

**HOW THE VATICAN BUILT A SECRET PROPERTY EMPIRE USING  
ITALY'S FORMER LEADER MUSSOLINI'S MILLIONS & HOW THEY HELPED NAZIS TO ESCAPE  
ALL WAS KEPT SECRET BY THE VATICAN EVEN FROM THE COUNTRY OF ITALY**

178 A & B



**SOURCE OF INFORMATION**

**ARTICLE:** [The Guardian, Pulitzer Prize winner in 2014 for Public Service](#) (The award, announced in New York on Monday, comes 10 months after the Guardian published the first report based on the leaks from Snowden, revealing the agency's (NSA) bulk collection of US citizens' phone records)

**DATE OF ARTICLE:** Monday 21 January 2013 15.23 EST

**PERSONAL NOTE:** I have made every effort to ensure that both of these articles report the facts about both of these situations. These articles may offend some because of the obvious Religious implications involved. Please know that I have not changed anything in either article and these are the exact words taken from the Websites below:

Copy and paste these links into your browser to view.

**PART 1:** Vatican Builds Property Empire

<http://www.theguardian.com/world/2013/jan/21/vatican-secret-property-empire-mussolini>

**PART 2:** Vatican And Red Cross Help Nazi's Escape:

<http://www.theguardian.com/world/2011/may/25/nazis-escaped-on-red-cross-documents>

How the Vatican Built a...  
**Secret Property Empire**  
...Using Mussolini's Millions

**PART ONE**

**THE VATICAN BUILDS PROPERTY EMPIRE**

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**THE STORY BEGINS**

Few passing London tourists would ever guess that the premises of Bulgari, the upmarket jewelers in New Bond Street, had anything to do with the pope. Nor indeed the nearby headquarters of the wealthy investment bank Altium Capital, on the corner of St James's Square and Pall Mall.

But these office blocks in one of London's most expensive districts are part of a surprising secret commercial property empire owned by the Vatican.

Behind a disguised offshore company structure, the church's international portfolio has been built up over the years, using cash originally handed over by Mussolini in return for papal recognition of the Italian fascist regime in 1929. Through The Lateran Treaty, Mussolini transferred \$85,000,000 to the Vatican State, for guaranteed political autonomy and tax privileges.



*Investment Bank Altium Capital*



*Bulgari, Jewelers*

Since then the international value of Mussolini's nest egg has mounted until it now exceeds £500m. In 2006, at the height of the recent property bubble, the Vatican spent £15m of those funds to buy 30 St James's Square. Other UK properties are at 168 New Bond Street and in the city of Coventry. It also owns blocks of flats in Paris and Switzerland.

**The surprising aspect for some will be the lengths to which the Vatican has gone to preserve secrecy about the Mussolini millions.** The St James's Square office block was bought by a company called British Grolux Investments Ltd, which also holds the other UK properties. Published registers at Companies House do not disclose the company's true ownership, nor make any mention of the Vatican.

Instead, they list two nominee shareholders, both prominent Catholic bankers: John Varley, recently chief executive of Barclays Bank, and Robin Herbert, formerly of the Leopold Joseph merchant bank. Letters were sent from the Guardian to each of them asking whom they act for. They went unanswered. British company law allows the true beneficial ownership of companies to be concealed behind nominees in this way.

The company secretary, John Jenkins, a Reading accountant, was equally uninformative. He told us the firm was owned by a trust but refused to identify it on grounds of confidentiality. He told us after taking instructions: "I confirm that I am not authorized by my client to provide any information."

Research in old archives, however, reveals more of the truth. Companies House files disclose that British Grolux Investments inherited its entire property portfolio after reorganization in 1999 from two predecessor companies called British Grolux Ltd and Cheylesmore Estates. The shares of those firms were in turn held by a company based at the address of the JP Morgan bank in New York. Ultimate control is recorded as being exercised by a Swiss company, Profima SA.

British wartime records from the National Archives in Kew complete the picture. They confirm Profima SA as the Vatican's own holding company, accused at the time of "engaging in activities contrary to Allied interests". Files from officials at Britain's Ministry of Economic Warfare at the end of the war criticized the pope's financier, Bernardino Nogara, who controlled the investment of more than £50m cash from the Mussolini windfall.

