

## GLADIATOR GAMES

An investigation into corrupt banking officials has embroiled Italy's largest concessionaire, BPlus, in a gambling scandal of monumental proportions. In an exclusive interview with G3, **Francesco Corallo** defends himself and his company

The Banca Popolare di Milano (BPM) former president, Massimo Ponzellini, is currently under investigation and house arrest in Italy in relation to €2.5bn in deteriorated loans made during his term of office. The investigation goes back several years and includes intercepted phone conversations, the seizure of computer records and individual testimonies. As part of the investigation an arrest warrant has been issued for the owner of Italian concessionaire, BPlus, Francesco Corallo, in relation to a loan, granted by the Banca Popolare di Milano to BPlus in October 2010 for €45m, following an initial tranche of €105m in 2009. A resident of St. Maarten in the Dutch Antilles, Francesco Corallo was declared a fugitive by the Italian authorities when they were unable to contact him in relation to the warrant issued in May of this year.

At the time of the arrest warrant being issued, Mr. Corallo was not present in Italy. He is not an Italian citizen and he does not live in Italy. The Italian press paints a picture that Mr. Corallo fled upon knowledge of the arrest warrant being issued; however, he was not in the country at the time and the Public Prosecutor of Milan was well aware of the fact. It is no secret that Mr. Corallo lives in St. Maarten where he owns a number of casinos. As it stands, the arrest warrant issued by the Italian authorities requires Mr. Corallo to be held in custody whilst the criminal investigation is undertaken, which could take up to a year. At present, Mr. Corallo has not returned to Italy.

The Office of the Public Prosecutor of Milan did not try to contact Mr Corallo before the arrest warrant was issued. The

Public Prosecutor, however, knew the identity of Mr. Corallo's Italian lawyers at all times and could have contacted Mr. Corallo through them if they had wished. The Public Prosecutor finally served the arrest warrant upon Mr Corallo's Italian lawyers on June 25, 2012.

The Italian media maintain that BPlus received €105m in cash and that this sum remains unaccounted for, stolen or has been used for a purpose other than that which was agreed with BPM. However, the investigation in Italy does not focus on the first tranche of the loan granted in October 2009, but on the second tranche granted in October 2010 (of €45m). According to BPlus, BPM were aware that the loan was to be used to purchase the VLT licences and to be paid to the Italian State, and that the loan was secured by the licenses that were purchased. The loan from BPM was used to acquire 11,953 VLT licences from AAMS (the governing authority of gaming in Italy) at a cost of €15,000 per VLT licence, paid directly to AAMS.

The Italian press has, understandably, had a field day with the story, which has all the elements needed to sell tabloids. Multi-million banking fraud, bribery allegations, associations with gambling companies, tax havens, arrest warrants and fugitives. However, the crux of story begins with the loan application itself. The Bank of Italy claims that Banca Popolare di Milano should not have granted Atlantis World the loan in 2009, with prosecutors claiming that bribes were promised to Massimo Ponzellini and a series of other bank employees and associates to secure the loan. A police statement outlines: "Milan prosecutors



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suspect that huge loans were granted partly 'through the falsification of evaluation procedures at the bank' and given in exchange for €5.7m in bribes."

The bribes are supposed to be a cumulative amount alleged to have been paid by all those entities that have been connected to BPM and Mr. Ponzellini, including other gaming companies and Italian organisations, such as Capgemini, Energreed and Almaviva.

The claim against Atlantis World and Francesco Corallo states that he and his company 'improperly stole the bank's



money, issued false invoices and laundered the money received through its gambling business.' Subsequently, Mr. Corallo, has conducted a series of interviews in the Italian press seeking to address all the claims made against him, not least his status as a fugitive. Mr. Corallo states that the loan with Banco Popolare di Milano was a regular business loan, just as the bank's lending during the same period to Gmatica and Sisal were part of the VLT licensing process instigated by the Italian gaming monopoly, AAMS. The loan was secured at the time against €250m of collateral and did not pose a risk to BPM. To date,

BPlus has re-paid €75m of the loan with Banco Popolare di Milano earning €7m in interest payments as part of the process.

