

by Leo Sisti

On July 14, 2008, at 7:30 a.m., Ottaviano Del Turco was about to leave his home in the small village of Collelungo for a trip to L'Aquila, the capital of the Abruzzo region in southern Italy. He had been Abruzzo's governor since 2005 after resigning from the European parliament where he was elected to the Socialist group.

Just as Del Turco was getting into his car, an agent of the Guardia di Finanza appeared and handed Del Turco an arrest warrant, signed by a judge in Pescara, another Abruzzo town. The warrant placed Del Turco, 63, under arrest on charges of corruption and extortion. He was suspected of taking a bribe of 5.8 million euros (US\$7 million) in exchange for his help in a financial scheme to save Vincenzo Angelini, a private clinic owner, from bankruptcy. Angelini was claiming unpaid credits of 150 million euros (US\$194,000,000) from the Abruzzo region.

Del Turco's long political career makes him well-known and powerful. In 1977, at 39, he became deputy secretary general of the Socialist-Communist Trade Union CGIL (CGIL — Confederazione Generale Italiana del Lavoro). In 1987, he challenged the late Socialist Party Leader Bettino Craxi, who was then prime minister, on "moral issues."

In 1993, a year after the "Clean Hands" investigation snagged Craxi in its net, Del Turco was given by Craxi an envelope containing the foreign account numbers of the Socialist Party. Del Turco refused to open the envelope, because he didn't want to share any responsibility in a dangerous event linked to possible cases of bribery. Named head of the parliament's anti-Mafia commission in 1996, Del Turco left his post in 2000 to serve as finance minister in a center-left coalition government run by the socialist Giuliano Amato.

Following Del Turco's arrest, some of Italy's most prestigious politicians expressed shock: "'Bribesville' [another term for the infamous "Clean Hands" scandal] is coming back," said one.

"Clean Hands" broke in February 1992 when Milan prosecutor Antonio Di Pietro started investigating bribery in politics, leading to a sweeping removal of the old political class.

Former foreign minister Gianni De Michelis, another Socialist implicated in the Clean Hands investigation, declared, "Del Turco's arrest is the gravest since Clean

Hands. Its connection to a delicate field like health indicates that we are at the beginning of a new season.”

After 28 days spent in jail, Mr. Del Turco was freed and as of December 16 was waiting for the end of the investigation, just extended until April 2009. If he will stand trial, it's a matter which will be decided by a judge, as soon as the prosecutors wrap up their investigation.

### *A healthy dose of corruption*

The government-funded Italian national health system provides free medical care to all Italians through its public hospitals as well as in private clinics that are linked through special contracts with all 20 Italian regions. The regions regulate and supervise the national health budget.

Public health has a yearly budget of 100 billion euros (US\$130 billion) for hospital treatment, nursing and clinical tests — the costs of which are continually increasing due to Italy's aging population. This figure equals 7 percent of the Italian Gross Domestic Product (GDP). It represents an average of 53 percent of public expenditures in all regions. In some regions that amount is 70 to 80 percent. This is one economic pie that can whet a wide range of appetites.

A report released at the end of 2007 by the High Commissioner for the Fight Against Corruption states that, of the 6,752 people who were denounced with corruption-related charges by a special unit of the tax police between January 2006 and November 2007, almost 50 percent worked in the public health sector. Most are from Calabria, a region of Southern Italy ravaged by 'ndrangheta (the local mafia).

Here, the Guardia di Finanza, which investigates public administration on behalf of the High Commissioner, denounced 1,491 people, out of 6,752, or 22 percent of the total. The 2005 killing of Francesco Fortugno, deputy president of Calabria (himself a doctor and head of a hospital department) shows how high the stakes are. The High Commissioner's report sounded the following warning: “The sensational case concerning Doctor Fortugno clearly signals organized crime's intentions toward the public health system.”

The report goes on to say, “There's an alarming relationship between organized crime and corruption.” It points the finger at the assignment of public works contracts and at recruitment patronage.

