

The lodge of deals

MPs, generals and business joined forces to dominate public procurement in Calabria and influence Brussels. The Public Prosecutor believes an overarching conspiracy is threatening the institutions in the same way as P2

There are no lists, no lodges and no membership rites. So far the Carabinieri have come across precious few hoods or aprons either. There is only the vague smell of and a vague shadow cast by widows' sons. However, there is clear evidence of public procurement contracts being steered in certain directions, favouritism in connection with appointments and public funds in Calabria being misappropriated. This is why when the Public Prosecutor of Catanzaro, Luigi De Magistris, decided to include in the list of suspects the names of Lorenzo Cesa, the Secretary of the UDC, and a large number of generals, businessmen and MPs he was in little doubt: they are all suspected of breaking the Anselmi Act, the Act adopted after the P2 scandal that makes the creation of secret societies an offence. According to the accusations, it is not important whether a person has undertaken to obey different rules; what counts is the intent of the people who have under investigation by the judicial authorities to influence the institutions and undermine the proper functioning of the public administration. In this way, the overarching conspiracy or - if you prefer - the "business committee" that De Magistris believes has been managing tenders, money and appointments in Rome as well as Catanzaro with cover at the highest level reaching as far as Brussels is now facing charges that are likely to spark off a storm. One of the reasons is that the Anselmi Act has never before been used against people who were not formally members of a Masonic organisation.

Things appear to be shaping up for a monumental battle, with the public prosecutor against the rest. His first opponent will be the lawyer and Forza Italia MP, Giancarlo Pittelli, who, during the last legislative period, was the first to sign a draft amendment to the Code of Criminal Procedure that would have effectively made it impossible to conduct any investigation into organised crime. Pittelli has already been given guarantees when his accounts were accessed on a previous occasion. However, *L'espresso* is able to reveal that that, in addition to Pittelli and Cesa, the investigation is also examining the roles of the UDC MP Pino Galati, the *Guardia di Finanza* General Walter Cretella and the Finmeccanica board member and former DC MP Franco Bonferroni.

These men are all members of what De Magistris alleges is an overarching political-industrial conspiracy. Its members are also thought to include Fabio Schettini, the former secretary of the Commission Vice-President Franco Frattini, Antonio Saladino, the businessman with links to the Campagna delle Opera organisation, and Giovanbattista Papello, a former board member of the National Roads Authority, ANAS, and former Head of Calabria's Environmental Emergencies Commission. It was in fact the case of the €864 million wasted in Calabria in the last ten years on the construction of water purification and waste-processing plants that have rarely worked or not even been tested that led the Public Prosecutor to develop the theory of the existence of a secret "superlodge" specialised in controlling the funds that flow freely along the Brussels-Rome-Catanzaro axis.

Why, De Magistris asked himself, after all the money that had been spent, is the sea still so filthy that the regional authorities had to issue a public apology to its tourists? The Carabinieri are investigating and are convinced that they are looking at a series of fraudulent tendering procedures. The investigators are pointing the finger at the Environmental Emergencies Commission of which Papello is chairman. An extremely

wealthy manager, Papello is a member of the Alleanza Nazionale (AN). In his cupboard he keeps an apron, a symbol of his initiation into the brotherhood. A witness, the owner of a company that builds purification plants, has made the following allegation: “I have never been invited to submit tenders for the major contracts. I have only had work subcontracted out to me. This is because I am not in the loop. Everything revolves around the relationships between businessmen and politicians. When the accounts needed to be settled with the companies that contracted work out to me they told me that they had “other expenses” to the tune of about 4%. The witness believes that these “other expenses” were destined for the politicians who were sponsoring the various companies. The Commission’s telephones were monitored. Only a few weeks later the investigators turned their attentions to a major northern company much loved by Pino Galati (UDC), who was then an undersecretary at the Ministry for Production Activities in the Berlusconi Government. The Milan company, Pianimpianti, was one of a group of major firms in the waste-disposal sector that had won a contract worth €220 million. The Deputy Chairman, Franco Bonferroni, used to be an MP in Parma and numbers among his friends Pier Ferdinando Casini and Romano Prodi. He saw his own political career nipped in the bud by a nasty bribery scandal. In the course of the investigations he and the current secretary of the UDC, Lorenzo Cesa admitted taking cash. However, although they were convicted by the court of first instance, they got off scot-free on a technicality. Bonferroni, whose name appears on the list of masons on the P2 committee’s files but who has always denied membership, is only the number two at Pianimpianti. The number one boss is a young man from Lamezia Terme, Roberto Mercuri, who often talks to Galati on the phone. When the investigators went to search the company they expected to make a major breakthrough. They found nothing. The files had vanished. News of the raid had been leaked. Purely by chance the officers found €3.5 million in cash in a bag hidden by the Mercuri family under the seats of a train bound for Luxembourg.