Atlantis World Group, parent of BPlus, is Cyprus-based, having moved the company's HQ from the Dutch Antilles to comply with Italy's 2010 Law of Stability, which forced Italy's gaming concessionaires to ensure they are located with the European Economic Area. Claims that Atlantis and BPlus are located in tax havens have been disputed by Mr. Corallo, who has confirmed the relocation of Atlantis to Cyprus and maintained that

BPlus collects and pays to the Italian State approximately €90m in gaming taxes every month. BPlus in addition pays corporate tax on its income to the Italian State, making the company the second biggest corporate tax payer in country after the car giant, Fiat.

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The Italian press has focussed upon investigations conducted into tax evasion in 2010 and related raids on Mr. Corallo's property in Rome, despite the fact that he and his company were exonerated. The fact that Mr. Corallo's father was formerly convicted of corruption charges in Italy has fuelled press links to organised crime and removed any aspect of considered analysis from the coverage. Investigations into Mr. Corallo and his company have been formally conducted and concluded as part of the concessionary licensing process and something that both he and Atlantis underline in their defence. The Italian press are fascinated by the amount of money generated by the gaming industry in Italy, through the 10 concessionaires, illustrating stories with tables depicting revenues for each of the companies involved. The fact that each company pays enormous taxes to the treasury appears lost in the current scandal, which is first and foremost a banking, not gaming one.

In an exclusive interview, G3 questioned Mr. Corallo in relation to the allegations made against him, BPlus and Atlantis World. His answers are printed here unabridged or edited due to the legal issues involved in the case.

### **WHAT WERE THE CIRCUMSTANCES CONCERNING THE ISSUANCE OF THE BPM LOAN – WAS IT REJECTED? WAS PRESSURE EXERTED OR WAS THIS A NORMAL LOAN?**

It is worth knowing that B Plus (or its predecessors) has had a banking relationship with BPM since about 2004, long before the arrival of Mr Ponzellini as Chairman of the bank in April 2009.

After the Abruzzo Decree of April 2009, which legalized the use of Video Lottery Terminals, B Plus made an application to BPM for a loan in order to fund in part the purchase of the VLT licences (with B Plus using its capital to pay the remainder of the licence fee). This loan application was approved by the Board of Directors of BPM. This loan was not unusual as every concessionaire obtained loans from major and respected banks to finance their own purchases of the VLT licences which included Uncredit, Deutsche Bank and Royal Bank of Scotland.

The loan received from BPM was used for the purpose of buying 11,953 VLT licences



from AAMS (the governing authority of gaming in Italy) at a cost of €15,000 per VLT licence. B Plus obtained funding from BPM for the VLT licensing fees in October 2009 (€60 million) and October 2010 (€45 million). B Plus paid a standard interest rate (Euribor plus 2 percentage points), paid standard costs associated with the loans (loan examination fees, pre-amortization interest, etc.), and provided significant and valuable security in terms of an assignment of the VLT rights valued at €179,295,000 and the assignment of additional credits in the amount of €33 million. B Plus has already repaid €75 million of the total loan (of €105 million) and has never defaulted on a repayment obligation and B Plus continues to honour its obligations despite the accusations levelled at me and my company. It is also very important to understand that B Plus has also paid total interest and fees to date on the loan amount of over €7.5 million which I believe makes B Plus one of the bank's most profitable client relationships. This is not a situation where BPM has a bad loan on its hands or where there can be any suggestion that financially the decision to issue the loan was a mistake. It is surprising, in light of this fact, that the Public Prosecutor is focusing on whether loans to B Plus were appropriate, when we understand that BPM has over EUR1.3 billion of bad loans with other parties according to a Bank of Italy report on the bank.

Absolutely no pressure was applied by myself or B Plus to BPM in respect of the loan which went through an internal BPM credit approval process which was documented and was ultimately approved by the Board of Directors of BPM. The loan has proved to be very good business for BPM, was secured by a substantive guarantee and they have made a significant profit from the commercial arrangement. I am at a loss to understand, how, in circumstances where BPM has not suffered a penny of loss from its relationship with B Plus and, in reality, has made a healthy gain, there can be any suggestion that I or my company have behaved improperly. BPM in fact continues to profit from its relationship with B Plus as B Plus is continuing to make its loan repayments in full together with interest.

