

## **HEAVEN CAN'T WAIT**

*Emanuele Bellano*

*contributor Alessia Cerantola*

## **SIGFRIDO RANUCCI IN THE STUDIO**

Our main investigation this evening focuses on people who support the flat tax concept and the intention to recover something from tax evasion. Yet above all we dedicate this report to the workers and honest entrepreneurs who duly pay their taxes. We cannot circumvent our obligation to contribute to the budgetary expenses of a state because it would mean robbing it of care services, assistance for the elderly, the most vulnerable and even its future, which is still assured today thanks to teachers doing their utmost for schools despite drastic cuts. This is because, on the one hand, there are sly, corrupt and corrupting people who goodness knows how always manage to find a corner paradise in a tax haven. Report, in making this documentary, met people who bought apartments from the Sheikh in Dubai, who enjoyed trips on what is considered to be the most prestigious yacht in the world or who bought a building from the heir of a former official of the Italian Inland Revenue. Then there's a former basketball player who hid away the multi-million brand of a textile engineering company, the most important in Italy and one of the most important in the world, leaving its workers to be paid by the State. Then there is luxury. It seems that Giorgio Armani did not pay his taxes in Italy and was presented with a very stiff bill totalling 235 million euros. Our Emanuele Bellano toured these terrestrial tax havens where people dine with rice and plankton sauce and where you can ski under the sun at 40 °C. This is also thanks to the fact that resources have been stolen from our own country.

## **EMANUELE BELLANO OFF-SCREEN**

The tangible evidence of the river of money flowing into Dubai is the construction industry.

## **LORENZO ZOLI - ARCHITECT**

This is an artificial island where they have built a truly huge Ferris wheel. There, they created another essentially residential-hospitality complex, then hotels and so forth.

## **EMANUELE BELLANO OFF-SCREEN**

The United Arab Emirates over the last ten years have become home to Pharaonic projects. They excavated a canal ten metres deep in the heart of Dubai; its banks will see the construction of a shopping centre and 400 restaurants. Dubai will host Expo 2020 and the site under construction has an area of 438 hectares; the investment comes to 6.5 billion euros. A further 12 billion euros have been allocated to build the artificial islands that will flank The Palm. Hundreds of luxury residences and hotels stretching five kilometres into the Sea of the Persian Gulf.

## **LORENZO ZOLI - ARCHITECT**

This year they launched a project involving six towers. And the first two towers were sold - I believe - in just one day.

## **EMANUELE BELLANO OFF-SCREEN**

The symbol of Dubai is Burj Khalifa, the tallest skyscraper in the world. To film it, you have to wear a hidden camera. Because filming is forbidden in Dubai.

**REAL ESTATE AGENT**

Welcome to Burj Khalifa; the skyscraper is 820 metres high and was commissioned by the Sheikhs of Dubai and Abu Dhabi.

**EMANUELE BELLANO OFF-SCREEN**

The apartments are truly luxurious; living here is a status symbol. And the view is over the Dubai skyline.

**EMANUELE BELLANO**

The view is impressive ...

**REAL ESTATE AGENT**

Yes, one of the finest. This is Dubai's famous dancing fountain.

**EMANUELE BELLANO OFF-SCREEN**

Every day, the windows here overlook the show that attracts thousands of tourists from all over the world.

**EMANUELE BELLANO**

How much does this apartment cost?

**REAL ESTATE AGENT**

About one million eight hundred thousand euros.

**EMANUELE BELLANO**

Are there any condominium charges?

**REAL ESTATE AGENT**

Yes, they are quite high at forty thousand euros a year.

**EMANUELE BELLANO OFF-SCREEN**

These charges include access to all the building's facilities.

**REAL ESTATE AGENT**

There are two swimming pools and two gyms. And this is one of the Jacuzzi with a scenic view. And they are open 24 hours a day.

**EMANUELE BELLANO OFF-SCREEN**

A scene in the film "Mission Impossible" with Tom Cruise was shot at Burj Khalifa. Bollywood stars, Indian billionaires and former English footballer David Beckham have all bought apartments here.

**LORENZO ZOLI - ARCHITECT**

Burj Khalifa cost one 1.2 to 1.5 billion euros.

**EMANUELE BELLANO**

Only for the tower ...

**LORENZO ZOLI - ARCHITECT**

Only for the tower ... Then, obviously, all the surrounding infrastructures, which we could say benefit from a little 'reflected light' compared to the iconic Burj Khalifa building.

**EMANUELE BELLANO**

What's the mechanism behind building such a tower?

**LORENZO ZOLI - ARCHITECT**

The land as in all the Emirates belongs to the Governments.

**EMANUELE BELLANO**

Who are the developers?

**LORENZO ZOLI - ARCHITECT**

Always a local company linked to the Royal family. And these are precisely and directly - shall we say - the explicit expression of the will of the Sheikh, of the son or the children.

**EMANUELE BELLANO OFF-SCREEN**

Eight apartments in Burj Khalifa, for a total value of 8.5 million euros, were purchased with money that came from the Veneto Region in Italy. The suspicion is that this money came from the bribes paid for the Mose Project. Following the tracks takes us to Zurich, in Switzerland. Between 2007 and 2009, the UBS - CH 960W account was very active, receiving 3 million euros from Cimeroy Holdings, another 2 million euros from Follyriver, 700 thousand euros from Illume Holdings and 8.5 million euros from Shillingstone. These are Panama-based companies administered by the offshore aristocrat Filippo Sangermano, Marquis d'Agliè. This Swiss bank account then transferred 8.5 million euros to Dubai. This money was used to buy eight prestigious apartments in the tallest skyscraper in the world, the Burj Khalifa. Yet magistrates believe that Marquis d'Agliè is not the real buyer.

