

## On Vatican Bank shake-up, sometimes a cigar is just a cigar

John L. Allen Jr. | Jun. 11, 2012 NCR Today

**ROME** -- Probably, there was never going to be a good time to announce the firing of Ettore Gotti Tedeschi, the high-profile President of the Vatican Bank whose appointment in September 2009 was hailed as the dawn of a new day in Vatican finances. No matter when it happened, skeptics would have suspected a retreat from transparency and reform.

Given that his ouster came just one day before the May 25 arrest of the pope's butler, however, the timing was especially bad from the Vatican's point of view, practically inviting people to connect the dots.

In effect, that's exactly what's happened. The tendency has been to see the move against Gotti Tedeschi as part of the bigger "Vati-leaks" picture, reflecting the same internal power struggles presumed to underlie the leaks of confidential materials.

That hypothesis is especially hard to resist for two reasons:

- At least initially, Gotti Tedeschi was seen as close to Cardinal Tarcisio Bertone, the Vatican's Secretary of State and the reputed target of the leaks. Bertone reportedly wanted a face-saving compromise, rather than the unusually take-no-prisoners fashion in which Gotti Tedeschi was "defenestrated," to use the term that's become coin of the realm in the Italian papers.
- Some of the leaked documents revealed a divergence of opinion within the Vatican about its new anti-money laundering statutes, leading some analysts to see Gotti Tedeschi as a martyr to this internal resistance.

Also making the timing delicate is that the fact that a committee of the Council of Europe is supposed to decide in early July whether the Vatican qualifies for its "white list" of countries up to snuff in the fight against money-laundering. Perceptions of disarray created by Gotti Tedeschi's removal probably won't help make the case.

Veteran Vatican writer Andrea Tornielli recently opined that the move, especially the way it's been handled, has been "grossly self-defeating" and has "backfired big-time," creating impressions that Gotti Tedeschi's ouster reflects backstage power plays by figures with vested interests in obstructing reform.

Gotti Tedeschi returned to the headlines last week, with news that Italian police had searched his home and office as part of a corruption probe into the Italian defense giant Finmeccanica. Authorities said that Gotti Tedeschi is not a suspect but an "informed witness," based on his longstanding friendship with the company's CEO, Giuseppe Orsi.

Authorities also stressed that the Institute for the Works of Religion, popularly known as the "Vatican Bank," is not a target of the investigation.

Nevertheless, one of the documents reportedly seized was a memo Gotti Tedeschi had prepared about his tenure at the bank, naming both friends and enemies, and responding to the charges against him outlined in a two-page May 24 indictment from the bank's five-member supervisory council.

In response to the search, the Vatican issued a statement June 8 expressing "surprise and concern" and insisting that the "sovereign prerogatives" of the Vatican should be "adequately protected and respected" by Italian authorities. In effect, that meant they want any Vatican documents seized in the raid returned, including Gotti Tedeschi's memo.

Italian media have also reported that in another letter seized in the search, Gotti Tedeschi expressed concern for his life at the hands of unnamed enemies. Supposedly, that letter was to be distributed to a lawyer, a journalist and his secretary in the event of foul play.

Over the weekend, his lawyer attempted to play down those reports, saying, "there are no specific threats" and that Gotti Tedeschi "is not under escort".

As tempting as it is to spin the Gotti Tedeschi affair as another juicy Vatican *giallo*, the preferred Italian term for a mystery, there may actually be a more prosaic explanation for recent events.

### **Sometimes a Cigar is Just a Cigar**

Vaticanology as a discipline is grounded in the assumption that when it comes to the Vatican, there's usually more than meets the eye. Anodyne public statements can mask titanic inner struggles, seemingly routine personnel moves can imply serious policy shifts, and whenever someone in authority begins a sentence with the reassuring phrase "As the church has always taught," you can bet that a significant shift in teaching is about to follow.

Every now and then, however, what you see is actually what you get, and Vatican Bank insiders are insisting that Gotti Tedeschi is a classic case in point.

When Gotti Tedeschi was appointed in September 2009, insiders at the Vatican Bank hailed the move. By that stage, the bank was two years into the term of its new director, Italian layman Paolo Cipriani, who's himself perceived as a reformer committed to 21st century "best practices" in the banking industry.

Cipriani replaced longtime director Lelio Scaletti, who was 80 when he stepped down. Scaletti had spent his entire career in the Vatican, often regaling friends with stories from the days of Pius XII. Cipriani, by way of contrast, was 53 at the time and had deep experience in the secular banking sector, representing Italian giants such as the Banco di Santo Spirito and the Banco di Roma in Luxembourg, New York and London. Cipriani was also a breath of fresh air on the personal level, a younger guy who plays basketball in his spare time, and who speaks business English comfortably.