So that the reader can understand, I am being accused of an offence under Article 2635 of the Italian Civil Code which reads as follows:

**Art. 2635 Civil Code**

*Breach of fiduciary duty following bestowal or promise of benefits*

*The directors, general managers, managers*



## THE ITALIAN PRESS HAS HAD A FIELD DAY WITH THE STORY, WHICH HAS ALL THE ELEMENTS NEEDED TO SELL MILLIONS OF TABLOIDS.

*responsible for compiling the company's financial statements, auditors and liquidators who, following the bestowal or promise of benefits, commit or omit acts in breach of the duties inherent to their office, causing harm to the company, shall be punished with up to three years' imprisonment.*

*The same penalty applies to those who give or promise to give the benefit.*

*The penalty is doubled if it involves companies with securities listed on regulated Italian markets or the markets of other European Union Member States or available to the public for the purposes of article 116 of the legislative Decree of 24 February 1998, no. 58.*

"The allegations made against me by the Public Prosecutor are to this day not entirely clear or coherent but in short what we understand him to be alleging is that I bribed Mr Ponzellini, the former Chairman of BPM, to manipulate internal loan approval procedures so that B Plus could obtain a loan which it otherwise would not have obtained from the bank. First, to be clear, there is not a shred of evidence in the Public Prosecutor's case against me that I paid any bribes to Mr Ponzellini."  
**FRANCESCO CORALLO**, B Plus, Atlantis World.

*The claim shall be brought on the complaint of the victim.*

It is important to note that for there to have been an offence under this Article it is essential for the alleged victim (ie BPM in this case) to have suffered harm. Whilst I have not paid or promised any bribes which would trigger this offence, it is clear from BPM's press release of 29 May 2012 published in response to the arrest warrant issued against me, Mr Ponzellini and Mr Cannalire that BPM has not suffered any economic harm as a result of the provision of the loan to B Plus. BPM has publicly stated for the record in its press release that: 'At present and according to available information, it is believed that this event [the financing of B Plus] will have no economic impact on the bank.' Without harm being suffered by the victim, there is no offence under Article 2365.

**YOU HAVE SPOKEN OF DOCUMENTS THAT REFUTE THE ALLEGATIONS – COULD YOU OUTLINE THOSE FOR OUR READERS?**

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Secondly, there is no evidence that the bank manipulated or overlooked the loan approval process so that B Plus could secure a loan and that I pressured BPM to do so. The documents from BPM's own files point to the contrary and demonstrate that the loan to B Plus was properly considered and ultimately approved by the Board of Directors. My lawyers have now obtained depositions from members of the Board of Directors at the time the loans were approved that confirm that no pressure was applied by Mr Ponzellini (or B Plus) with respect to the loans and that the credit approval process was properly undertaken; they also have a report prepared by BPM and filed with the Bank of Italy in July 2011 that was approved by Directors of BPM that makes the following conclusions about the loan to B Plus: "the evaluations carried out led to a positive conclusion regarding the sustainability of the business supported by, in addition to the numbers, a largely positive historical relationship corresponding to its everyday activity" and that "positively regarded were the business model adopted, the

**THERE IS NO EVIDENCE THAT THE BANK MANIPULATED OR OVERLOOKED THE LOAN APPROVAL PROCESS SO THAT B PLUS COULD SECURE A LOAN.**

guarantees acquired/requested and the contractual covenants signed, which brought the overall risk profile within an acceptable range for the Bank." BPM have also now recently disclosed a report conducted by a major external independent auditor to review BPM's customer file with B Plus, which was commissioned by BPM before the arrest warrant was issued, that does not contain any suggestion that the loan approval process was manipulated with respect to B Plus. These are but a few examples of documents that prove that the case against me is entirely misconceived and should never have been brought in the first place.