“In particular, in order to win tenders aimed at the reconstruction of the Salerno-Reggio Calabria freeway, organized crime had accomplices among the managers [of the third Italian building company, Condotte spa] who were running building sites,” it said.

### More corruption cases in court

There was an increase in convictions by regional courts for bribery involving corrupt public officials as well as private people, mainly businessmen, who corrupt them, in 2007. Corte dei Conti, Italy’s state audit agency, which monitors state expenditures, confirmed the seriousness of the situation.

Speaking at a meeting that signaled the beginning of the judicial year on Feb. 4, 2008, Tullio Lazzaro, president of the Rome-based institution, said, “The Republic is living through a period of widespread uneasiness and uncertainty.” The audit agency’s attorney, Furio Pasqualucci, spoke of a framework of “widespread corruption,” that appears “pathological” in some areas, like “the health sector, public works and public service tenders.” He pointed out that during 2007 there was an increase in corruption convictions by the Regional Audit Courts. Of 1,905 sentences, 11.4 percent of them were related to extortion and corruption.

The largest bribery case concerned Enipower, an energy company controlled by the state-owned oil giant Eni, which paid 2.4 million euros (US\$31 million) in compensation damages following an investigation involving many of its executives.

In another case, managers and employees of Comitato Olimpico Nazionale Italiano (The National Italian Olympic Committee) and Federazione Italiana Gioco Calcio (The Italian Federation Football Play) owe 5 million euros (US\$6.5 million). These two institutions were implicated in a 2005 scandal, called Calciopoli (Footballville), in which football managers and referees conspired to fix matches.

In the early days of February, 2008 seven months after he was sworn in as High Commissioner for the Fight Against Corruption of the State Audit Court, Achille Serra sounded an alarm.

“In Italy ‘Bribesville’ never really ended. Rather, corruption has increased. The High Commissioner must be strengthened . . . despite all the human and financial resources at our disposal, we can do little. If we fail, it might be better to shut it down and save our money.” In

other words Serra wanted to say that without substantial resources the function of the High Commissioner was doomed.

Serra had a distinguished career as chief of police in Milan and Florence and as a prefect in Rome before being appointed High Commissioner in July 2007. After taking office, he strongly vowed to crack down on bribery. "There is no time to waste," he said.

But his cry of alarm fell on deaf ears. On Feb. 29, 2008, Serra stepped down officially from his post so he could run for the Senate in an early election in April, when he was elected. The truth was he resigned because he felt it was almost impossible to be successful. Serra's resignation was a blow to advocates of the war against corruption.

#### Abolishment of Italy's anti-corruption commission

As it turned out, the position of High Commissioner was doomed anyway. Vincenzo Grimaldi, former Bologna prefect, succeeded Serra on March 26, 2008, but held office for only a few months. On June 25, Italy's anti-corruption commission was abruptly abolished as a result of a decree proposed by newly-elected Prime Minister Silvio Berlusconi after he won early elections called in April 2008.

In early July, Berlusconi represented his country at the G8 summit in Japan where his boasts about the commission neglected to mention that it had already been abolished.

Ironically, it was Berlusconi who created the post of High Commissioner in 2003 during his second term of office (from 2001 to 2006). But he balked at carrying out what was his cabinet's decision to set up the High Commissioner, which had been requested by the Organization for Economic Cooperation and Development (OECD). It was said that Berlusconi wasted time by triggering bitter turf battles and casting doubts on his real intentions.

The first commissioner, Magistrate Gianfranco Tatozzi, was not named until October 2004. He stepped down on Dec. 19, 2006, after only 14 months in office. Bruno Ferrante replaced him on Jan. 22, 2007, and resigned six months later, on July 12. Then came Achille Serra, who started on Sept. 3, 2007.

The official reason given for abolishing the anti-corruption commission was to save money and help reduce Italy's

high budget deficit. But critics responded that the savings would amount to “only” 800,000 euros (US\$1,032,267) a year. The Commissioner’s function is now under the Public Administration Ministry.