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**Investigations into support for the appointment of the European
inspector supposed to investigate their funds**

Was it slush money? There is no proof, even if Antonio Naso, another businessman not allowed to take a slice of the Calabrian cake, talks about a system involving cash payments of between 3% and 7%, masked by non-existent invoices, some sent to the national party secretariats. Naso says, “There are two strands: one headed by the former Alleanza Nazionale (AN) Minister Gasparri, which had Papello as its point of reference, and the other, which had Schettini as the point of reference and related to Minister Frattini (Forza Italia). My cousin worked in the Cosenza area for a depositary belonging to the Schettini and Papello company and he told me that they did not want to pay him but promised him orders in the “waters” sector. Investigators believe him. The depositary exists and is run by Digitaleco, a company set up by Schettini, Papello and Cesa, according to the Public Prosecutor, simply to obtain €5 million in funding from the EU without taking on the 40 employees promised. Of the three partners, the only member of the brotherhood is the Head of the Environmental Emergencies Commission, Papello, although in 2004 Cesa appointed a Sicilian mason as treasurer during his election campaign. Naso’s cousin has confirmed the rest of his story. It was true, he claimed, that Papello tried to pay him by offering him the possibility of obtaining work from the Commission together with another important businessman with AN links. Digitaleco has since been relaunched and, thanks to the efforts of the new owner, is proof that business can work in Calabria as well. But under the three politicians production had ground to a halt and the company was facing bankruptcy. This was why investigators from OLAF, the EU’s Anti-Fraud Office, came on the scene. Papello was already under investigation for fraud and corruption, and OLAF alleged that, together with his partners Schettini and

Cesa, he was involved in Community fraud. The European inspectors were astounded, however, when a computer in Strasbourg belonging to Cesa was found to contain an interview in which their boss, the newly reappointed Head of OLAF, Franz-Hermann Brüner, suggested to a German newspaper that there was nothing irregular about the Digitaleco story. Why did the senior official go out on a limb like that? The investigators spotted a coincidence: Schettini and Cesa had acted to help Brüner. And their support counted, since Schettini was secretary to the European Commission Vice-President Frattini, while Cesa was a member of the EU Commission responsible for OLAF, no less. As if this were not enough, according to the investigators, the OLAF spokesman, a colonel in the *Guardia di Finanza* who has very close ties to General Cretella, also tried to help. In the end Brüner made it and Cretella also flew off to Brussels, where he was appointed adviser to Frattini. Were the appointments rigged? The courts will decide. However, Cretella has already won one victory in his fight against the allegations: the search warrant issued against him in connection with the purification plant case was rescinded by the review court.

One thing is certain. The investigations regarding Papello and Schettini produced a new line of inquiry involving Why Not, a temporary employment agency run by the Campagna delle Opera, and this lead has become central to the investigations concerning the suspected overarching structure. Why Not received orders worth millions from the regional authorities. It employs 500 people, no fewer than 146 of whom are working in the party secretariats and regional councils. It is the jewel in the crown of the empire run by Antonio Saladino, a vet who started his business career by inviting young people to make their way in the world on the basis of merit. When officers conducted a search, however, they found two surprises waiting for them. The first was a letter addressed to the wife of the leader of the Calabrian section of the DS, Nicola Adamo, which talked about a mysterious Grand Lodge of San Marino. The second was a list of people to be employed that had the names of the people sponsoring them on the right-hand side. Among the many names were Loiero (the centre-left Governor) and Abramo (the right-wing candidate).