It is also worth noting that in order for B Plus to qualify as a concessionaire in

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**THERE SEEMS TO BE A GREAT AMOUNT OF DETAIL CONCERNING MEETINGS WITH MASSIMO PONZELLINI AND YOURSELF – THERE ALSO APPEARS TO BE ALLEGATIONS THAT PONZELLINI WAS ACTING ON ATLANTIS' BEHALF TO PUSH THROUGH THE LOAN APPLICATION, WHICH ACCORDING TO THE BANK OF ITALY, SHOULD NOT HAVE BEEN GRANTED. MEETING WITH A BANK TO DISCUSS A BUSINESS LOAN IS COMMON PRACTICE, SO DO THE PROSECUTORS HAVE EVIDENCE THAT THERE WERE INCENTIVES PAID OR PROMISED?**

I met with Mr. Ponzellini on three occasions in Rome. The first meeting was at Mr Ponzellini's request after April 2009 and Mr Ponzellini's appointment as the new Chairman of the bank as he wanted to meet the ultimate owner of one of BPM's biggest clients. The second meeting was again at Mr Ponzellini's request because he wanted information and documentation concerning the corporate structure of the Atlantis Group of companies which I duly provided. The third meeting was at my request because I wanted to know why BPM was not providing assistance in relation to the tender process for the renewal of the concession with AAMS which was due in October 2011. BPM, as B Plus' bank, needed to provide certain confirmations with respect to the existing bank guarantee as part of the tender process and BPM had delayed in providing what should have been very simple assistance. B Plus also sent a letter to BPM formally recording the contents of my complaint after that meeting. These meetings were perfectly natural and ordinary meetings as between a bank and its customer; I have nothing to hide as there was nothing secretive or improper about these meetings.

The Public Prosecutor has absolutely no evidence that any money was paid to Mr Ponzellini or that he personally benefited from BPM's relationship with B Plus because no such payments were made. The Public Prosecutor has sought to rely on a loan given by B Plus to a company called M2 Pictures in the amount of €1m as evidence that bribes were paid to Mr Ponzellini simply by virtue of the fact that



a Mr Cannalire, with whom Mr Ponzellini is connected (which is very much public knowledge), is a shareholder of M2 Pictures. Yet, the Public Prosecutor's own expert has confirmed that on an analysis of M2 Pictures' accounts there are no disbursements of money that are not specifically referable to the company's line of business. M2 Pictures is a legitimate business which markets and distributes films in Italy <http://www.m2pictures.it/>. The money loaned by B Plus to M2 Pictures was used to purchase rights in certain films. For example, M2 Pictures has acquired the film rights to Warrior, Spiders, Chernobyl Diaries and Frozen amongst others.

The loan from B Plus to M2 Pictures has been characterized by the Public Prosecutor as anomalous and having no commercial value because B Plus did not claim interest on the loan. That is a complete mischaracterization and misunderstanding of the loan arrangement and another critical mistake by the Public Prosecutor. The loan arrangement is a profitable and entirely legitimate piece of business for B Plus (and M2 Pictures) for the following reasons:

1. The loan arrangement gives B Plus a right to a 10 per cent share of M2 Pictures' profits, and in any event, a guaranteed minimum annual payment of €60,000 starting in the 2012 fiscal year (the practical equivalent of a minimum interest rate of 4.8 per cent per annum);
2. the full repayment of the principal amount by 2015;
3. B Plus does not bear any of M2 Pictures' losses;
4. B Plus received personal guarantees from two of the shareholders of M2 Pictures in respect of the loan, Marco Dell'Utri and Rudolf Gentile (who had both previously set up and sold a successful film distribution company called Moviemax).

As one can see, no reasonable, objective and rational person could conclude that the loan amount was a bribe in circumstances where the loan is to be repaid together with a healthy return on the loan and there is no evidence whatsoever that this money has been used for anything other than proper business purposes.

**Q. IF THE LOAN WAS SECURED AGAINST €250M – WHY IS THE BANK OF ITALY MAINTAINING THE POSITION THAT THE LOAN SHOULD NOT HAVE BEEN GRANTED? IN HINDSIGHT, WITH THE REPAYMENTS**



**MADE, IT SEEMS TO HAVE BEEN ACTUALLY GOOD JUDGMENT?**

Good question. I agree, and as I have already stated, BPM's loan to B Plus has been very good business for the bank.