Under Cipriani, well before recent scandals exploded, the institute launched a wide-ranging review of its books to ensure that nobody held an account who wasn't supposed to, and that there was a clear paper trail behind every movement of assets. As such, the bank's personnel initially believed that in Gotti Tedeschi, the Vatican's powers-that-be had given them someone with the media savvy to tell the story of their house-cleaning to the wider world.

After the initial honeymoon wore off, however, there began to be serious rumblings that Gotti Tedeschi's image didn't match reality. The new president didn't seem terribly interested in actually learning anything about how the bank worked, insiders said, and key personnel such as Cipriani found it difficult even to get on

his calendar.

By Gotti Tedeschi's own admission, he typically came into the Vatican Bank only twice a week.

In 2010, Benedict XVI created a new "Financial Information Authority" within the Vatican in 2010 to ride herd on its various financial departments. In addition to the Institute for the Works of Religion, those agencies include:

- The Administration of the Apostolic Patrimony of the Holy See
- The Government of the Vatican City State
- The Prefecture for Economic Affairs

One could also throw into the mix the Congregation for the Evangelization of Peoples, better known by its old name of "Propaganda Fidei," which also controls a mini-financial empire.

At the time, Vatican Bank personnel said they looked forward to a swift inspection by the new financial authority as a way of ratifying their efforts at reform. Privately, Cipriani told people that "the doors are open."

Yet Gotti Tedeschi reportedly dug his heels at getting the inspection done, leading to internal suspicions that he had another agenda. Perhaps, some whispered, Gotti Tedeschi's sympathies were actually more with his friends in the Italian banking sector, who sometimes see the Vatican Bank as a rival and potentially stand to profit should its depositors lose confidence and decide to park their assets somewhere else.

(Among some Italian bankers, it's an article of faith, despite repeated Vatican denials, that hundreds of millions of Euro belonging to Italian politicians, celebrities and business tycoons, which they believe should be in Italian banks, is instead deposited in the Institute for the Works of Religion.)

Tensions inside the bank deepened further in 2010, when Roman authorities seized \$30 million in Vatican Bank funds over an alleged violation of European anti-money laundering protocols, and placed both Gotti Tedeschi and Cipriani under investigation. (The funds were later released.)

Gotti Tedeschi agreed to be interrogated even before a formal diplomatic request was filed. Many insiders who later read the transcript had the impression that Gotti Tedeschi was attempting to exonerate himself by throwing others in the Vatican Bank under the bus.

Cipriani has maintained a low profile through the recent turmoil, but he gave an interview over the weekend to *Corriere della Sera*, Italy's leading paper, in which he voiced some of these frustrations.

"When we brought him all the records, asking him to study them, to ask us questions, to be clear about everything, Gotti Tedeschi never even wanted to look," Cipriani said. "He would say, 'I don't want to know. It's better not to know.'"

"We repeatedly asked [Gotti Tedeschi] to interest himself in the institute, but he wouldn't take things in hand," Cipriani said. "It was as if he were absent even when he was present. Sometimes he'd come into his office, say nothing to us, and then leave."

Last February, Cipriani said he finally confronted Gotti Tedeschi during a cascade of negative media coverage of the bank: "We lost our patience, and I said to him: 'You're the legal representative, but you don't know the institute and don't want to defend it.' There are more than 100 honest people who work here, and it's not right

that they're attacked for things they haven't done.?

In other words, it's been clear to insiders for some time that something had to give, because relations between Gotti Tedeschi and the rest of the bank's staff had reached an impasse.

The fact that it took the bank's Supervisory Council, in effect its Board of Directors, two years to resolve that tension, observers say, may be no more than a measure of the gap in perceptions between people who work in a place every day, as opposed to distant authority figures who perhaps meet only four or five times a year.

The bottom line is that there's a way to explain Gotti Tedeschi's downfall, including its timing, in terms of basic job performance and personnel issues rather than complicated Machiavellian plots. That may not be nearly as much fun, but insiders say that in this case it's closer to reality.

### **Opus Dei and the Knights**

Finally, a footnote: Gotti Tedeschi is a member of Opus Dei (in technical parlance, he's a "supernumerary," meaning a married layman who doesn't live in an Opus Dei center.) If nothing else, then, his saga ought to call into question the persistent mythology that Opus Dei is the occult force behind everything that happens in the Vatican — because if that were so, it would be tough to explain how Gotti Tedeschi's head ended up on the chopping block.

Actually, one intriguing way to read the situation is as a show-down between Opus Dei and the Knights of Columbus, given that Carl Anderson, the secretary of the Vatican Bank's supervisory council and the figure who's most vigorously defended the decision to dump Gotti Tedeschi, is also the Supreme Knight of the Knights of Columbus.

Needless to say, at least in this case the Knights have had the upper hand.

Anderson, a veteran of political spin in the States as a former official of the Reagan administration, probably had the best one-liner about the affair: "The only lack of transparency here," he told Italian papers, "came from Gotti Tedeschi."

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