

ITALIAN ORGANISED CRIME IN CURACAO AND SINT MAARTEN

The Case of Francesco Corallo

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Francesco and Gaetano Corallo of Sint Maarten and the issue of Italian organised crime

Gaetano Corallo

Gaetano Corallo father of Francesco left Italy for residence in Sint Maarten in the 1970s investing in real estate, hotels and casinos among other investments. In November 1983 he left Sint Maarten for the USA in response to the Italian arrest warrant in his name where he was arrested in 1988. In 1989 the US refused to extradite Gaetano to Italy and he acquired US residence in 1994 where he resided until 2000 when he left the US. In 2014 Italy dropped the charges against him thereby squashing the arrest warrant. In June 2016 Gaetano Corallo returned to Sint Maarten to his son Francesco and the businesses and assets he placed in the hands of both Francesco and Giuseppe La Rosa in 1983. Gaetano Corallo was linked to the Cosa Nostra of Sicily specifically to Nitto Santapaolo and it was claimed that the investments Gaetano made in Sint Maarten were to the benefit of the Cosa Nostra. An online Italian newspaper report stated that Nitto Santapaolo visited Gaetano in Sint Maarten. Gaetano's sphere of action from his residence in Sint Maarten up to his departure for the US therefore embraced the Caribbean and Italy. His son Francesco who began his residence in Sint Maarten at age 17 and at age 23 became the face of the investments his father made in Sint Maarten and left in his bid to evade an Italian arrest warrant. A news report on the arrest of Gaetano Corallo in Miami, Florida states that he was charged in Italy with corruption, embezzlement and illegal weapons possession. Gaetano was allegedly the head of a gang that preyed on casinos in Italy. Italy has the process of trial and sentencing in absentia which raises the question if Gaetano was so tried and sentenced to seven years in prison and if in the course of this trial the evidence of his links to the Cosa Nostra was produced in court in his absence. A report in an Italian online newspaper in fact said so If so what did Gaetano and possibly Francesco do to have the outstanding warrant for the fugitive Gaetano squashed in 2014? In the period 2000 when Gaetano left the US to June 2016 when he returned to Sint Maarten where was Gaetano and what was he up to? The reality is that Francesco Corallo since 1983 has denied any operational links to his father Gaetano and to Italian organised crime. In November 2016 Gaetano Corallo filed a criminal complaint against Francesco Corallo for fraud and embezzlement of funds going back to almost 30 years from 2016. If Gaetano

Corallo was a front for Cosa Nostra investments in Sint Maarten Francesco Corallo and Giuseppe La Rosa must be made men to assume control over said investments in 1983 via a power of attorney. As it was not Gaetano's to hand over control to individuals without the sanction of the don of the crime family. In addition, it's not the prerogative of Francesco to refuse to allow the return of Gaetano to the business providing Gaetano has the sanction of the don. Gaetano's criminal complaint against Francesco presents the aura of a licit business deal that went sour through criminal action of one party and the turn to litigation both criminal and civil. But the criminal complaint was filed in November 2016, Francesco was arrested on the Italian warrant in December 2016 and this criminal complaint now stands in the way of a speedy end to Francesco's extradition trial. Is an El Chapo move on the cards?

<https://www.occrp.org/en/daily/5894-italy-s-king-of-slots-arrested>

<http://www.nytimes.com/1988/06/30/us/mafia-suspect-held-in-miami.html>

<https://www.thedailyherald.sx/islands/60982-corallo-sr-reaches-out-to-corallo-jr-for-settlement>

<https://www.thedailyherald.sx/islands/62296-corallo-sr-sticks-to-claim-on-son-expected-his-arrest>

<http://www.lettera43.it/it/articoli/cronaca/2016/12/13/corallo-limpero-del-re-delle-slot/207178/>