I should clarify for you that the Bank of Italy did not say that the loan to B Plus should not have been granted. The Bank of Italy reached the conclusion that the second tranche of the loan showed "inconsistencies and little in-depth examination" because "specifically there was no discussion regarding the important implications brought by recent changes in the law (Law 220/2010) that impose more stringent requirements for concessionaires of that type of activity, among which is the obligation that the parent entity be registered in non black-listed countries".

For your information, BPM submitted a formal response to the Bank of Italy's Report, explaining among many other things, its "positive historical relationship" with B Plus, the factors that "brought the overall risk profile within an acceptable range for the Bank" and the fact that Law 220/2010 (the Stability Law) was not yet in effect at the time of the October 2010 loan.

It is important to understand that a fundamental plank of the Public Prosecutor's case is that Mr Ponzellini

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manipulated the credit approval process with respect to the second tranche of the loan to B Plus because of the existence of the Stability Law and B Plus' alleged failure to comply with it. It appears to be the Prosecutor's case that had the Stability Law been properly considered with respect to B Plus the loan should not have been granted. However, the terms of the Stability Law did not apply at the time of either the first tranche or second tranche loans. The Stability Law came into force on 1 January 2011 - several months after the second loan was issued and over a year after the first loan was granted - having been published for the first time in the Official Gazette on 21 December 2010.

The relevant section of the Stability Law which it has been alleged B Plus failed to comply with stipulated that the Head Office of the ultimate owner of a concessionaire company had to be based in a territory that was deemed not to have a favourable tax system (the Residency Requirement).

The Residency Requirement not only was not effective as against B Plus at the time the second loan was issued or when the Bank of Italy produced its report, but B Plus (and the Atlantis Group) had already long complied with this provision by the time it did become applicable to B Plus which was not until 10 October 2011. This is because existing concessionaires did



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not need to comply with the Residency Requirement unless they were entering into a competitive tender process. The renewal tender process for the licence rights for gaming licences did not commence until the aforementioned date. The Atlantis Group had realigned its company ownership structure so that its Head Office was not located in Sint Maarten but located in Cyprus by June 2011 in full and timely compliance with the Stability Law.

This is a very serious and calamitous error by the Bank of Italy. Yet it was this conclusion that prompted the investigation by the Public Prosecutor into BPM and Mr Ponzellini's relationship with B Plus and myself. This error has unfortunately filtered through to the Public Prosecutor's case against me. Despite the very clear position on the law showing that the Public Prosecutor (and the Bank of Italy) is absolutely and undeniably wrong in relation to the application of the Stability Law, the Public Prosecutor has yet to acknowledge that B Plus in fact complied with that law presumably because such an admission would completely undermine his case against me. This is a blatant and surprising error and one the Prosecutor has to this day entirely failed to acknowledge.

**THERE IS AN ADDITIONAL SUGGESTION – WHICH APPEARS UNRELATED TO ANY OF THE ALLEGATIONS, THAT ATLANTIS WAS INSTRUMENTAL IN THE CHAMPIONING OF VLTs IN THE ITALIAN MARKET, WITH ALLEGATIONS THAT INDIVIDUALS (GUIDO MARINO) WERE BRIBED TO HELP INFLUENCE THIS PROCESS. WHAT REALLY LIES BEHIND THESE ALLEGATIONS AS LOBBYING FOR THE INTRODUCTION OF VLTs IS HAPPENING IN EVERY MARKET RIGHT NOW?**

The Public Prosecutor's case against me is confused and confusing. However, I am not aware of any allegation or charge that I or B Plus bribed Mr Guido Marino. There appears to be an imputation in the Public Prosecutor's case that I bribed Mr Milanese to ensure the legalisation of VLTs in the Italian market; but the Public Prosecutor has to date not produced a single piece of evidence to support the allegation that bribes were paid to him. The allegation is complete nonsense and untrue.