**EMANUELE BELLANO**

So who made these purchases? Who actually bought these apartments in Dubai?

**FILIPPO MANFREDI D'AGLIÈ DI SAN GERMANO ON THE TELEPHONE**

Well ... it was obviously the client who gave instructions to carry out the operations that were then done.

**EMANUELE BELLANO**

Who is the client?

**FILIPPO MANFREDI D'AGLIÈ DI SAN GERMANO ON THE TELEPHONE**

If you don't mind all I can say is that if you mention a name I'll say it's not him or keep quiet.

**EMANUELE BELLANO OFF-SCREEN**

The Marquis of Offshore is a nephew of the Queen of Belgium, Paola Ruffo di Calabria. Filippo di Sangermano is the last descendant of Filippo Giuseppe Sanmartino d'Agliè, Marquis of San Damiano and Rivarolo. The present-day Marquis d'Agliè is domiciled in Switzerland just a short stroll from Lake Lausanne and, according to the magistrates, he apparently purchased property in Dubai following the indications of Paolo Venuti, an accountant in Padua.

**EMANUELE BELLANO**

Is Paolo Venuti one of those who arranged the purchase of these properties?

## **FILIPPO MANFREDI D'AGLIÈ DI SAN GERMANO ON THE TELEPHONE**

I cannot absolutely confirm it at the present time.

## **EMANUELE BELLANO OFF-SCREEN**

The Prosecutor's Office in Venice has stated that Paolo Venuti, through the Panama-based companies administered by Filippo San Germano, Marquis d'Aglié, apparently invested bribes taken by Galan abroad; to do so, he made use of Guido Penso, a colleague at the accountancy firm Penso&Associati, and Mario Costariol, a Veneto-based businessman.

## **MARIO COSTARIOL - ENTREPRENEUR**

We do something quite different, it would be something totally outside my career, my way of thinking, my way of seeing things. I'm involved in cooperation in development for charity.

## **EMANUELE BELLANO**

According to information pieced together, Filippo di Sangermano managed a number of companies in Switzerland. These companies received capital from entrepreneurs and politicians in the Veneto Region which was then re-invested abroad.

## **MARIO COSTARIOL - ENTREPRENEUR**

It's possible. in all honesty, none of it came from me.

## **EMANUELE BELLANO OFF-SCREEN**

What is certain is that the Marquis of Offshore, and accountants Guido Penso and Paolo Venuti in Padua, share a passion for Dubai. A current account in Penso's name on 11 December 2007 transferred 904,000 euros to Dubai with the following motivation: purchase of an apartment in the Burj Khalifa building, advance payment for possible property investment. Between 2008 and 2010, at least three other transfers were made to Dubai for a total of more than 1.5 million euros. In 2012, on the other hand, a payment of 1 million 300 thousand euros was received. The handwritten note reads: sold Burj Khalifa. Furthermore, in May 2008, 3 million euros were transferred to the UBS account in Zurich. The motivation was: real estate investment in Dubai. The money arrived from the Bahamas - from Soreson Holding which the Panama Papers indicate as being registered at the London branch - to the Penso Venuti studio. Starting in December 2001, the director of Soreson is none other than the Marquis of Offshore, Filippo Sangermano D'Agliè. In the plea bargaining by the former President of the Veneto Region, Giancarlo Galan, it appears that accountant Paolo Venuti managed some of his assets - company shares - as a fiduciary. Did he also work for Galan on business in Dubai?

## **EMANUELE BELLANO**

Did Venuti act on his behalf in this property operation?

## **GIANCARLO GALAN ON THE TELEPHONE**

I do not even know what you are talking about. Why don't you just ask Venuti?

## **EMANUELE BELLANO**

But have you ever bought a skyscraper apartment in Dubai?

## **GIANCARLO GALAN ON THE TELEPHONE**

Of course not, you must be joking? I went there once for official reasons. What are you thinking about...

### **SIGFRIDO RANUCCI IN THE STUDIO**

So, let's think about it. Galan said he went to Dubai only once but does not remember when. We'll remember it for him. An article in *Mattino di Padova* newspaper (which was never denied) in 2008 - when the bank transfers started - says that Galan led a delegation of entrepreneurs and politicians to Dubai to implement real estate investments. To promote institutional relationships, the Veneto Region apparently also opened the "Casa Veneto" base. Magistrates and the Fraud Squad in Venice claim that Galan also bought his property, using the proceeds from bribes, through his trustee Paolo Venuti. Galan denies this. Venuti also wrote to us that he denies any real estate investment made on behalf of the former governor. His accounting firm colleague, Guido Penso, also wrote to us, stating: two apartments belong to my family, one to me and one to my wife, and they have been duly declared to the tax authorities. We still have to find out who owns the other six. The Marquis of Offshore, Marquis d'Agliè, might be able to enlighten us but hides behind secrecy. We ought therefore to ask the Sheik who, however, made impenetrability his strong point. They have created free zones, where each apartment is basically a miniature tax haven. No taxes are paid and budgets, companies and properties are wrapped in secrecy. Over and above how the Venetian affair will end up since everyone is innocent until proven otherwise, investigations will obviously continue. There is no doubt that the resources subtracted from Italy prop up the power of a Sheikh in a country that certainly does not stand out for democracy; this even involves funds from Italian post office account holders and even the savings accounts of savers and pensioners. 230 million dollars have been transferred from the Cassa Depositi e Prestiti (Deposit and Loan Bank) to Dubai.