Masonry, deals, bribes and generals. Will the Public Prosecutor be able to prove his theory? It is a tough task. Bolstered by favourable decisions from the review court, the MP Pittelli, the lawyer who represents almost all those under investigation, is calling for a trial. His party colleagues are firing off barrages of questions at the Public Prosecutor: they have been signed by one hundred MPs, itself a record. However, now Pittelli, who once had close ties with masonry, is also under investigation. An examination of his bank accounts has revealed payments of €100 million to one of his clients, Schettini, who is of course Frattini's secretary. The lawyer is not too proud to engage in business either. In 2006, together with the son of the companion of Catanzaro's Public Prosecutor, Mariano Lombardi, he set up a property company, taking a holding of 25%. De Magistris's boss can live together perfectly easily with the partner of his Public Prosecutor's number one enemy. Things like this happen in Calabria.

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The study: this is the UDC fund

Enel, Finmeccanica, Wind, Lottomatica, Sogei: inquiries into the payment of millions for contracts in connection with companies belonging to the Cesa family

Global Media, the company owned by the Cesa family, could be "the financial lungs of the UDC". This is the assessment of the experts commissioned to examine the financial revenue and expenditure of the events and communications company set up by the

secretary of the UDC in 1994 after he had been forced to retire from politics following the Mani Pulite scandal. Thanks to a technicality Cesa emerged unscathed from the trial concerning unlawful payments, but he also emerged with a flourishing company. Global Media has an annual turnover of €6.7 million. When people suggested he should sell the company to avoid a conflict of interests between his public and private activities he replied, "I set up the company out of desperation, when nobody would give me credit and I had been forced to give politics and my position at Efim. I worked hard to make it grow and politics did not come into it. I am too attached to the company to sell it." Putting shares in the names of his son Matteo (70%) and his wife Maria Rosaria (30%) failed to allay suspicions and now Cesa is under investigation by the Rome Public Prosecutor following allegations of unlawful financing made by the cooperative witness Francesco Campanella. At the same time, investigations are going on in Calabria into suspected Community fraud to the tune of €5 million involving Digitaleco, the Calabrian company funded by European public funds in which Global Media still has a small holding. The investigators have studied the list of the Cesa family's company's most important customers and come up with some interesting findings. In total, from January 2001 to December 2006, revenue totalled €30.5 million. Surprisingly, the UDC and its "forefather" the CCD was the most important customer, paying a total of €3.2 million. They were followed by Enel (€3.16 million) and Lottomatica (€3.1 million). Next came the Finmeccanica group, which paid €2.7 million. The first private company, Grey Worldwide, was in fifth position, with €2 million. Then came Sogei, the Ministry of finance's IT company, which had paid €1.9 million. It was followed by the Calabrian company Intersiel (€1.6 million), Wind (€1.18 million) and Fincantieri (€700 000). Pianimpianti, the company in the sights of the Catanzaro Public Prosecutor Luigi De Magistris, was at the bottom of the list with only €370 000. Above it was an as yet unidentified private customer who had transferred no less than €570 000 from the Collecchio post office. Parmalat is based in Collecchio.

There are some other interesting facts about these customers. The chairman of Enel (€3 million starting in 2003), Piero Gnudi, has close links with the UDC. Franco Bonferroni, an old friend of Cesa from DC days, is on the board of Finmeccanica (€2.7 million). The chairman of Lottomatica (€3.1 million) was Marco Staderini, a UDC man, while the person responsible for the company's external relations until just a short time ago was Roberta Lubich, Pier Ferdinando Casini's ex-wife. Sogei, Fincantieri and Wind are either public companies or under political influence, and what would have become of Global Media without these important customers is debatable. The Catanzaro Public Prosecutor is also looking closely at the list of suppliers, starting with Fidanzia Sistemi, an Apulian company that received €1.35 million from Global Media and subsequently funded Cesa's electoral campaign (which cost the company less). €250 million was also paid to a foreign company based in Madeira.