Nogara's "shady activities" were detailed in intercepted 1945 cable traffic from the Vatican to a contact in Geneva, according to the British, who discussed whether to blacklist Profima as a result. "Nogara, a Roman lawyer, is the Vatican financial agent, and Profima SA in Lausanne is the Swiss holding company for certain Vatican interests." They believed Nogara was trying to transfer shares of two Vatican-owned French property firms to the Swiss company, to prevent the French government blacklisting them as enemy assets.

Earlier in the war, in 1943, the British accused Nogara of similar "dirty work", by shifting Italian bank shares into Profima's hands to "whitewash" them and present the bank as being controlled by Swiss neutrals. This was described as the "manipulation" of Vatican finances to serve "extraneous political ends".

**The Mussolini money was dramatically important to the Vatican's finances.** John Pollard, a Cambridge historian, says in *Money and the Rise of the Modern Papacy*: **"The papacy was now financially secure. It would never be poor again."**

From the outset, Nogara was innovative in investing the cash. In 1931 records show he founded an offshore company in Luxembourg to hold the continental European property assets he was buying. It was called Groupement Financier Luxembourgeois, hence Grolux.

Luxembourg was one of the first countries to set up tax-haven company structures in 1929. The UK end, called British Grolux, was incorporated the following year.

When war broke out, with the prospect of a German invasion, the Luxembourg operation and ostensible control of the British Grolux operation were moved to the US and neutral Switzerland.

The Mussolini investments in Britain are currently controlled, along with its other European holdings and a currency trading arm, by a papal official in Rome, Paolo Mennini, who is in effect the pope's merchant banker. Mennini heads a special unit inside the Vatican called the extraordinary division of APSA – Amministrazione del Patrimonio della Sede Apostolica – which handles the so-called "patrimony of the Holy See".

According to a report last year from the Council of Europe, which surveyed the Vatican's financial controls, the assets of Mennini's special unit now exceed €680m (£570m).

While secrecy about the Fascist origins of the papacy's wealth might have been understandable in wartime, what is less clear is why the Vatican subsequently continued to maintain secrecy about its holdings in Britain, even after its financial structure was reorganized in 1999.

The Guardian asked the Vatican's representative in London, the papal nuncio, archbishop Antonio Mennini, why the papacy continued with such secrecy over the identity of its property investments in London. We also asked what the pope spent the income on. True to its tradition of silence on the subject, the Roman Catholic church's spokesman said that the nuncio had no comment.

#### ITALY'S REACTION TO THIS INFORMATION

The Catholic Church owns approximately 1,100 properties in total, including shopping centers and residential properties, worth around nine billion Euros.

Italian Prime Minister Mario Monti is planning to demand that the Vatican pay taxes on non-religious properties this year, saying the rules will comply with European law.

Currently, church-owned properties are exempt from tax if any part of the building is used for non-commercial purposes, such as the inclusion of a small chapel.

The annual cost of the additional tax could be 720 million euros (£598m), according to municipal government bodies.

#### THE CATHOLIC CHURCH'S POSITION

The Catholic Church has denied a report that the Vatican built up a secret real-estate portfolio, using funds from the Italian dictator Benito Mussolini in return for "recognizing his fascist regime." The Telegraph had the report on Tuesday, Jan. 22, 2013.

The Catholic Church did not refute that they used Mussolini's money to buy real estate, but they refuted circumstances that surrounded the payment, the equivalent of \$92 million. ???

The Guardian had the original investigative report about the Vatican's impressive real estate holdings on Monday, Jan. 20, 2013. The article, written by David Leigh, Jean François Tanda, and Jessica Benhamou, included an investigation of a complicated financial trail that is difficult for the average reader to follow.

The holdings included an office building at 30 St James's Square. Other UK properties are at 168 New Bond Street (Bulgari Jewelers) and in the city of Coventry. The Guardian reports that the Vatican also owns blocks of flats in Paris and Switzerland.

The Catholic Church did not refute the long list of holdings and even acknowledged that the unit that manages the British properties, APSA, is listed in the Vatican phone book, according to The Telegraph.

The church seemed puzzled that anyone found this information to be new or scandalous. Father Federico Lombardi, official spokesman of the Vatican, said the information had been public for more than 80 years.

"The existence of property investments by the Holy See bought with money paid by the Italian State as compensation for expropriated assets, has been known for more than 80 years." "I'm amazed by the publication of this story – it doesn't reveal anything new."