### **EMANUELE BELLANO OFF-SCREEN**

Luxury capital was like this in 1990: in 25 years, the Sheikhs of Dubai have turned a strip of desert into a city of skyscrapers while accumulating a fortune. The Sheikh is Mohammed Rashid Al Maktum, the King of Dubai. He controls out Emaar Properties - 10 thousand employees and turnover of 4.2 billion dollars - that has managed the construction of Dubai City Centre. The Sheikh's other properties belong to Dubai Holding, which owns the skyscrapers built by Dubai Properties: the mega Jumeirah Beach complex and the famous sail-shaped hotel. Not to mention Business Bay, Dubai Land, Internet City and so forth .

### **LORENZO ZOLI - ARCHITECT**

The truth is that the Emirates are a federation of monarchies. However, as we can also see, it is far from bankrupt - quite the opposite. Because when the Sheikh decides: this is what we are going to do - everyone in the chain simply does it.

### **EMANUELE BELLANO OFF-SCREEN**

The properties owned by the royal family include hotels, shopping centres and restaurants. Obviously, everything is extremely luxurious, like this: a terrace with a scenic view over the city. Where dinner with plankton risotto costs 1000 euros.

### **PAOLO BELLAMIO – EXECUTIVE CHEF PIERCHIC DUBAI**

Sea saffron, of course. Its special feature is giving a taste of the sea. It almost resembles eating oysters when you eat this risotto. These things are all very much appreciated, shall we say.

### **EMANUELE BELLANO OFF-SCREEN**

Very much appreciated - without a doubt - by the Sheikh of Dubai, who has included this restaurant in a very limited list of places where he takes his guests out to dinner.

When he is not aboard his 162-metre-long, 400-million-dollar yacht he can travel about in one of his sports and super-luxury cars, customized even down to the very number plate.

#### **PAOLO BELLAMIO – EXECUTIVE CHEF PIERCHIC DUBAI**

Number plates in Dubai usually have Dubai followed by five numbers. The Sheikh of Dubai's number plate is Dubai followed by number 1. The fewer the numbers on your number plate, obviously, the more prestigious it is. I remember last year when the number 19 was auctioned for eight million euros. Oh, yes, these are some of the crazy things that happen in Dubai as well.

#### **EMANUELE BELLANO OFF-SCREEN**

This madness list also includes this: the largest indoor skiing slope in the world. It is 400 metres long and you can ski even when the temperature outside is 40 °C. They are now even planning to install another more than one kilometre long. They expect to invest 4.5 billion euros.

#### **PIERO RICOTTI – TECNOSISTEMI FZ LLC**

Dubai is a miracle because His Highness knows that in every sector you have to be first, you cannot be second. And so in every area - let's say, in every sub-sector, he aims at excellence.

#### **EMANUELE BELLANO OFF-SCREEN**

His Highness Sheikh Mohammed Al Maktum achieved this miracle and built the city of the future also by making use of thousands of migrant workers from India, Pakistan and South-East Asia. They are paid \$600 a month and live on the edge of this society of well-being, crammed into neighbourhoods on the outskirts of the city.

#### **EMANUELE BELLANO**

What are you doing here?

#### **DUBAI WORKER**

We are here to protest: there is no food, they do not pay our wages and we do not have official domicile. We haven't been paid for more than a month. How can we carry on, we will die of hunger.

#### **EMANUELE BELLANO OFF-SCREEN**

This is one of the very rare protests organized by workers. There is no freedom of expression in the Emirates and workers are forced to accept very harsh working conditions.

#### **RICCARDO NOURY - SPOKESPERSON FOR AMNESTY INTERNATIONAL ITALY**

We can define this as a form of modern slavery because there is a kind of personal ownership by the employer who is the sponsor or master in less technical terms of the worker.

#### **EMANUELE BELLANO**

What does it involve?

#### **RICCARDO NOURY - SPOKESPERSON FOR AMNESTY INTERNATIONAL ITALY**

The right to strike is not recognized nor the possibility of organizing unions. You can be accused of threatening national security by tweeting. Torture inside prisons. Unfair trials. Corporal punishment is also envisaged, again inspired by the Koran.

## **EMANUELE BELLANO**

Such as...?

## **RICCARDO NOURY - SPOKESPERSON FOR AMNESTY INTERNATIONAL ITALY**

Whipping.

## **EMANUELE BELLANO OFF-SCREEN**

The Sheikh's coffers have also received money from Italy and Mohammed Rashid City, the new residential complex in Dubai, received a loan from Cassa Depositi e Prestiti of 230 million dollars.

## **EMANUELE BELLANO**

Why ever did the Cassa Depositi e Prestiti loan 230 million euros to a real estate fund in the United Arab Emirates?

## **GIAN GAETANO BELLAVIA - MONEY-LAUNDERING PREVENTION EXPERT**

Cassa Depositi e Prestiti has always been a public institution that used post office savings to channel them into Italy's economy and finance the country's infrastructure. Over the last 4-5 years, there an important development has taken place, above all from the point of view of its statutory purpose, as if it were any other financial entity.

## **EMANUELE BELLANO OFF-SCREEN**

230 million euros in savings from postal account holders thereby ended up with the Meydan real estate company, controlled by the Emir of Dubai, which undertook to engage the Italian construction company Salini-Impregilo in the Rashid City project. The President of Cassa Depositi e Prestiti is Claudio Costamagna.

## **EMANUELE BELLANO**

Costamagna was the President of Salini.

## **GIAN GAETANO BELLAVIA - MONEY-LAUNDERING PREVENTION EXPERT**

Indeed... He moved from Salini to Cassa Depositi e Prestiti. So, now, Cassa Depositi e Prestiti is essentially funding his former company. Perhaps he could have given the money directly to Salini, which would have been quicker. Since if the Emir does not repay the loan, you try and sue the Emir.

