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Thoughts on America's new whistle-blowing nuncio

John L. Allen Jr. | Jan. 27, 2012 All Things Catholic

We already knew that Italian Archbishop Carlo Maria Viganò, named by Pope Benedict XVI in October as his new nuncio, or ambassador, to the United States, seriously rocked the boat in his brief but tumultuous run as the No. 2 official in the government of the Vatican city-state from 2009 to 2011.

What we didn't know until this week, however, was just how vigorously Viganò had campaigned to be allowed to finish the financial house-cleaning he started. As it turns out, the pope's new man in Washington is something of a whistle-blower.

Viganò, 71, who has degrees in both civil and canon law, is a veteran Vatican diplomat who took over what amounts to the chief of staff position in the Vatican city-state in July 2009. He quickly earned a reputation as a take-no-prisoners financial reformer, reportedly turning a $10.5 million deficit into a $44 million surplus in one year alone by insisting on centralized accounting procedures and strict accountability for cost overruns.

No good deed, of course, ever goes unpunished, making it natural that Viganò's efforts produced fierce backlash among some mid-level managers in the various Vatican fiefdoms. They were long accustomed to being accountable only to God and the pope -- and in both cases, that accountability was fairly nominal.

Viganò's posting to the States was widely seen at the time as a face-saving maneuver to resolve these internal tensions.

We got new details this week. On Wednesday, an Italian TV program called "The Untouchables" broadcast a special report, the centerpiece of which was a private letter Viganò reportedly addressed to Benedict in March 2011, warning the pope of how his removal would be interpreted.

"My transfer would provoke confusion among all those who've believed that it's possible to clean up so many situations of corruption and dishonesty," Viganò reportedly told the pope.

In effect, the Vatican has all but confirmed the letter. [1] An 800-word statement released Thursday by the Vatican spokesperson, Jesuit Fr. Federico Lombardi, expressed "bitterness" over the disclosure of private documents, but never said the letter isn't authentic.

The broadcast implied that Viganò was at odds with several key Vatican figures who pressured the secretary of state, Italian Cardinal Tarcisio Bertone, to send him packing. Allegedly, Viganò complained that the Vatican's committee for financial administration, which includes the head of the Vatican Bank, favored personal interests and that construction contracts were routinely awarded to outfits that overbid on the basis of personal connections.

Let's quickly stipulate four points:

- First, it's never wise to take everything you hear in the Italian press at face value. Some of what passes for reporting in Italy would make the biggest blowhards and scandal hounds in the American media look like Edward R. Murrow.
- Second, much of what Viganò's letter refers to as "corruption" may have a relatively innocent explanation, especially by the norms of traditional Vatican culture. For instance, when bidding procedures are fudged to award contracts, it's not necessarily because somebody's been bought off, but rather to reward firms and individuals seen as loyal to the pope, to the church or to key figures in the hierarchy. That's not to defend such practices, simply to acknowledge they're not what Americans usually mean by "corrupt."
- Third, by most accounts, and despite his background in diplomacy, Viganò didn't always have a deft touch in terms of office politics. His transfer, in other words, wasn't necessarily a referendum on his financial philosophy so much as his rocky relationships with other personnel.
- Fourth, if Benedict XVI truly wanted to repudiate Viganò, there were certainly plenty of options other than naming him to arguably the most prestigious position Vatican diplomacy has to offer.

That said, three thoughts about all this nevertheless suggest themselves.

Administrative malaise

First, the Viganò situation illustrates the Vatican's ongoing administrative malaise on Bertone's watch.

In truth, money management is one of the few areas in which Benedict XVI has actually taken a strong interest in terms of internal administration. Rocked by a series of scandals, including the 2010 seizure of $30 million in Vatican Bank assets for allegedly violating European money-laundering protocols, Benedict created a new Financial Information Authority in December 2010 with the power to oversee the transactions of every department in the Vatican. Given the notoriously compartmentalized culture of the place, this amounts to a real revolution.

Benedict has also directed the Vatican to come into compliance with international norms on financial transparency. Ironically, the same day the Viganò story broke, the Vatican announced it had ratified three U.N. conventions intended to curb illegal currency flows and transactions around the globe.