Francesco Corallo

A news report of May 29, 2012 reported on the outcome of the investigation into irregularly granted loans made by Banca Popolare de Milano (BPM) with its resultant arrest warrants. One such loan of 148 million Euro was made to the gaming company Atlantic-B Plus after it won a contract from the state gaming body of Italy in 2004. Francesco Corallo as the ultimate owner of the firm was named in one of the arrest warrants. Loans were granted in return for cash kick-backs to bank officials and these officials forged the eligibility of the loan recipients for the loans made. Corallo in his arrest warrant was also charged for criminal association and is not in custody hence a fugitive. A news report dated November 2013 reported that Corallo was arrested in Italy in November 2011 and in court papers filed following his arrest Corallo insisted that as of June 11, 2011

he was appointed the permanent representative of the Commonwealth of Dominica to the FAO. In a news report of November 28, 2011 the government of Dominica states: "By letter dated June 21, 2011, the Ministry of Foreign Affairs sought the approval of the FAO for the appointment of Mr. Francesco Corallo as Permanent Representative of Dominica to the FAO." The government of Dominica in November 2011 served notice to the Italian criminal justice structure that a diplomat of Dominica was now facing charges in Italy. At his court hearing on July 21, 2012 Corallo again insisted that at the time of the raid on his premises and his arrest in Italy he was a diplomat of Dominica and he still is at the court hearing. Corallo subsequently fled the jurisdiction of the Italian court becoming an international fugitive from justice with an INTERPOL arrest issued for him. The government of Dominica's November 2011 news release revealed that at the time of the news release the government had received no communication from the Ministry of Foreign Affairs of Italy as to its objection/no objection to Francesco Corallo's diplomatic posting to the FAO in Italy. At the time of the raid and his arrest Corallo's appointment to the FAO was pending. Corallo was living in Italy in 2011 managing the gambling business he was the beneficial owner of when he moved to acquire diplomatic status from Dominica by attaching him to a multilateral institution in Italy. Clearly a strategy to purchase some form of impunity within Europe. But the timetable of the operation and the driving strategy of the state made him an international fugitive. Corallo's strategy placed on the agenda the questions of what did he do to acquire this diplomatic passport of Dominica and how many of these passports are in the hands of members of organised crime families?

<http://www.mnialive.com/articles/italian-investor-with-ties-to-dominica-and-st-maarten-wanted-by-interpol>

<http://dominicanewsonline.com/news/homepage/news/politics/the-establishment-of-a-permanent-mission-of-dominica-to-the-fao/>

On December 13, 2016 Corallo was arrested in Sint Maarten the result of a multinational effort involving Italy, Sint Maarten, the Netherlands and Saint Martin. Various forms of property of Corallo were seized as real estate, bank accounts, boats, luxury watches and a casino. After fleeing Italy Corallo returned to his original operating base in Sint Maarten a fugitive from Italian justice. Was

he seeking the protection of his circles in the former Netherlands Antilles? Rudolf Baetsen was arrested in Saint Martin and extradited to Italy as Saint Martin is an overseas department of France where the EU detention order (EAB) applies. This is not so in Sint Maarten which is a country within the Netherlands which allows Corallo the opportunity to appeal his case all the way to the Supreme Court in Holland. It is expected as a result that Corallo's extradition to Italy will take place in 2018. Enough time to stage an El Chapo? Is it noteworthy that Corallo refused to be transferred to Curacao for incarceration preferring to remain incarcerated in Sint Maarten where he was last reported incarcerated in the Philipsburg police station?

<https://www.thedailyherald.sx/islands/62305-170-apartments-among-other-assets-seized-as-corallo-stays-behind-bars>

<https://www.thedailyherald.sx/islands/65397-corallo-s-extradition-may-take-another-year>