## **SIGFRIDO RANUCCI IN THE STUDIO**

But not to worry since Cassa Depositi e Prestiti says the investment is insured. It's insured by Sace that is its subsidiary and consequently again funded with public money. Sace also says "Dubai is one of the best places to invest". So, we have no doubts about the Sheikh's solvency. But why not finance Salini Impregilo directly, which instead had to provide a dowry granted by a former manager to a country that makes corporate secrets its strength. Was there perhaps a bribe to be paid? Yet perhaps it was simply better to invest in Dubai rather than in Italy. Cassa Depositi e Prestiti with Enel is involved in the Openfiber project that should wire-up our country - yet Italy ranks 25th in Europe: we are a long way behind. If we add to this the fact that many local councils have been left without resources and are choked by the Stability Pact and maybe there is no Sheikh to makes things work.. then perhaps this explains why they have illuminated fountains while Italy's industrial areas are in the dark.

## **ANTONIO LO CONTE - ENTREPRENEUR**

This structure was completed and was supposed to be used the day after by entering the offices. And now looking at it now like this is a terrible blow to the heart. Bearing in mind that private and even public money was involved. Here, this is the theatre. And here's the amphitheatre; I say: to the person who conceived this place.. no, I would like to tell him? In your own home, if this were your money, would you have spent it this way?

**EMANUELE BELLANO OFF-SCREEN**

The Services Centre cost 8 million euros, 80% of which funded by the Ministry of Economic Development. The rest was money from entrepreneurs operating in the industrial area.

**ANTONIO LO CONTE - ENTREPRENEUR**

There are almost 50 industrial areas in Calabria, there are five in just five kilometres, all without infrastructure. And obviously this means that entrepreneurs struggle.

**EMANUELE BELLANO OFF-SCREEN**

Your company is located in an industrial area in Frigento, a town of 3600 inhabitants. The Local Council was one of the shareholders of the Consortium created to assure essential services for companies. The Consortium went bankrupt in 2012.

**ANTONIO LO CONTE - ENTREPRENEUR**

We are currently being forced to buy the infrastructure, forced to buy all services. There is no lighting, it's utterly absurd.

**EMANUELE BELLANO OFF-SCREEN**

The only lights to be seen are those of the sheds or the building where Lo Conte's offices are located. Streets and pavements, on the contrary, are in the dark.

**EMANUELE BELLANO**

But are there any street lamps?

**CARMELO CIULLO - MAYOR OF FRIGENTO**

Yes, there are street lamps

**EMANUELE BELLANO**

So what's missing?

**CARMELO CIULLO - MAYOR OF FRIGENTO**

There is no direct connection to Enel (electricity company). What's missing is the electricity supply.

**EMANUELE BELLANO**

And why is there no electricity?

**CARMELO CIULLO - MAYOR OF FRIGENTO**

Frigento Town Council was not in a position to take on the costs that would then fall on the community.

**ANTONIO LO CONTE - ENTREPRENEUR**

Just think that until last year we only internet at two megabytes: it was impossible to make any connection. We have bought eight mega, we are the only company, we spent 50 thousand euros here for a radio bridge thirty kilometres away. Italy runs on

100 and fibre goes up to 100 megabytes. We have just 8. Organising a meeting with our branch offices is very difficult, someone speaks, then someone else speaks and you do not understand, you can't see anything. We left.

**EMANUELE BELLANO OFF-SCREEN**

Just a few kilometres away, there is another industrial area. With other industrial premises and other companies.

CIM srl builds chassis systems for trains exported all over the world. Even those used by the Miami Metro, for example, were built here.

**EMANUELE BELLANO**

What's the electricity supply like here?

**LEOPOLDO DEL SORBO - CIM SRL**

Suddenly it goes away and just as suddenly comes back. It blacks out for a fraction of a second. Unfortunately this means the machines switch off. Last week the power went eight times.

**EMANUELE BELLANO**

What damage does all this cause?

**LEOPOLDO DEL SORBO - CIM SRL**

We are currently looking at damage of about 180,000 euros.

**SIGFRIDO RANUCCI IN THE STUDIO**

The company that builds chassis for trains and subways that also exports to Miami is forced to stop work because the power supply is unreliable. Enel says that these are power dips and that electricity cannot at present be completely free of interruptions. Yet what appeal could such a place have when there is no fast Internet connection, where the local council has no resources to make power connections and where power - if there is any - is unreliable? Is this just rhetoric? Yes, but it is why the Japanese thought when they went there with the intention of investing in that industrial area. They made their assessments and said: if this is the situation then thank you but no. Perhaps it is better to invest in Dubai, with the Sheik, whose mill was supplied with water even by the owner of this sailing ship, the most prestigious in the world, who is also the owner of a Ferrari and a Jaguar. He financed the purchase of a building by the scion of a former official of the Italian Inland Revenue, he was also the sponsor of the party for the Italian Republic in Dubai. All very lovely except that for the Italian tax authorities he was almost destitute.

**EMANUELE BELLANO OFF-SCREEN**

Anonymity and corporate secrecy can help put together a fortune. And this is what an unknown Roman businessman managed to do.

**MARCELLO PETRELLI - LAWYER**

We know that a man who came from nowhere created an economic empire of considerable importance. And that this involved a flow of cash that in some way may well be suspicious.

**EMANUELE BELLANO**

How was this money created?

**MARCELLO PETRELLI - LAWYER**

I would love to know and imitate it ... because he really has built an empire from scratch!

**EMANUELE BELLANO OFF-SCREEN**

The empire of Gabriele De Bono is worth over 40 million euros. It includes villas in the exclusive Olgiata district of Rome. Homes in the Argentario area of Sardinia. A collection of 77 wristwatches worth a million euros. And then Lulworth, a 1920s sailing ship, 36 metres long built in Honduran mahogany.

**MARCELLO PETRELLI - LAWYER**

He has spent an incredible amount of money to put it back in order entirely using vintage pieces. And today it is considered to be the finest yacht in the world.

