of Slovenian small investors at risk.

Adding spice to the story, *L'Espresso* reported that the Vatican first got wind something was amiss when a TV station owned by the archdiocese broadcasted pornography in an effort to boost its ratings.

A Jan. 24 statement released by the Maribor archdiocese, however, called the *L'Espresso* report "inexact," asserting that some companies listed in the article are actually independent, with their own management teams and boards of directors, even if the archdiocese together with two other Slovenian dioceses owns them.

According to the statement, the debt load of the archdiocese itself at the end of 2010 was just \$24 million, and to date the archdiocese has always paid its bills on time.

The statement conceded that financial shortfalls at a large firm owned by the archdiocese threaten investors, and acknowledged a "moral responsibility" to try to "improve conditions" in a way least painful for all parties.

To that end, the statement said, the archdiocese has pledged property assessed at more than \$4 million, including a 13th-century cloister and a workshop for musical organs.

The statement expressed hope that "public fear, anger and distrust" unleashed by recent media reports will not derail efforts to resolve the situation, and said the archdiocese has overhauled its financial practices to make them "more in service of its Gospel mission."

According to the *L'Espresso* report, the Vatican only became aware of the situation in recent months because local officials circumvented a rule requiring Vatican approval for debt above a certain level (in the United States, the limit is between \$5 million and \$10 million, depending on the size of the diocese).

A financial consultant for the archdiocese reportedly said he never recommended seeking a Vatican OK, because he believed the requirement applied only to individual loans and not to cumulative debt.

A Vatican spokesperson declined an *NCR* request for comment, but on background officials have stressed that the Maribor meltdown stems from choices made by the local bishop, without oversight from Rome.

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