The Italian Indictment

The indictment named Francesco Corallo the beneficial owner of Atlantic World Group which owns casinos in Sint Maarten, Curacao and the Dominican Republic. Corallo also controls Global Starnet Ltd/B Plus gaming which operates video lottery terminals in Italy and online gaming sites around the world. The former Italian legislator Amedeo Labocchetta was named and Dutch national Rudolf Baetsen Chief Financial Officer of Atlantis World Group and compatriot of Corallo. The indictment states that from 2004 to 2014 Corallo hid over 250 million Euro in gambling proceeds in Caribbean companies after feeding the funds through UK and Netherlands bank accounts. This then is tax evasion through money laundering utilising offshore accounts in offshore financial centres which are masked as tax havens in this case in the Caribbean sink to wash dirty money clean. Baetsen is also charged with financing the acquisition of the Monegasque apartment owned by the Italian political party the National Alliance. Baetsen was also afforded the use of two offshore companies owned by Gianfranco Tulliani to move funds to the Caribbean. Gianfranco was connected politically and linked to the apartment in Monegasque. Gianfranco Tulliani was the father in law of prominent Italian politician Gianfranco Fini during these transactions. Amedeo Labocchetta Italian politician and member of Parliament was also connected to

Corallo dating back to the investigation of BPM and the resulting arrest warrants of 2011. In the period before 2011 Labocetta was a member of parliamentary committees that dealt with in their remit gambling and anti-Mafia state activity. Before becoming a member of parliament Labocetta was directly connected to Corallo's company in Italy B Plus. Then prime minister Silvio Berlusconi in seeking to generate funds following the earthquake of 2009 gave Corallo a new contract expanding the number of VLT machines in Italy under Corallo's control. In exchange Corallo utilising the state controlled Fortis bank of the Netherlands passed 4 million Euro to Gianfranco Fini the close of associate of Berlusconi. Corallo has therefore exhibited his strategy for cultivating, rewarding and utilising his political contacts in Italy in the service of his personal and business interests whether licit or illicit. Was this strategy applied in the Caribbean especially in Sint Maarten and Curacao?

<http://www.lettera43.it/it/articoli/cronaca/2016/12/13/corallo-limpero-del-re-delle-slot/207178/>

<https://calvinayre.com/2016/12/15/business/italy-king-slots-arrested-tax-evasion-money-laundering/>

<https://www.thedailyherald.sx/opinion/letter-to-the-editor/64559-state-bank-fortis-involved-in-bribery-italian-politicians>

What is noteworthy is the news report dated March 21, 2013 which reported that the AAMS of Italy had only granted a six-month extension of the license of B Plus for video lottery terminals/amusement with prizes. The Corallo owned company was now under the gun as he was a fugitive from Italian justice and more importantly the Prefect of Rome stated that B Plus "was at risk of infiltration by the mafia." As with his father Gaetano the issue of Cosa Nostra connections had caught up with Francesco.

<https://calvinayre.com/2013/03/21/business/italian-exchange-betting-closer-snai-ceo-quits/>

Corallo and the politicians of Curacao

On October 10, 2010 the Netherlands Antilles died and Curacao as Sint Maarten became a country within the Netherlands. The first government of country Curacao was led by prime minister Gerrit Schotte the political leader of the MFK

party which lasted from 2010 until 2012 when it was replaced by a new government formed on a coalition of parties excluding the MFK. A wave of political instability swept over Curacao in the aftermath of the removal of the MFK from power including political assassination of the political leader of the Pueblo Soberano party Helmin Wiels a onetime ally of Schotte. In 2014 Schotte was charged with a series of charges consisting of illicit acts committed whilst in office and in 2016 he was found guilty and sentenced to three years in prison and a five-year ban from political activity. Schotte appealed his conviction and in the interim is free and taking part in the politics of Curacao. Reports on Schotte's guilty verdict indicate that: Francesco Corallo paid Schotte in excess of USD 1 million for political influence and government insider information. Francesco Corallo financed the creation of the MFK political party and Schotte was involved in various acts of corruption whilst in office which amounted to abuse of power in favour of Corallo. Corallo was then Schotte's premier political financier and with victory in 2010 Schotte was beholding to Corallo to the extent of criminal acts whilst being prime minister of Curacao. The question then is the extent of Schotte's service to Corallo and did it encompass Corallo's penetration of key signal state institutions as the intelligence agency of the state and all its files and the Central Bank of Curacao and Sint Maarten?