**EMANUELE BELLANO**

What is this yacht worth?

**MARCELLO PETRELLI - LAWYER**

An unbelievable amount.

**EMANUELE BELLANO**

As well as yachts, he also had other passions, right?

**MARCELLO PETRELLI - LAWYER**

Yes, vintage cars.

**EMANUELE BELLANO**

Jaguar, Rolls Royce, Bentley, Ferrari. Gabriele De Bono keeps more than 30 vintage cars in this industrial shed outside Rome. Then there were the suitcases of cash carried by his collaborators.

**MARCELLO PETRELLI - LAWYER**

In short, sums of between 50 and 100 thousand euros.

**EMANUELE BELLANO**

Why did he do with all this money?

**MARCELLO PETRELLI - LAWYER**

De Bono claims its was for very legitimate business and only for business.

**EMANUELE BELLANO OFF-SCREEN**

On the other hand, the Fraud Squad thinks that De Bono's business was completely illegal.

**GERARDO MASTRODOMENICO - COMMANDER GICO ROMA**

We have documented the outcome of a series of telephone interceptions, complex stalking and numerous bank ascertainments how De Bono Gabriele customarily lived in whole or in part on the proceeds of criminal activity in terms of tax fraud. In any case, a huge disproportion between his enormous wealth and lawful income declared in Italy has also been documented. Suffice it to say that over the last 15 years he has been almost completely invisible to tax authorities having declared an income of around 30,000 euros.

**EMANUELE BELLANO OFF-SCREEN**

The money-go-round was blocked by the Rome prosecutor's office. Gabriele De Bono's fortune was seized. The businessman was accused of international recycling. He ran a galaxy of companies with offshore head offices: British Virgin Islands, Seychelles, Panama and Dubai, where De Bono enjoys excellent relationships with the Italian Consulate. His company, MDC Management, is based in the same building as the visa office. He was one of the consultants accredited by the Consulate and was even a sponsor for the party celebrating the Italian Republic in Dubai. This person has access to in-house documents of the De Bono company in Dubai.

**SOURCE**

That's what his company did ... it collected money and then reinvested it.

**EMANUELE BELLANO**

So, money arrived here from Italy. And then disappeared, was transferred ...

**SOURCE**

To Mauritius, Nice, Montecarlo ...

**EMANUELE BELLANO OFF-SCREEN**

On 13 April 2015 Gabriele De Bono set up in the Sharjah Free Zone, a few kilometres from Dubai, the Intissar company and hired Mr. Riccardo Paoloni who, through a series of other companies, obtained a loan totalling 875,000 euros to buy and restructure this building in Prague.

**RICCARDO PAOLONI**

Looking around me, I ended up in Prague. There was an investment opportunity, a possible investment, in any case, involving a property.

**EMANUELE BELLANO**

In Prague?

**RICCARDO PAOLONI**

In Prague. Obviously, I couldn't afford such a sum of money. Dr. De Bono, after some time, we talked with the banks there and he obtained a loan from a bank in Dubai.

**EMANUELE BELLANO**

And how come De Bono decided to give it to you, in short, to accept such a commitment with the bank ...

**RICCARDO PAOLONI**

Simply because I worked for Dr. De Bono. I met Dr. De Bono because I studied with his son. When the buildings and everything else will be sold, there will be something for De Bono and therefore ...

**EMANUELE BELLANO OFF-SCREEN**

In exchange for the free loan by Intissar and therefore the 875,000 euro for the property, Paoloni says he signed a private agreement with De Bono for the building in Prague and his house in Rome.

**EMANUELE BELLANO**

In short, you care about Gabriele De Bono. Why?

**RICCARDO PAOLONI**

Yes, but there is a building behind it all. And then he also knew my father and mother.

**EMANUELE BELLANO OFF-SCREEN**

Riccardo Paoloni's father is a former employee of the Ministry of Finance now retired.

**EMANUELE BELLANO**

Can I ask you what you did at the Ministry?

**AUGUSTO PAOLONI**

I have "NOS", I mean security clearance.

**EMANUELE BELLANO**

What does that mean?

**AUGUSTO PAOLONI**

NOS security clearance means that I have access to certain documentation and ... public deeds. There are some ground plans that you are not allowed to see because they give me the location of the prefect, the minister and others ...

**EMANUELE BELLANO**

You could access this data ...

**AUGUSTO PAOLONI**

I can access these things here ...

**EMANUELE BELLANO**

Which department did you work in at the Ministry of Finance?

**AUGUSTO PAOLONI**

The Inland Revenue, as it lately had become. But there's nothing like this ...

**EMANUELE BELLANO**

Before these events, had you ever crossed paths with Gabriele del Bono?

**AUGUSTO PAOLONI**

Absolutely not.

**EMANUELE BELLANO**

In your work, I mean.

**AUGUSTO PAOLONI**

Absolutely not.

**SIGFRIDO RANUCCI**

NOS security clearance is the special authorization that allows people to access top secret information. It is issued by the Intelligence Service and aims to protect the political, military and economic interests of a country. Paoloni senior thereby would have had access to databases and confidential information but did not ask who precisely provided finance of more than 800,000 euros for the building for his son, as if it were standard practice. In any case, who doesn't happen to have a family friend who buys a building for your offspring? So, De Bono would have carried on unperturbed had not the Gico arm of the Fraud Squad in Rome intervened to seize assets estimated to be worth 40 million euros - something incompatible with what De

Bono had declared as income in 15 years: merely 30,000 euros. This is what De Bono has to say: I did not pay tax in Italy because I was resident in Montecarlo and Dubai. No - says the Fraud Squad - your residences were fictitious and you built your empire thanks to a series of companies issuing false invoices. So, a company that should have paid taxes in Italy that instead helped make the fortune of a small Swiss town is controlled by a luxury life-style Italian: Giorgio Armani.

