

It's not easy figuring out who owns what in Europe. Italy's Francesca Agusta, for example, says she's heir to a billion-dollar fortune. Her stepson says she's mad.

# Italian soap opera

By Lisa Gubernick

NORMALLY, La Scala is the best place in Milan for high drama and steamy emotions. But the opera house is nothing compared with what is being played out not far away at the Tribunale di Milano, Milan's principal courthouse. There Contessa Francesca Agusta, 48, the titian-maned widow of aeronautics magnate Count Corrado Agusta, is waging a bitter war against her stepson, Count Riccardo (Rocky) Agusta, 38, jet-setter and erstwhile wine importer. At stake: Francesca's slice of the century-old Agusta family fortune, which she claims is worth upwards of \$1 billion.

L'affaire Agusta has it all: big money, secret bank accounts, arms deals with the shah of Iran, and even charges of mysterious circumstances surrounding a death.

While the Agustas aren't as well known as the Guccis or the Agnellis, the position of their company—Agusta SpA—as one of the Continent's preeminent aeronautical innovators is unequaled. Founded in 1907 by Giovanni Agusta, it was taken over in 1971 by Agusta's youngest son, Corrado, after the death of his older brothers. Under Corrado, the company developed the Agusta 109 executive helicopter and a military version called the Mangusta.

By the mid-Seventies Agusta's company was doing so well Corrado could have appeared on *Lifestyles of the Rich and Famous*. Among his playthings were a home in Portofino, a place in St. Moritz, a spread in Cuernavaca, luxurious apartments in both Milan and Manhattan, a yacht, a Gulfstream jet—and a very glamorous second wife, Francesca, a former fash-

ion model some 20 years his junior, whom he made his contessa in 1974.

For the first ten years, all went smoothly as the golden couple jetted from Europe to Mexico to Tehran, where Agusta sold helicopters to the shah. But in 1985 they hit a rough patch: Francesca says she wanted to have children. Corrado, who had a grown son, Riccardo, from his first marriage, wasn't interested. By the end of the year they had an interim separation agreement. Francesca got the flat in Milan, five years' salary for her servants plus a flat cash settlement of \$3 million. Previously Corrado had given her the villa in Portofino and the house in Cuernavaca.

In 1986 Francesca decided she wanted more. That's when the trouble began.

Over risotto and white truffle in her elegant Milan villa, Francesca tells her side of the story. "I told him [Corrado] I needed more money to establish the life I had," she says. "I said I needed \$15 million." But Corrado "laughed in my face," she says, and "told me I was crazy to think he had that kind of money."

A billionaire who couldn't come up with \$15 million? Francesca didn't believe it. Not only did newspapers report his worth to be hundreds of millions of dollars, but she also dug up government documents that valued his stake in the company at \$120 million in 1982. He gradually sold that stake to the Italian government, which now owns all of it. That piece of Agusta's fortune alone could now be worth \$200 million.

Where did the money go? Corrado claimed it had been spent, but a team



Corrado and Rocky Agusta (below); Contessa Francesca in Portofino (right)

**She spent years searching. But will she ever find the missing millions?**

of private detectives hired by Francesca found evidence that the funds were intact. Corrado, she claims, had used the money to fund a score of Panamanian and Bahamian shell corporations. The shares of the corporations, in turn, are held by Liechtenstein trusts, complex financial structures that make it almost impossible to find the true owner.

Francesca believes that there are hundreds of millions of dollars more stashed in secret accounts scattered from the Bahamas to Liechtenstein. Supported by reports in the Italian press and from U.S. military sources, the contessa claims Corrado was skimming money off the top of arms sales to the shah of Iran and others.

For three years, from 1986 to 1989, Corrado and Francesca battled. Because there was no definitive settlement, under Italian law there could be no divorce. In the process, Corrado fell ill and his son Riccardo returned home from America. Within a year Corrado was dead from liver cancer.





The messy divorce fight turned into an even messier will battle between the contessa and her stepson.

Francesca soon charged Count Rocky with illegally stripping the estate. Documents filed in Swiss and Italian courts suggest that hours before Corrado's death in St. Moritz, Rocky flew to Milan to execute power of attorney over various of his father's accounts. The documents indicate withdrawal of some \$22 million from Corrado's bank accounts. Count Rocky insists he was with his father when he died.

Francesca shows a visitor an affidavit from a family friend who says that Rocky tried to bribe him to persuade Francesca to agree to a divorce. According to the affidavit, Rocky told the friend he would "get billions" when his father died.

Rocky, interviewed in his lawyer's office in Milan, dismisses all this as "absurd." He points to his father's will, filed in Switzerland, in which he was named sole beneficiary. "By the

end," he says of his stepmother, "my father hated that woman."

Unfortunately for Rocky, his father's emotions are irrelevant. While the will is authentic, its legality is unclear. Since both Francesca and Corrado were Italian citizens, the estate is governed by Italian law. Like American law, it says that a man cannot disinherit his wife. On Feb. 26, 1991 the Italian court ruled that Francesca is an heir, and thus entitled to at least one-third of the estate.