If the Public Prosecutor checks the Chamber of Deputies' website, which is publicly available, he will find that Mr Milanese has never made a single intervention on the subject of gaming. He has never raised a question, motion, interrogation and he has not sponsored any bill. The only incidental involvement Mr Milanese has had with gaming was

when the Chamber of Deputies addressed the approval of the Stability Law in which Mr Milanese acted as referee. The Stability Law was introduced, in my view, to target B Plus and me; not to help my business. So it is difficult to understand how it can be alleged that Mr Milanese was assisting B Plus when he participated in and did not object to the introduction of legislation that the Public Prosecutor's case claims B Plus had failed to comply with and which was patently 'Anti-Corallo'. It makes no sense.

The Abruzzo Decree was introduced because the money generated by the Italian State from the issuing of VLT licences (to concessionaires) was to be used to rebuild the region of Abruzzo following the terrible earthquake of 6 April 2011 which tragically killed 308 people and devastated the area. However, the legalization of VLTs was already envisaged by the Italian State as far back

## **FOR THE RECORD, TO THE BEST OF MY KNOWLEDGE, MR MILANESE HAD NO HAND IN THE PASSING OF THE ABRUZZO DECREE.**

as 2004 when the original tender to be a concessionaire took place. B Plus therefore did not need to lobby for its introduction. For the record, to the best of my knowledge, Mr Milanese had no hand in the passing of the Abruzzo Decree.

The Italian State has received €180 million from B Plus with respect to the VLT licences it acquired which the Italian State declared it would use to help restore the Abruzzo region. And to be clear, my company is not the only one to have benefited from this Decree, there are nine other concessionaires – indeed, any company could have participated for the tender for the licences.

Finally, it is worth noting that before the Abruzzo Decree was enacted B Plus and the other concessionaires operated on the understanding that the right to operate VLTs (albeit at this point VLT machines were not formally legalized by the Italian State although such a prospect had been envisaged by the Italian State) was incorporated as part of the original 2004 tender process and licence fee. In light of this it is hard to understand why it would be in B Plus' interests to have legislation introduced that:

1. required B Plus to pay €15,000 per licence, when in fact my company had operated on the basis and understanding that it had already acquired those rights as part of the 2004 tender process (with no further payments due);
2. effectively approved the VLT machines that were already in existence at one of B Plus' main competitors, whilst B Plus and other concessionaires had to locate and develop new technology in order to comply with AAMS' requirements for operational VLT machines at significant expense. The legislation put competitors at an advantage rather than B Plus.

The reality is that in my view the recent gaming legislation is 'Anti-Corallo' and has been tailored to target my interests with a view to pushing B Plus out of the gaming market in Italy.

**COULD YOU EXPLAIN FOR OUR READERS WHAT IS THE 'ANTI-CORALLO LAW' AS OUTLINED IN A RECENT INTERVIEW YOU GAVE TO THE ITALIAN FINANCIAL PRESS WHO ARE THE INTERESTED PARTIES SEEKING TO SMEAR YOU AND B PLUS?**

I have already mentioned the Stability Law. Of the ten concessionaires, the only company whom the Residency Requirement impacted was B Plus. After fifteen years of my company being based in Sint Maarten, this law forced me to restructure my company in circumstances where B Plus had paid the relevant taxes to the Italian State and collected gaming tax for it.

Another law was also introduced which I believe was specifically targeted against me. On 2 March 2012 the Italian Government issued Decree Law 16/02 which contained a new provision that required the directors and shareholders of the concessionaire companies to show that their wives/spouses and relatives "until the third degree of kinship" (ie uncle/aunt-niece/nephew) complied with anti-mafia checks. As a result of this Decree, even if a director or shareholder's relative to the third degree of kinship (including wife, father, mother, uncle, aunt, niece or nephew) had a criminal conviction (or was even being investigated) in relation to certain criminal offences then the concessionaire's licence would be revoked. This obviously would have been problematic because of my father's historic criminal conviction from 1983. This part of the Decree was plainly unconstitutional and a flagrant breach of the European Convention on Human Rights; it was ultimately amended pursuant to the conversion law of Decree



16/12 which removed the requirement for checks to be carried out to the third degree of kinship because it was obviously unlawful. In my view, there are still parts of this gaming legislation that are unconstitutional and I will challenge them in the courts at the appropriate time, if required.