**ANNA BERNASCONI - RSI JOURNALIST**

It is known as Fashion Valley - basically, it's where fashion companies have set up shop over time here in Canton Ticino. The list includes Ermenegildo Zegna, Armani, Versace came, Prada and Guess; then there are the big American brands Vans, Timberland, as well as Gucci, Balenciaga and Yves Saint Laurent.

**EMANUELE BELLANO**

Can we find out what tax rates are applied to such companies that decide to set up part of their business here?

**ANNA BERNASCONI - RSI JOURNALIST**

Can we find out? No, because Switzerland enacts tax secrecy.

**EMANUELE BELLANO OFF-SCREEN**

Secrecy is defined by law in Switzerland. Anyone who violates it risks 3 years in prison. Geographical position, the efficiency of public administrations, banking secrecy and special tax advantages have transformed this country into the world's treasure chest. Estimates suggest that banks here administer five trillion euros. Multinational corporations, in exchange for capital and jobs, have obtained tax benefits from the State: they only pay up to 8% in tax.

**SAMUELE VORPE - PROFESSOR AND RESEARCHER, SUPSI**

These statutes have made it possible, with reference to Canton Ticino, to attract 1500 companies to our region. We have 1500 companies that in any case ensure around 20% of revenue for the Canton.

**EMANUELE BELLANO OFF-SCREEN**

Fashion Valley assures revenue for Canton Ticino in Switzerland of 90 million francs a year - more than the banking and financial sector. Yet now, special tax advantages no longer exist. Things are also changing as regards tax secrecy. As of this year sees the start of automatic exchange of information between Swiss banks and Italian tax authorities.

**SAMUELE VORPE - PROFESSOR AND RESEARCHER, SUPSI**

This is how it works: the Swiss bank collects information about its Italian customers, checks the accounts, sends these accounts to the federal authority in Bern and the federal authority will then automatically send them to the Italian Inland Revenue.

**EMANUELE BELLANO OFF-SCREEN**

Others decided some time ago to leave Ticino's Fashion Valley and one is the fashion multinational Giorgio Armani. With hundreds of boutiques all over the world and annual turnover of two and a half billion euros, Armani is an international symbol of Made in Italy. Armani opened a branch in Switzerland in the late 1980s in Mendrisio, near Lugano.

**GIANLUCA PADLINA - MENDRISIO CITY COUNCILLOR**

Our local area still boasts many truly beautiful corners. And as we can see here, in this beautiful park, we have an academy and its students come here to sunbathe.

**EMANUELE BELLANO OFF-SCREEN**

A splendid academy of architecture, tidy streets and prestigious urban works have helped Mendrisio earn the nickname of "magnificent village". In any case, every year, the local council can spend 80 million euros, more than twice what a similar Italian town across the border can spend. All this is also thanks to the tax paid by Giorgio Armani into the coffers of the Local Council.

**ANDREA STEPHANI - MENDRISIO CITY COUNCILLOR**

Mendrisio's tax revenue come to the tune of 40% from companies and Armani was one of the biggest taxpayers in the area.

**EMANUELE BELLANO OFF-SCREEN**

The figures were published by Chiasso Local Council. Until 2017, Armani paid 8 million francs in tax every year to Mendrisio Town Council, equal to around 7 million euros. But what turnover does Giorgio Armani generate in Switzerland?

**EMANUELE BELLANO**

Have you ever asked?

**ANDREA STEPHANI - MENDRISIO CITY COUNCILLOR**

Sure. We asked but ...

**EMANUELE BELLANO**

And what was the answer?

**ANDREA STEPHANI - MENDRISIO CITY COUNCILLOR**

The answer was that tax secrecy means that taxpayer information and taxable income factors cannot be disclosed.

**EMANUELE BELLANO OFF-SCREEN**

The company, in any case, is not obliged to present official financial statements. Armani's head office in Switzerland is in this building. It has about 100 employees yet nothing has ever been produced here. So what did Armani do in Mendrisio?

**ANDREA STEPHANI - MENDRISIO CITY COUNCILLOR**

That's a great question ...

**EMANUELE BELLANO OFF-SCREEN**

Giorgio Armani set up the GA Modefine S.A. in Mondrisio, an anonymous company that closed in 2013.

**EMANUELE BELLANO**

What did it do, what was the purpose of this company?

**TOMMASO DI TANNO - TAX ADVISOR**

We are unable to discover what kind of activity this Swiss company carried out.

**EMANUELE BELLANO OFF-SCREEN**

On 3 April 2016, the International Consortium of Investigative Journalists published The Panama Papers, millions of documents from the Panamanian law firm Mossack

Fonseca. Data for 200,000 anonymous companies and other confidential information thereby became public knowledge. Among the papers of Jürgen Mossack and Ramón Fonseca, the owners of the law firm, we found out that the company Armani created in Mendrisio was connected with the Rapisardi law firm in Lugano.

#### **ALBERTO GIORDANO - FORMER EMPLOYEE OF THE RAPISARDI LAW FIRM**

In our case, it was purely a relationship based on administrative trademark filing in Panama.

#### **EMANUELE BELLANO OFF-SCREEN**

Alberto Giordano until 2016 worked for the Rapisardi Law firm in Lugano, specialising in the management of trademarks and patents. Mossack Fonseca's in-house correspondence shows that he met the lawyers of the Panamanian firm several times in London and Milan.

#### **FRANCO MARTEGANI – MARTEGANI & PARTNERS**

I'm unhappy that Dr. Giordano has been used to obtain information that may well be confidential.