The obvious part of this story is that the issues in the Lateran Accords had been unresolved from the 1860s until 1929. The Pope was a prisoner in the Vatican. When Benito Mussolini needed the support of the Pope to build his empire, suddenly, The Roman Question, as it was called was solved.

So, in exchange for this enormous sum of money, the Pope made peace with Benito Mussolini, the fascist dictator who conspired with Adolph Hitler. Here is an educational article about the Lateran Accords. The money was invested quite well and still benefits the Pope today, but it was Mussolini's money. And, the money did garner Mussolini the official support of the Pope.

### VATICAN LOSES HISTORICAL TAX-EXEMPT STATUS ON THESE TYPE TRANSACTIONS

As a direct result of the findings explained in the above paragraph Italy's Catholic Church will be forced to pay taxes starting in 2013 after the EU pressured the country's government to pass a controversial law stripping the Church of its historic property tax exemption.

The Catholic Church in Italy is excluded from paying taxes on its land if at least a part of a Church property is used non-commercially – for instance, a chapel in a bed-and-breakfast.

"The regulatory framework will be definite by January 1, 2013 – the start of the fiscal year – and will fully respect the [European] Community law," Italian premier Mario Monti's government said in a statement on Tuesday.

The move could net Italy revenues of 500 million to 2 billion euros annually across the country, municipal government associations said. The extra income from *previously exempt properties in Rome alone* – including hotels, restaurants, and sports centers – could reach 25.5 million euros a year. La Repubblica daily newspaper reported.

On Monday, the Council of State, Italy's highest-ranking court for administrative litigation, ruled against the new law. Authorities stepped in, arguing that everyone in Italy should pay property tax, including the Church.

The measure came after the country's leadership decided in February to alter Italy's property tax code, ending the Church's longstanding privileges due to the severe debt crisis.

Last December, after new austerity measures were adopted in the country, 130,000 Italians signed an online petition urging the government to strip the Church of its tax exemption.

"It was time that they paid, too, with all the exemptions they've had throughout the years," Marco Catalano, a 35-year-old shopkeeper in Rome, told the New York Times in February, adding that he goes to church twice a month. "They own the most beautiful buildings in downtown Rome, on Italian soil, and rent them out at market prices. They don't give them for free or at low prices for charity."

Two years ago, the EU began to investigate whether the tax privileges of some Church properties in Italy could be considered illegal state aid.

The facts of the investigation concerning the Vatican's financial operation revealed that:

1. Mussolini gave the Vatican \$ 85,000,000 in 1928 which was kept secret by the Vatican...
2. The Vatican began to buy high-dollar commercial (not used by the Church for any religious endeavors) real estate/ property in London and eventually in other locations throughout the world in 2006 and profited from the investments but paid no taxes whatsoever.
3. Once the secret became known a special law was passed stripping the Vatican of its long-standing "Tax Exempt Status". One can only wonder how many Euros the country of Italy lost because of the "Secret" or as some say "The Lie".

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### FLIGHT OF THE NAZI'S

RECENT RESEARCH STATES THAT THE VATICAN AND THE RED CROSS HELPED THOUSANDS OF NAZIS ESCAPE FROM GERMANY

**178 B**

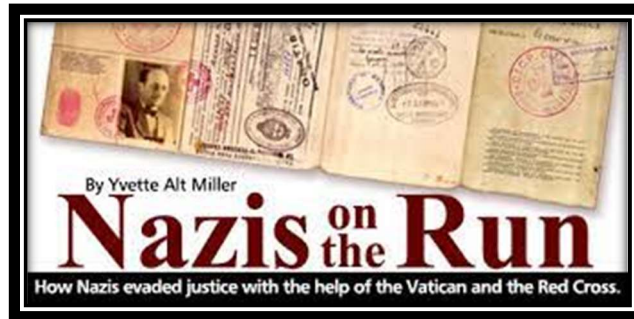
### THE CONCORDAT

THE REICH CONCORDAT WAS AN AGREEMENT THAT WAS INTENDED TO REGULATE THE RELATIONSHIP BETWEEN THE GERMAN REICH AND THE CATHOLIC CHURCH

It was signed by representatives of both entities on July 20, 1933, and ratified on September 10, 1933.

