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Yet more Vatican leaks

John L. Allen Jr. | Feb. 15, 2012 NCR Today

ROME -- In what has become a near-daily occurrence, more confidential Vatican documents were leaked today, including a memo from the cardinal in charge of financial oversight warning that a new law against money-laundering could be seen as a ?step back? from reform, potentially creating ?alarm? in the international community and among regulatory agencies.

The memo was addressed to the President of the Institute for the Works of Religion, the so-called ?Vatican Bank,? and to the Secretary of State, Italian Cardinal Tarcisio Bertone. It was published along with another memo along the same lines, this one written by the president of a Vatican court.

In the inimitable style of the Italian press, the documents appeared under the headline, ?The Papers that Nail the Vatican.?

tSpeaking on background, Vatican officials today played down the significance of the documents, suggesting they amount to a snapshot of an internal debate that has already been resolved in favor of greater transparency and collaboration with external regulatory bodies.

tOne of the memos came from Italian Cardinal Attilio Nicora, who heads the Vatican?s new Financial Information Authority, created in 2010 with the power to inspect the books of other Vatican offices to guard against fraud. The other came from Giuseppe Dalla Torre, an Italian professor and head of a court for the Vatican city-state.

Taken together, the two documents cast doubt on modifications to the anti-money laundering laws adopted in January, and suggest that it contains a massive loophole: Offenses committed prior to the law taking effect on April 1, 2011, would be exempt.

tIn his memo, Nicora suggested the revisions to the law could ?create serious alarm in the international community, as well as among international anti-money laundering organizations.?

tIn an accompanying commentary, the Italian paper *Il Fatto Quotidiano* suggested that behind the scenes, Bertone overruled those objections and supported a restrictive reading of the new law, in order to hamstring Italian inquests into incidents before last April.t

tHowever, officials involved in the drafting of the new law said that the Nicora memo reflected an early reading of a draft, and said its concerns have already been addressed.

tOn Feb. 9, Jesuit Fr. Federico Lombardi, the Vatican spokesperson, specifically rejected the charge of a loophole in the law, responding in that instance to an earlier leak of another internal memo.

t?According to Vatican norms in the area of anti-money laundering, the Vatican judicial authority does have the power to investigate suspect transactions in the period before April 1, 2011,? Lombardi said, ?and that?s in the

context of international cooperation with the judges of other states, including those of Italy.?

tAmerican lawyer Jeffrey Lena, who?s advising the Vatican on its financial overhaul, said today the new rules are not a step back.

?The modifications of the law were undertaken to bring the internal legal system more closely into compliance with the GAFI international standards,? Lena said.

Lena?s reference is to benchmarks established by a secular intergovernmental body known as the Financial Action Task Force, designed to prevent the financing of terrorism and money laundering.

At the moment, the Council of Cardinals for the Study of Organisational and Economic Questions is holding a regulary scheduled meeting, made up of cardinals from around the world who advise the Vatican on economic matters. Though the meeting is held behind closed doors, it's a reasonable assumption that the recent cycle of leaks and bad press, along with the questions they raise about overall fiscal policy, are likely to come up.

Two American cardinals, Francis George of Chicago and Roger Mahony of Los Angeles, are members of the council.

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