It is hard to believe that the commission’s budget was too high, especially when considering the losses incurred by the damage to Italy’s international image. Drago Kos, head of the Group of States against Corruption (GRECO), which was established by the Council of Europe, said, “I really fear that Italy is about to return to a situation where there is no real political will to fight corruption.”

A president mired in his own corruption charges

Berlusconi seems to have ignored the declaration adopted at the fifth Global Forum on fighting corruption held in Johannesburg, South Africa, on April 5, 2007. The declaration states: “[We] encourage leaders at all levels and in all sectors of society to lead by example the campaign against corruption by mobilizing all sectors of society in tackling corruption in all its manifestations.”

Berlusconi’s decision to abolish the High Commissioner also drew criticism from Mark Pieth, professor of Criminal Law at the University of Basel in Switzerland and chair of the OECD Working Group on Bribery in International Business Transactions.

“Every country is free to organize the initiatives aimed at fighting corruption as it wants,” Pieth said. “But it is essential that, if a change of organization is carried out, the OECD member state must explain the underlying reason behind that change and how it should perform improvements.”

There may be only one real answer to the question of why Berlusconi closed down the office of the High Commissioner. During the April 2008 election campaign that led Berlusconi to victory with a center-right coalition, he never even mentioned the word “corruption.” Instead he spoke of “security” and played on perceived Italian fears of invasion by African immigrants and crimes allegedly committed by foreign people and Gypsies.

Berlusconi is obsessed by corruption, a crime he has often been charged with and tried for, along with other serious crimes like false accounting, fraud, and illicit financing of political parties, among others. He was convicted of perjury in 1990, but was saved by a pardon.

While he was going through trials of his own, Berlusconi used his power to change some laws (i.e., false accounting, a crime that has been substantially decriminalized to a misdemeanor). He used every legal trick in the book so judges could not hear his cases until the statute of limitations for the crime had expired.

As of the summer of 2008, Berlusconi was still standing trial in Milan, charged with bribing a British lawyer in exchange for false testimony in his favor in two previous trials. Berlusconi immediately responded by proposing a new law, passed by parliament in July. It granted him immunity from prosecution and also applied to the president of Italy plus the two speakers of the upper and lower house.

As if that were not enough, a new law aimed at severely punishing journalists is to be approved in the coming weeks, unless it is amended. As of February 16, 2009, the matter was still under discussion. The decree, to be approved by the Parliament before becoming effective, could sanction publishers as well as reporters who publish reports of transcripts of arrest warrants or wiretappings, or even mere summaries of court records before the end of a preliminary investigation. Because a preliminary investigation can drag on, the public may be kept in the dark for years.

Berlusconi wants corruption-related crimes, among others, to be exempted from any court-ordered wiretaps against suspects, although some coalition's members are not backing Berlusconi's arguments.

According to the draft proposal, wiretaps would be allowed without a time limit only in very serious cases involving terrorism or the mafia. But most cases, including corruption, would be allowed for no more than 60 days. It's a strict deadline that could tie prosecutors' hands in every investigation.

It is not difficult to understand why Berlusconi is so stubborn regarding the issue: Wiretaps provide evidence that prosecutors can use to file bribery charges against politicians.

Many commentators warn that democracy and freedom of speech in Italy are in jeopardy. Tito Boeri, a professor of economics, commented, "Today, the [Italian] political class must defend itself from corruption and from the use of power for personal objectives. The best antibody is transparency regarding the financial situation and politicians' economic interests. In countries where

information on private interests and on politicians' conduct is available, fewer cases of corruption exist.”

Many Italians are discouraged, but what can they expect from a politician who publicly called a notorious Mafioso a hero? Berlusconi never said a word of tribute regarding the 1992 Mafia murders of two of Italy's most famous magistrates: Giovanni Falcone and Paolo Borsellino.