The Vatican, which sympathized with the Nazi regime's anti-liberal, anti-Communist stance, hoped that by withdrawing from all political areas it could buy a legal guarantee of its special institutional rights – i.e., self-administration and confessional freedom.

Although the Nazi regime had no intention of keeping its contractual obligations, it did appreciate the international prestige this agreement brought and hoped that it would placate the Catholic Church for the time being.



Cardinal Eugenio Pacelli, the future Pope Pius XII rejected **Adolf Hitler's claim that the Concordat between Nazi Germany and the Vatican implied any moral approval of the Nazi Party or the Nazi movement.**

He argued that the Concordat was nothing more than an agreement designed, from the Vatican's perspective, to help protect the rights of Catholics in Germany.

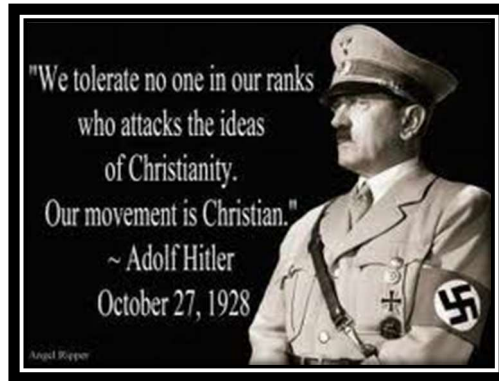
However, Cardinal Faulhaber, who helped negotiate the concordat with Hitler, assessed its international impact in a 1937 sermon: "At a time when the heads of the major nations in the world faced the new Germany with cool reserve and considerable suspicion, **the Catholic Church, the greatest moral power on earth, through the Concordat expressed its confidence in the new German government.**"

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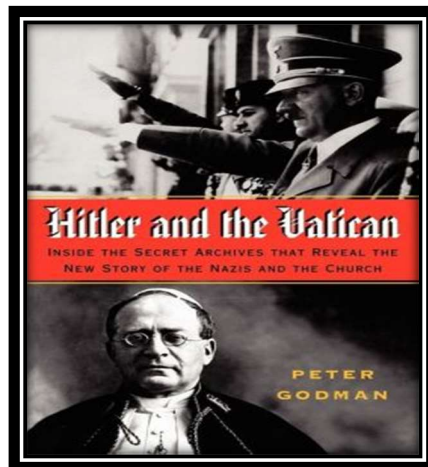
According to Adolf Hitler at the time of the signing, "An opportunity has been given to Germany in the Reich Concordat and a sphere of confidence has been created that will be especially significant in the urgent struggle against international Jewry."





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**THE CONCORDAT EFFECTIVELY LEGITIMIZED HITLER AND THE NAZI GOVERNMENT IN THE EYES OF CATHOLICISM, CHRISTIANITY, AND THE ENTIRE WORLD**



*Cardinal Secretary of State, Eugenio Pacelli (later to become Pope Pius XII) signs the Concordat between Nazi Germany and the Vatican at a formal ceremony in Rome on 20 July 1933. Nazi Vice-Chancellor Franz von Papen sits at the left, Pacelli in the middle, and Rudolf Buttman sits at the right.*

**THE REST OF THE STORY**

Research shows how travel documents ended up in the hands of the likes of Adolf Eichmann, Josef Mengele, and Klaus Barbie in the postwar chaos the Red Cross and the [Vatican](#) both helped thousands of Nazi war criminals and collaborators to escape after the Second World War, according to a book that pulls together evidence from unpublished documents.

The Red Cross has previously acknowledged that its efforts to help refugees were used by Nazis because administrators were overwhelmed, but the research suggests the numbers were much higher than thought.



Gerald Steinacher, a research fellow at Harvard University, was given access to thousands of internal documents in the archives of the **International Committee of the Red Cross (ICRC)**. The documents include Red Cross travel documents issued mistakenly to Nazis in the postwar chaos.

They throw light on how and why mass murderers such as Adolf Eichmann, Josef Mengele, Klaus Barbie, and thousands of others evaded capture by the Allies. By comparing lists of wanted war criminals to travel documents, Steinacher says Britain and Canada alone **inadvertently took in around 8,000 former Waffen-SS members in 1947 many based on valid documents issued mistakenly..**

The documents – which are discussed in Steinacher's book *Nazis on the Run: How Hitler's henchmen fled justice* – offer a significant insight into Vatican thinking, particularly, **because its archives beyond 1939 are still closed. The Vatican has consistently refused to comment.** Steinacher believes the Vatican's help was based on a hoped-for revival of European Christianity and the dread of the Soviet Union. However, through the Vatican Refugee Commission, war criminals were knowingly provided with false identities.

