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Vatican to cooperate with Italy in fight against financial crimes

Carol Glatz Catholic News Service | Jul. 29, 2013

The Vatican signed an agreement with Italy to share information regarding suspect financial transactions in an effort to strengthen its ability to fight money laundering and the financing of terrorism.

The Vatican's Financial Intelligence Authority signed a memorandum of understanding with its Italian counterpart, the Financial Information Unit, in order to formalize "the cooperation and exchange of financial information to fight money laundering and terrorist financing across borders," the Vatican said in a press release Monday.

The accord shows that the Vatican takes "very seriously" its responsibility to help fight global financial crime, said René Brülhart, a finance crime expert who heads the Vatican's Financial Intelligence Authority.

"We look forward to continuing our work with the Italian authorities in a constructive and fruitful manner," Brülhart said in a written statement.

The agreement comes one month after Msgr. Nunzio Scarano, a former accountant at the Vatican office that oversees property and investments, was arrested by Italian authorities on charges of fraud, corruption and slander. He also is named in a separate investigation in southern Italy on suspicion of money laundering.

The Vatican announced in mid-July it had frozen the monsignor's Vatican bank accounts and was opening a criminal investigation into how he used the accounts. He was suspended in late May from his job when the Vatican learned he was under criminal investigation in Italy.

The arrest was followed by the resignations of Paolo Cipriani and Massimo Tulli, the director and deputy director, respectively, of the Vatican bank.

The Vatican, which long partnered with Italy to help offer banking services such as checking and credit card transactions, has had rough relations recently with Italian regulators.

Italy's central bank ordered Deutsche Bank Italia to stop handling credit card transactions for the Vatican, claiming the Vatican's banking and financial laws were not stringent enough to prevent money laundering. The Vatican later partnered with a Switzerland-based group to handle online payments and other services.

In 2010, Italian treasury police, in a money-laundering probe, seized 23 million euros that the Vatican bank had deposited in a Rome bank account. The Vatican criticized the confiscation, saying the deposit was legitimate and that the Vatican bank was committed to "full transparency" in its operations. The Italians released the funds in 2011 after the Vatican's new financial laws went into effect, but the Italian investigation is still open and includes questions about Cipriani's role in transferring the money.

Pope Francis is continuing with sweeping reforms begun by Pope Benedict XVI to get the Vatican's finance and money-handling laws to comply with European laws and international standards. Pope Francis also appointed a

special commission to investigate the Vatican bank.

The Vatican's financial oversight agency recently joined the Egmont Group, an international network of financial information authorities, as part of its efforts to create adequate measures for vigilance, prevention and fighting money laundering and financing terrorism.

The Vatican also signed finance crime agreements this year for cross-border cooperation with the United States, Belgium, Spain, Slovenia and the Netherlands.

The Vatican said more memoranda of understanding would be signed with other countries this year.

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