What, aside from greed and hate, is at stake here? How much is the Agusta clan really worth? Corrado's will does not say. A preliminary tally from Rocky lists assets of just \$60 million. So for the last year, Francesca and her lawyers have been on a worldwide treasure hunt, trying to unravel the extent of Agusta's fortune.

One example: Corrado's Gulfstream jet. At first, according to Francesca, Rocky Agusta claimed that the plane did not belong to his father's estate but rather to an unrelated Ba-

hamas company. When Francesca finally tracked down and deposed the officers of the Bahamian corporation that held title to the plane, they admitted they were nominees holding shares of the company for Corrado. Rocky now says he never contested ownership of the plane.

Establishing the ownership of other assets has been more difficult because of bank secrecy laws. Francesca claims that her late husband controlled other corporations as well as Agusta, with shares all held by those Liechtenstein foundations, which in turn are controlled by Swiss banks.

As an official heir, Francesca has the right to penetrate some banks' secrecy veils. Both Swiss and Italian courts (the will was filed in Switzerland, so jurisdiction over the assets is split) have ordered Rothschild A.G. and Fides, a division of Credit Suisse—the banks that control the trusts—to testify as to the trusts' assets. The banks have yet to comply.

Count Rocky, too, refuses to detail the size of his father's estate, saying only: "Anybody can say they own the Piazza del Duomo. Proving it to a judge is another matter." The Italian judge, meanwhile, still awaits an inventory of Corrado's estate from the Swiss court. Says Rocky: "It's up to her to come up with the numbers."

In Italy as in America, the only ones sure to profit from this battle are the lawyers. In a moment of charming good humor, Rocky gestures to his table full of lawyers. "Since I've paid you so much and we've become so friendly, from '91 on, perhaps you'll do it for sport?" he says to them. The lawyers respond in Italian. Rocky translates. "They don't agree," he says with a grin.

David Sarch, one of Francesca's lawyers, doesn't think this is particularly charming or funny. "Rocky thinks that he can bring Francesca to her knees financially by making the effort much more costly and by delaying," says Sarch.

But the contessa has already proved herself a tough adversary who's likely to go a few more rounds. "When they step on my feet I am very aggressive," she says. "I will never give up." If she prevails, we might have another billionaire family to add to our listing. Then again, we might not. ■



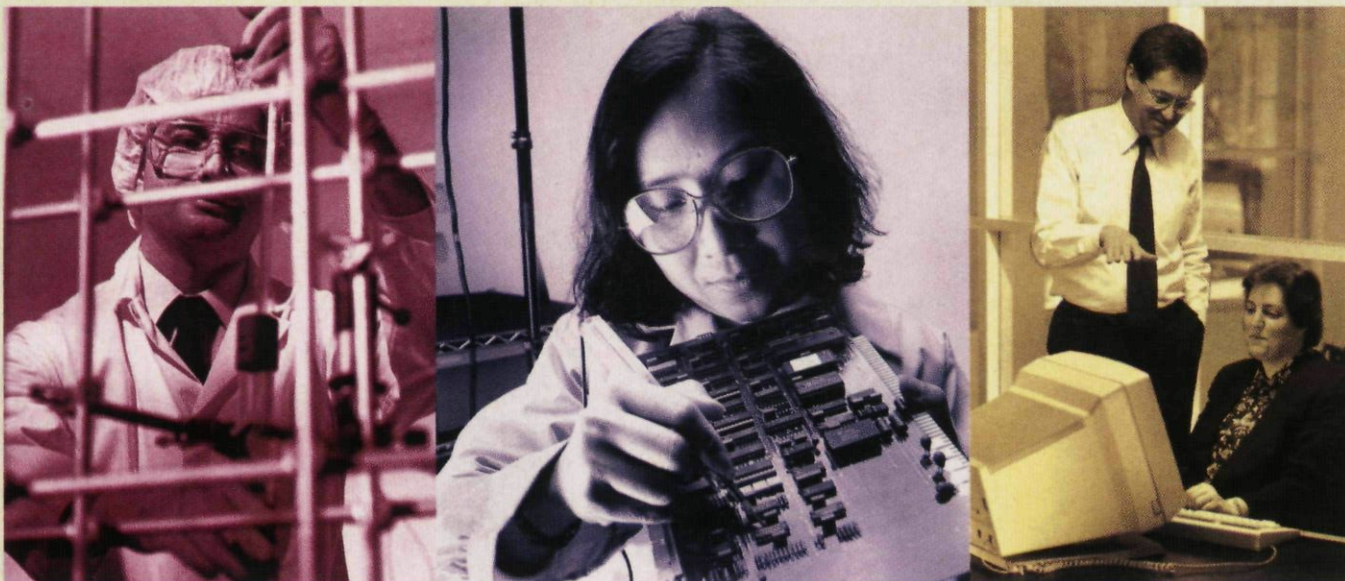
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