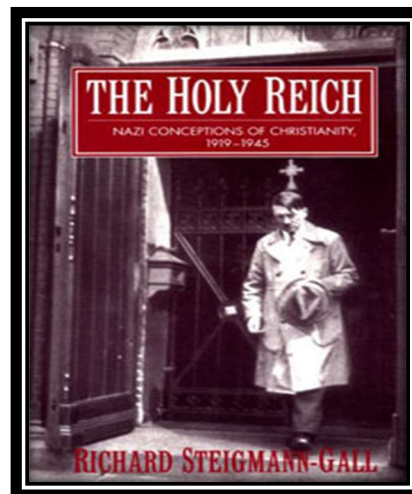
The Red Cross, overwhelmed by millions of refugees, relied substantially on Vatican references and the often cursory Allied military checks in issuing travel papers, known as 10.100s.

It believed it was primarily helping innocent refugees although correspondence between Red Cross delegations in Genoa, Rome, and Geneva shows it was aware Nazis were getting through. "Although the ICRC has publicly apologized, its action went well beyond helping a few people," said Steinacher.

Steinacher says the documents indicate that the Red Cross, mostly in Rome or Genoa, issued at least 120,000 of the 10.100s and that 90% of ex-Nazis fled via Italy, mostly to Spain, and North and South America – **notably Argentina.**

Former SS members often mixed with genuine refugees and presented themselves as stateless ethnic Germans to gain transit papers. Jews trying to get to Palestine via Italy were sometimes smuggled over the border with escaping Nazis.

Steinacher says that individual Red Cross delegations issued war criminals with 10.100s "out of sympathy for individuals ... political attitude, or simply because they were overburdened". Stolen documents were also used to whisk Nazis to safety. He said: "They were really in a dilemma. It was difficult. It wanted to get rid of the job. Nobody wanted to do it."



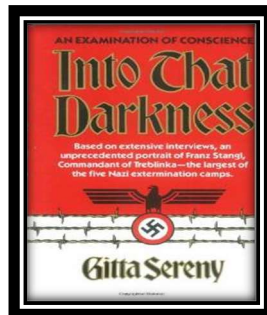
The Red Cross refused to comment directly on Steinacher's findings but the organization says on its website: "The ICRC has previously deplored the fact that Eichmann and other Nazi criminals misused its travel documents to cover their tracks."

While the Red Cross provided inadvertent help, the Vatican, the book claims, may have provided more considered help for Nazis desperate to avoid prison or the gallows. Owing to a desire to revive a Christian Europe or out of a morbid fear of the Soviet Union, the Vatican, through its refugee commission, said Mr Steinacher, provided leading war criminals with false identity papers.

**The Red Cross also depended upon Vatican references when issuing travel documents.**

**The Vatican has always refused to comment on its wartime activities and has kept its archive closed to the public**

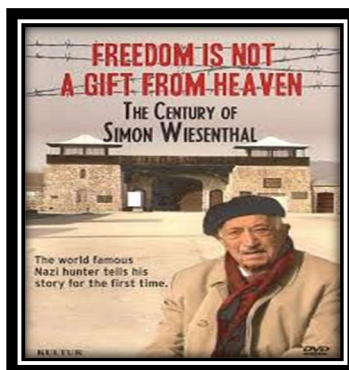
Years later it became public knowledge that war criminals like Klaus Barbie, Adolf Eichmann, Heinrich Mueller, Josef Bluemle, Franz Stangl, and a whole list of other war criminals escaped war-torn Europe via the Catholic Church. **Most of these men escaped through the work of one man, a Roman Catholic Bishop named Alois Hudal, Rector of the Pontificio Santa Maria dell' Anima.** "During the war, Hudal served as Commissioner or the Episcopate for German-speaking Catholics in Italy, as well as Father Confessor to Rome's German community." Hudal harbored anti-Semitic feelings and his pro-Nazi stance was well known throughout the Catholic community. During Hitler's rule, Bishop Hudal often spoke about the unity between the Catholic Church and the Nazi government.