#### **EMANUELE BELLANO OFF-SCREEN**

The most prestigious client of the Rapisardi law firm is the Armani group. Rapisardi registered the following trademarks in Panama: Emporio Armani, Giorgio Armani, Armani Exchange, Acqua di Giò and many others.

#### **EMANUELE BELLANO**

Why did Giorgio Armani register all these brands in Panama?

#### **ALBERTO GIORDANO - FORMER EMPLOYEE OF THE RAPISARDI LAW FIRM**

Because they are sold all over the world. All the brands in the world have probably been registered in Panama.

#### **EMANUELE BELLANO OFF-SCREEN**

The Panamanian documents revealed that the owner of Armani brands is none other than GA Modefine, the Swiss company founded in Mendrisio.

#### **NICOLA FRANCIONE - LAWYER**

Brands generate extremely high profits, especially in the fashion industry. Every time someone in the market uses the trademark, they will have to pay the owner a percentage known as royalties.

#### **EMANUELE BELLANO**

If the brand is owned by a company, based for example in Switzerland, where is the profit generated by exploiting the brand in question taxed?

#### **NICOLA FRANCIONE - LAWYER**

Probably in Switzerland.

#### **EMANUELE BELLANO OFF-SCREEN**

The Swiss company GA Modefine, while it was still operating, owned Armani brands in North and South America, Asia and the Middle East - in fact in most countries in the world where Armani products are marketed, excluding Europe. Which means that all the profits generated by exploiting Armani brands around the world ended up in the hands of a small company based in Mendrisio, Switzerland. In 2010, GA Modefine was

made non-operative and in 2013 it was closed. What happened to the Armani group at that time?

#### **TOMMASO DI TANNO - TAX ADVISOR**

In 2013, the Armani group agreed a transaction with tax authorities worth 235 million euros. This transaction refers to an assessment of the Armani group for a tax inversion of its Swiss company in the period between 2002 and 2009. Probably this complaint referred to the fact that the company would have had to pay Italian taxes at Italian tax rates.

#### **EMANUELE BELLANO**

Is it possible to speculate how much the Italian Inland Revenue claimed and which then led to the payment of this fine?

#### **TOMMASO DI TANNO - TAX ADVISOR**

Transactions are usually made for amounts between 30 and 40 per cent of the claim. We assume that in this case an even higher claim was made, i.e. 50% ... which means that the dispute refers to sums of just under 500 million euros.

#### **SIGFRIDO RANUCCI IN THE STUDIO**

Armani has confirmed that it negotiated 235 million euros with Italian tax authorities which, however, does not concern exploitation of brands but tax residence. The tax authorities say it involves tax inversion. The claim referred to the period from 2002 to 2009; Armani had been based there since the 1980s, but for some years now the company has been repatriated to Italy. Yet Report found another company in the Panama registers with the name Giorgio Armani, Paris France Inc. Armani wrote to us that it is not part of the Armani Group, that it found out about the existence of this company thanks to Report and its legal offices will now handle the matter. We believe this, not the least because the name and the brand have such appeal that someone might well have been tempted to register a company with this name. In any case, brands and patents - in Europe alone - generate 42% of GDP, or 6 thousand billion euros every year. This is because they push products and generate royalties. A former basketball player is well aware of this and came into possession of the most important textile machinery company in Italy and one of the most important in the world. However, he brought it to bankruptcy and left the state to pay the workers. Report, thanks to the help of the international consortium of investigative journalists, managed to catch him with his fingers in the pie by consulting the Paradise Papers. And we discovered that this former player has hidden the trademarks and patents in a trust company thanks to the help of a legal office in Singapore, which as far as tax havens go, is keen to take the place of Switzerland.

#### **CLAUDIO CLEMENTE - DIRECTOR OF THE FINANCIAL INFORMATION UNIT, BANK OF ITALY**

If we look at the trend for these bank transfers in the period from 2008 to 2016, and even into 2017, we see that some countries as traditional recipients of Italian funds have not increased the flow of credit transfers they receive from Italy; we have also noted a shift of such capital to the east, especially to places such as Hong Kong, Singapore and Abu Dhabi.

#### **EMANUELE BELLANO OFF-SCREEN**

The sea strait opposite Singapore handles container ships carrying Asian goods all over the world. Yet Western companies do not discuss their business at the port but in

city centre skyscrapers. Although it is entirely surrounded by Malaysia, 90% of Singapore's population is of Chinese origin.

**MEN**

Thank you, thank you. Happy New Year, Happy New Year ...

**BRUNO LIOTTA – INTER-UNION (S.E.A.)**

Every company and every home organize this dance, this lion, which spreads good wishes around ... The more noise you make the more well-being you bring.

**EMANUELE BELLANO OFF-SCREEN**

Well-being in Singapore is high and widespread. And with per capita wealth of 50 thousand dollars, this small city-state is the richest country in Asia.

**BRUNO LIOTTA – INTER-UNION (S.E.A.)**

Well-off Chinese want to give their children good educations. So what do they do? They send their children to Singapore because it has the best schools, the best hospitals. And do they do to obtain a visa for Singapore? They buy a house, arrange s an investment.

**EMANUELE BELLANO OFF-SCREEN**

The Bay of Singapore is home to the highest overhead swimming pool in the world. Just as in Switzerland, American business banks have located here, such as Citibank and Morgan Stanley, as well as the major Chinese banks, HSBC and Bank of China. International law firms in the skyscrapers offer financial services to investors.

**BRUNO LIOTTA – INTER-UNION (S.E.A.)**

Just like everyone else, even Singapore has some skeleton in the wardrobe.

**EMANUELE BELLANO OFF-SCREEN**

These also include the secrets of Luca Gregoric, an accountant based in Padua. He is a director of Smit Textile, a Vicenza-based company that has built machinery for the textile industry for eighty years with exports all over the world. Yet it has been in deep trouble for many years.

