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Former Vatican's first auditor general, Libero Milone, left, speaks flanked by his lawyer Romano Vaccarella during a press conference at the Foreign Press Club in Rome, Thursday, Nov. 17, 2022. Two Vatican trials are coming to a head and posing uncomfortable questions for the Holy See, given they both underscore Pope Francis' absolute power and the legal, financial and reputational problems that can arise when he wields it. (AP Photo/Domenico Stinellis, File)

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Vatican City — October 19, 2023

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Two Vatican trials are coming to a head this week and posing uncomfortable questions for the Holy See, given they both underscore Pope Francis' power as an absolute monarch and the legal, financial and reputational problems that can arise when he wields it.

On Oct. 18, the Vatican's former in-house auditor was in court for a hearing in his 9.3 million euro wrongful dismissal lawsuit against the Holy See. Libero Milone says Vatican police forced his resignation in 2017 under the threat of arrest, after he was told Francis had "lost faith" in him over his zealous attempts to audit Vatican monsignors.

The Vatican secretariat of state has objected to being named as a defendant in the suit, arguing it had nothing to do with Milone's hiring or resignation and that the city state's tribunal had no place getting involved.

The rationale: The pope hired Milone and then wanted him out, and the court has no right to judge his decisions.

On Oct. 19, the Vatican's long-running financial fraud, extortion and corruption trial resumes, with defense attorneys offering final arguments ahead of a verdict expected before the end of the year.

On their first day of closing arguments earlier this month, lawyers for the former managers of the Vatican financial watchdog agency challenged key elements of the prosecutors' case by underlining that Francis had approved the key transaction at the heart of the trial, and that Vatican officials merely executed his will as required.

Even Vatican News, the Holy See's in-house media which has been sympathetic to the prosecutors' case from the start, acknowledged that the defense had provided a "change in perspective for the narrative of the trial."

Prosecutors have charged 10 people, including a cardinal, with a host of alleged financial crimes stemming from the secretariat of state's 350 million euro investment in a London property. Prosecutors allege Vatican Monsignors and brokers fleeced the Holy See of tens of millions of euros in fees and commissions, and then extorted the Holy See for 15 million euros to cede control of the building.

Much of the London case rests on the passage of the property from one London broker to another in late 2018. Prosecutors allege the second broker, Gianluigi Torzi, hoodwinked the Vatican by maneuvering to secure full control of the building that he only relinquished when the Vatican paid him 15 million euros.

For Vatican prosecutors, that amounted to extortion. For the defense – and a British judge who rejected Vatican requests to seize Torzi's assets – it was a negotiated exit from a legally binding contract.

The two former managers of the Vatican's financial watchdog, Rene Bruehlhart and Tommaso Di Ruzza, are accused of abuse of office for having not blocked the payment to Torzi, and for not having reported it all to Vatican prosecutors.

Their lawyers, however, both cited the fact that Francis himself had asked them to help the secretariat of state wrest control of the property from Torzi once the Vatican realized it didn't actually own the building.

They cited written testimony from the Vatican chief of staff, Msgr. Edgar Pena Parra, who said Vatican lawyers in Britain and Luxembourg had advised against suing Torzi since their case was so weak: The Vatican had signed contracts clearly giving him control of the building.

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Pena Parra said that on the basis of such advice, the Vatican chose to negotiate a payout with Torzi because that option was considered best in terms of cost, risk, and outcome.

"It also appeared to be purely aligned with the will of the superior," he said, referring to Francis.

Bruehart attorney Filippo Dinacci said once the pope decided on that course of action, the Vatican machinery was obliged to put it into effect and that it was "paradoxical" for those officials to now be on trial for abuse of office.

In his closing, he cited the "principle of mutual collaboration" enshrined in the Holy See's founding constitution that all Vatican institutions are called to work with a "unity of intent" for the good of the church, headed by the pope as supreme authority.

Di Ruzza attorney Roberto Borgogno concurred, saying there were no grounds to fault Di Ruzza or Bruehart for not reporting the transaction to Vatican prosecutors, since the deal was authorized by the pope and they regardless fulfilled their obligations by launching their own financial intelligence-gathering investigation.

Challenging another narrative of the prosecutors' case, Di Ruzza's team also noted that the Vatican bank – hailed by prosecutors and the pope for having triggered the investigation by flagging the London deal as suspicious – actually cost the secretariat of state some 17 million euros in excess mortgage payments. The bank had dragged its feet and ultimately rejected a loan request to extinguish the onerous mortgage on the building; a loan subsequently secured from another Vatican office.

The Vatican is the lone absolute monarchy left in Europe, with Francis wielding supreme legislative, executive and judicial power. While he delegates that power on a day-to-day basis, he is still pope and what he says goes.

Francis had strongly supported the trial, holding it up as evidence that his financial reforms were working. After two years of hearings, prosecutors in July asked the tribunal to convict all 10 defendants, sentence them from three to 13 years in prison and confiscate 415 million euros from them to claw back some of the losses the Vatican sustained.

But after two years, the trial has also become something of a reputational boomerang for the Holy See, with unseemly revelations about Vatican vendettas, spy stories and even ransom payments to Islamic militants playing out in court and subsequent media coverage.

The defense has also raised fundamental questions about the rule of law in the city state, since Francis secretly changed the law four times during the investigation to

benefit prosecutors, and then changed it again to allow a cardinal to stand trial.

The Rev. Filippo Di Giacomo, a canon lawyer and frequent Vatican commentator for Italy's state-run RAI broadcaster, said the trial had indeed exposed the Vatican to reputational harm given the numerous "anomalies" that came to light.

He cited Francis' interventions in the investigation, the frequent confusion in the courtroom about what legal codes prevailed (Italian, Vatican, canonical or ad hoc) and the role of two mysterious women who persuaded the key suspect-turned-star witness to turn on his boss.

"More than what some insist on calling a trial 'of the century,' it looks more like a 19th-century show, with mediocre performers," he told an online magazine recently.