In part, these efforts reflect a realization by Benedict XVI that he can't credibly preach to the outside world about the need for greater ethics in the economy, as he has repeatedly done, if the perception is that he doesn't have his own house in order.

Why, then, if Benedict is committed to glasnost, would Viganò be shipped off -- especially in light of the mixed signal it inevitably sends?

Most Vatican-watchers believe the answer lies in Bertone, whom everyone admires as a sincere and affable guy, but who's also been a decidedly mixed bag as an administrator. In this case, insiders say Bertone was persuaded that Viganò was disruptive, and thus fell back on the classic Vatican logic of "promoting to remove" without adequate consideration of how that move would look.

At a bare minimum, Bertone had to know since October that Viganò's correspondence with the pope, which was widely alluded to at the time, amounted to a ticking time-bomb. That no steps were taken to get ahead of the story thus represents yet another chapter in the checkered PR record of the last six years.

In the Middle Ages, alchemists sought to turn lead into gold. Some of Benedict's aides actually seem to have a genius for turning potential public relations gold, in this case Benedict's impressive financial reforms, into lead.

Some observers have suggested that when Bertone turns 78 in December, Benedict XVI might finally be

persuaded to accept his resignation. Frankly, that seems unlikely, given the strong personal bond between the two men. Perhaps, however, the pope might consider beefing up the role of other personnel with proven administrative chops under, and alongside, the secretary of state.

Confidence-building measures

Second, this would be a good time for the Vatican to engage in some confidence-building measures with regard to financial management.

For instance, Jan. 19 marked the one-year anniversary of the appointment of Italian Cardinal Attilio Nicora as the first president of the new Financial Information Authority. It would be helpful to hear a progress report, outlining steps taken in the last 12 months to impose more effective internal controls.

Nicora is a veteran financial expert who was the architect of the 1984 revisions to the concordat between the Vatican and the Italian government. Since taking over the new financial authority he's kept a low profile, but this seems a compelling moment to break his silence.

Additionally, the Vatican has a council of 15 cardinals from various parts of the world who oversee its financial operations. (Technically, it's called the "Council of Cardinals for the Study of the Organizational and Economic Problems of the Holy See.") Each year, this group is presented with a consolidated financial statement for the previous year; in 2011, for instance, it reported that the Vatican ran a $13 million surplus in 2010.

Like clockwork, whenever this statement appears, critics charge that it's incomplete and hard to penetrate because it's not presented in accord with globally accepted accounting practices, even though a group of outside experts does review the statement before it's released. Privately, even some cardinals who sit on the council have expressed similar frustrations, especially those from major archdioceses whose books are subject to rigorous independent audits.

The financial statement usually comes out in July, which means we're about six months away from the next edition. Perhaps this time around, the cardinals who sit on the council might press for a well-known independent auditing firm to be part of the public presentation, and for the disclosure to be more thorough on the grounds that a stronger dose of transparency would be in everyone's best interests, not to mention consistent with the reforms Benedict XVI has already launched.

A Viganò effect in the States?

Third, however distasteful the recent revelations may be for the Vatican, American Catholics actually ought to feel pretty good. They offer confirmation that we've got a nuncio in Viganò who's a no-nonsense guy when it comes to financial integrity and who's not afraid to fight some internal battles to make his principles stick.

All this is especially important at a time when some observers are concerned that financial scandals could be the second round of the sexual abuse crisis in terms of damage to the church's image and moral authority. Those fears have been fueled, among other things, by a 2007 survey by Villanova concluding that 85 percent of responding dioceses in the United States had suffered some form of embezzlement.

In that light, whatever the internal Vatican logic might have been for Viganò's transfer to the United States, his arrival here comes at a great time for the American church. He may be able to encourage those American bishops who are already committed to transparency, helping them square their local systems with church law and Vatican expectations, and to ride herd on those who aren't yet up to speed.

If he applies the same tough-mindedness he showed in Rome, perhaps we'll eventually talk about a "Viganò

effect" in the American church -- how the financial glasnost he wasn't able to bring to completion in the Vatican instead reached fruition on this side of the Atlantic.

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