**FERRUCCIO CASAROTTO - FORMER SMIT TEXTILE WORKER**

This shuttle here ... they were once on looms used to make carpets... comes from Greece, if I recall. This one came from Spain, while this one came from Tunisia in northern Africa. As I progressively toured around various customers as they replaced old machinery with our own, they threw them away and I put them in my suitcase and brought them home.

**EMANUELE BELLANO OFF-SCREEN**

The Vicenza textile district has exported Made in Italy industrial looms all over the world. The Smit Textile brand is consequently known everywhere.

**FERRUCCIO CASAROTTO - FORMER SMIT TEXTILE WORKER**

It was a great company in my opinion because it put people in the right place. And even put people ahead of certain other financial things.

**EMANUELE BELLANO OFF-SCREEN**

At the end of the 1990s, at the height of its success, Smit Textile had 500 employees. In 2010, management of the company passed into the hands of Luca Gregoric, an accountant based in Padua with a past in professional basketball.

**FERRUCCIO CASAROTTO - FORMER SMIT TEXTILE WORKER**

Under Gregoric we didn't manage to sell anything anymore, so from twenty looms a day we dropped to almost none.

**EMANUELE BELLANO OFF-SCREEN**

In 2014, Smit Textile was no longer able to pay the wages. It declared bankruptcy, submerged by debt.

**CLAUDIO MONDIN - LAWYER**

A chasm involving millions and millions of euros ...

**EMANUELE BELLINO**

What was the impact on the local area?

**CLAUDIO MONDIN - LAWYER**

It was the first of the historic engineering factories to go bankrupt. And the impact that followed... I can imagine that there are many hundreds of families who have paid dearly.

**EMANUELE BELLANO OFF-SCREEN**

In an effort to save 140 jobs, the bankruptcy court found an entrepreneur interested in restarting the business.

**EMANUELE BELLANO**

What is the Smit trademark worth?

**FERDINANDO BUSINARO – SANTEX RIMAR GROUP**

A great deal.

**EMANUELE BELLANO OFF-SCREEN**

Smit Textile trademarks and patents are worth €19 million in the balance sheet but when the bankruptcy liquidator attempted to restart production, he discovered that the company no longer owns them.

**CRISTIANO EBERLE - BANKRUPTCY LIQUIDATOR, FORMER SMIT TEXTILE**

Smit Textile was stripped of what can be defined as its essential assets for conducting its business operations.

**EMANUELE BELLANO OFF-SCREEN**

But where did this 19 million euro treasure trove end up? To understand this, we have to keep track of Luca Gregoric's movements. On 6 April 2016, he did what he did twice more over the last three years. He travelled from the airport to the city, through the financial district and into Penang Road, before entering Winsland House, the head offices of AsiaCiti Trust, the most important law firm in Singapore. When he sat down at the discussion table, Smit Textile had already closed its doors. Three months before the bankruptcy, Gregoric sold the trademarks and patents to two offshore companies: Pacific Western in Hong Kong and Glen Cove 34 in Madeira.

**EMANUELE BELLANO**

And who owns these two companies?

**FAUSTO BARATELLA - LAWYER OF LUCA GREGORIC**

As regards these two companies, I do not know the actual or reference shareholding of these companies.

**EMANUELE BELLANO**

Because searching for them in official company registers reveals that the shareholder of both companies is a trust. Who are the beneficiaries of this trust?

**FAUSTO BARATELLA - LAWYER OF LUCA GREGORIC**

I do not know this information.

**EMANUELE BELLANO OFF-SCREEN**

The Vaira Trust is domiciled in the centre of Auckland, New Zealand. But it is managed by Asiaciti, the law firm based in Singapore. Last November, the International Consortium of Investigative Journalists published Paradise Papers containing more than thirteen million confidential documents. Some come from Singapore, precisely from the Asiaciti database. The names of Luca Gregoric, Pacific Western, Glen Cove 34 and the Trust Vaira all appear, i.e. the companies that have received Smit Textile's trademarks and patents from Gregoric.

**FAUSTO BARATELLA - LAWYER OF LUCA GREGORIC**

I have no documentation to say ... to give you an exact answer. I absolutely don't see the relevance of this ...

**EMANUELE BELLANO**

Well ... in truth, the relevance is a rather obvious: that is, if Gregoric manages Pacific Western and Glen Cove 34 - the two companies to which Smit, while administered by Luca Gregoric, transferred assets in terms of Smit's patents and trademarks worth €19 million, in some way it is as if he had transferred them to companies that can be traced back to him.

**FAUSTO BARATELLA - LAWYER OF LUCA GREGORIC**

If the question is attempting to say: was there a plan to deplete the company to the benefit of other companies that can then be traced to the same person who endorsed the transfer? Then my answer is no.

**EMANUELE BELLANO**

No ... but the facts seem to contradict this.

**FAUSTO BARATELLA - LAWYER OF LUCA GREGORIC**

You are informing me of facts I know nothing about because my reasoning is based on official deeds.

**SIGFRIDO RANUCCI IN THE STUDIO**

And we also refer to official deeds. And the documents reveal that Gregoric, the accountant and former basketball player, sold the brands to two offshore companies, shielded behind a trust, that all refer back to him. He signs the financial statements, he signs and authorizes payments. All this material is at the disposition of everyone having an interest in this case. Over the last two years since the Panama Papers were published, tax authorities around the world have recovered \$500 million. Italian tax authorities have identified 800 tax evaders but are still calculating the sums due to

our country. There is no news as yet. But we are confident because they are working on it.

And now let's take a look at those who have created a tax haven with their own hands on our beaches. After the adverts!