In Gitta Sereny's book *Into That Darkness*, Stangl described how Bishop Hudal was expecting Stangl (it seemed he expected over a hundred war criminals), and that he was arranging papers, passports, an exit visa and work permits for South America. Hudal arranged Stangl's sleeping quarters, and transportation, via a car, plane, and ship, and seemed to have plenty of money for extra payoffs, bribes, and emergencies that may arise.

Hudal had contacts with the German Red Cross, the American Office of Strategic Services, and British Intelligence, and even seemed well connected to two well-known Nazi escape organizations, ODESSA and DIE SPINNE.

Both of these organizations were well financed, connected, and secretly assisted ex-Nazi officers in finding new homes in the Middle East, South America, and even the United States.



Simon Wiesenthal has argued on numerous occasions, that Nazis, who were seeking an escape, knew they had to go to the Vatican and find Bishop Hudal.



Wiesenthal believed that Stangl had the same help that his two good friends, Gustav Wagner, former Deputy Commandant of Sobibor, and Alois Brunner, a former commander of a mobile killing squad in Russia, received when they escaped Allied justice.

According to several credible witnesses, Bishop Hudal was a very close friend of Walter Rauff, an **ambitious SS officer who oversaw the development program for the mobile gas vans.** Their friendship began around 1943 and many believed their friendship remained until Rauff's death.

After the sudden death of Cardinal Magione in August of 1944, Pope Pius XII decided not to appoint a new Secretary of State and assumed personal responsibility over foreign affairs. One of the Pope's closest advisors became Monsignors Domenico Tardini and Giovanni Montini, the latter being a very close personal friend of Bishop Hudal.

Once the war ended Bishop Hudal instantly transformed himself from a pro-fascist into an ardent anti-Communist who sought potential allies in his holy crusade against Communism. Hudal convinced Montini that a lenient policy was needed with those individuals who were Catholic, anti-Communist, and deemed valuable to the upcoming struggle against Communism.

Martini and Tardini convinced His Holiness the Pope and ex-Nazi war criminals flooded out of Europe to find new homes around the world. Eventually, the Pope appointed Bishop Hudal the Vatican's official Spiritual Director of the German People, and was ordered to visit all of the German POW camps to find those worthy anti-Communists and give them special assistance with the eternal blessing of the Vatican's Holy Office.

U.S. intelligence agencies knew Bishop Hudal's mission and even helped provide transportation, living quarters, and even identity papers for some of Hudal's chosen few (not the known Nazi criminals). Over 30,000 Nazi war criminals made their way to freedom and a new life. ODESSA was an amateur escape organization when compared to the Vatican RATLINE. A large number of these escaped criminals were not even German, thousands were Eastern European collaborators who willingly killed for the Nazis.



### **SUMMARY**

**The entire era, 1932-1945 was quite a sad legacy for the Catholic Church.** Although many have argued that the Catholic Church lived in fear and under the thumb of a dictator, therefore the Church was powerless to help the enemies of the Third Reich. Perhaps we can give the Vatican the benefit of the doubt in February 1942, but what about in December 1944 or March 1945? Was the Catholic Church living in fear of a Nazi invasion in April 1945? Was the Church fearful of reprisals in May of 1945 by wandering SS divisions? No, the Catholic Church, not only intentionally helped Nazi war criminals escape justice, but helped them establish new lives in foreign countries. The Vatican used every means at its disposal to assist war criminals, including dressing SS officers in priests' clothing and laundering hundreds of millions of gold bullion through Vatican banking channels. Granted that humanitarianism is one of the Church's missions to fulfill on this earth, but does this mission of brotherly love include harboring escaped murderers and war criminals?

Granted that love of one's neighbor is one of the bedrock principles of the Church, **but does that include covering up the sins of former members of the SS who willingly sinned against their fellow human beings? These questions I will leave to readers to decide for themselves.**

### **DISCLAIMER**

PLEASE UNDERSTAND THAT EVEN THOUGH THIS INFORMATION HAS BEEN TAKEN FROM WEBSITES/SOURCES THAT APPEAR TO BE AUTHENTIC, I CAN NOT ENSURE THAT ALL THE DATA IN THIS ARTICLE IS ACCURATE AND CORRECT.