At this stage, because of the ongoing criminal investigation, I am not able to go into detail about the facts that demonstrate that certain parties have deliberately sought to manufacture and engineer this baseless criminal investigation against me to further their own interests and agenda. We are continuing to gather evidence to show their role and involvement and will present it in court at the appropriate time. But in circumstances where BPM has suffered no financial harm as a result of its banking relationship with B Plus, and indeed continues to greatly benefit from that relationship, it is difficult to understand why I am being victimised and this trumped up case has been brought against me by the Public Prosecutor. BPM has publicly confirmed that the loan to B Plus has caused it no economic harm. In light of the fact that many banks, including BPM, have underperforming or non-performing loans it is strange to me that the loan to B Plus, which has proved to be great business for BPM, is under investigation.

### **YOU APPEAR TO BE HAVING TO EXPLAIN EVERY RELATIONSHIP BOTH YOU AND ATLANTIS HAVE HAD WITH GOVERNMENT, LEGAL AND BUSINESS CONTACTS – IS THIS A WITCH HUNT?**

As I have indicated, I believe that there are parties that are trying to damage both myself and B Plus. They want to ensure that B Plus is removed from the Italian gaming market.

For the record, I have no criminal record and the only blemish to my name is that my father was convicted decades ago for an offence with which I had absolutely no connection. I have not had any association or contact with my father for many years (a fact verified by the Court of Rome and by Enrico Bellavia, the National Anti-Mafia Prosecutor) and I believe it is unfair for the sins of the father to be visited on the son. That is not how a fair-minded society should operate.

I do not have any special link with the old or new Government in Italy. I, of course, like any other successful businessman working in Italy, know people in the political, legal and business world. But my relationships are entirely normal and proper.

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"The charges against me are baseless. Although I am being persecuted in Italy I will continue to fight to clear my name and to preserve B Plus' business in Italy which provides jobs there, where it pays income tax, collects significant amounts of gaming tax for the Italian State and carries out its business lawfully."

**FRANCESCO CORALLO**, B Plus, Atlantis World.



### **WHAT IMPACT WILL THIS HAVE UPON B PLUS AS A CONCESSIONAIRE IN THE ITALIAN GAMING MARKET? COULD YOU LOSE YOUR LICENCE?**

The effect of this investigation is that B Plus could ultimately lose its gaming licence in Italy if I am convicted. However, B Plus and I will take all steps to fight both the baseless criminal charges and any attempts made to revoke B Plus' licence.

These charges have already caused B Plus significant financial harm, are impacting B Plus' business relationships with third parties and are causing significant damage to its reputation. B Plus and I will look to be compensated with respect to this harm in due course.

It is also of great concern to me that if B Plus loses its licence the jobs of 200 of its employees will be lost in Italy; it may also result in thousands of further job losses across Italy as a result of the collateral damage caused by B Plus ceasing to operate. As a matter of principle, I will do everything I can to ensure B Plus continues to operate in circumstances where I am entirely innocent of the allegations made against me so that the business that I have worked hard to grow from scratch is not destroyed and so that the livelihood of B Plus' employees is not ruined because of this unjustified vendetta against me.

I am also concerned, bearing in mind the

present economic climate, that the Italian State could lose €90 million per month in gaming tax that B Plus collects for the Italian State simply because certain parties are seeking to promote their own interests and agenda at B Plus' expense and ultimately to the detriment of the Italian State and its people. This should not be allowed to happen in a democratic society and I for one will fight against this injustice using all the legal tools I have available to me.

### **WHAT ACTIONS ARE YOU TAKING TO DEFEND YOUR POSITION AND THAT OF YOUR COMPANY AGAINST THESE ALLEGATIONS?**

In Italy, my legal team is taking all possible steps to fight the charges against me. B Plus and I will also take all necessary steps to pursue third parties, including those that have conspired to injure B Plus to prove that the allegations against me are completely false and to seek compensation for the loss it has suffered and I have also sustained, including loss suffered as a result of any attempt to revoke B Plus' gaming licence with AAMS.

The charges against me are baseless. Although I am being persecuted in Italy I will continue to fight to clear my name and to preserve B Plus' business in Italy which provides jobs there, where it pays income tax, collects significant amounts of gaming tax for the Italian State and carries out its business lawfully.

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