<https://www.thedailyherald.sx/islands/56059-three-years-for-schotte>

<https://www.thedailyherald.sx/islands/56083-van-raak-happy-with-ruling-in-schotte-case>

A statement from the Curacao Secret Service (VDC) to the Public Prosecutor indicated that before Schotte became prime minister of Curacao he had access to insider information on the activities and intelligence of the Secret Service Netherlands Antilles (VNA). Schotte's mole was head of the department of internal and external security of the VNA who was connected to Schotte's compatriot George Jamaloodin. In September 2010 the mole travelled to Sint Maarten without informing the VNA where he met with Schotte, Jamaloodin, Theo Heyliger a politician of Sint Maarten and Francesco Corallo. In retaliation for the unsanctioned meeting the Minister of Justice denied access to the VNA for Schotte's mole Lawrence Pietersz. On becoming prime minister Schotte suspended the head of the successor organisation to the VNA the VDC and in

September 2010 issued a decree to reinstate Pietersz to the VDC. This decree was blocked by the head of the supervisory committee of the VDC and Pietersz was transferred to Customs. Before Schotte's and the MFK's accession to power in Curacao Corallo through his political minions had already penetrated the premier intelligence agency of the Netherlands Antilles. This access to intelligence was deemed vital by Corallo which potently illustrates his operational links to transnational organised crime.

<http://curacaochronicle.com/main/gerrit-schotte-had-a-mole-in-the-secret-service/>

An article by Ronald van Raak a member of the second chamber of the Parliament of Holland on the penetration of the VDC by the underworld during the government of Schotte states the following. Through intercepted communications the VDC learned that Pietersz asked and was a recipient of funds from Jamaloodin to purportedly pay off Pietersz debts. Pietersz then willingly approached Jamaloodin thereby compromising himself and the VNA. The leaked VDC screening of the proposed members of the post 10-10-10 stated that Abdul Nasser El Hakim who became minister of economic affairs was linked to Corallo as was Schotte. Jamaloodin was not included in the leaked screening report. During the period October 29 to October 30, 2011 the server of the VDC was hacked by gaining entry via the facilities of the VDC and every single item on the server was copied which included secret security data from the Dutch Secret Service (AIVD) and the CIA. This was not a classic break in it was simply illicit persons empowered with the means to enter the server in a licit manner and copy all the data stored therein. The VDC was literally looted which points again to transnational organised crime utilising its control of the state and the politicians who animate the state to propagate and protect its hegemony over Curacao. Why? It's the booming illicit drug trade to Europe stupid. Ronald van Raak continues to insist that these illicit incursions on the power and integrity of the state are the actions of the "gambling mafia" failing to understand that the so-called gambling mafia are minions of the transnational trafficking organisations that utilise Curacao, Aruba, Sint Maarten, Bonaire, Saba and St Eustatius as trafficking points to Europe with all the connected illicit trades in tow.

<http://curacaochronicle.com/main/how-the-gambling-mafia-in-curacao-bought-a-secret-service/>

In 2011 Schotte pursued having Rudolf Baetsen CFO of Corallo's company Atlantic World Group appointed Chairman of the Supervisory Board of the Central Bank of Curacao and Sint Maarten which failed. The same Baetsen who is presently awaiting trial in Italy after his extradition from St Martin. Schotte again showed his position as a minion of Corallo a minion wielding state power in Curacao.

Why then this assault on the state during the Schotte regime? Clearly the aim was to dismantle key state institutions and criminalise the state. This agenda fits into the strategy of turning Curacao into the premier trafficking point to Europe of the southern Caribbean island chain. The methodology utilised in pursuit of the realisation of the strategy was seriously flawed as it was not politically sustainable which indicates the lack of discipline and realism that drove the political associates of Corallo in Curacao. In fact, their feeding frenzy forced the hands of Holland generating heat that has retarded the time frame of successful realisation of the strategic ends but it is not derailed. For this they are paying the price and will continue to pay. But the trafficking volume from Curacao continues to grow as is the case of Aruba and Sint Maarten. No similar agenda has emerged in the public domain for Sint Maarten which is noteworthy of the nature of the hegemonic strategy driving the Eastern Caribbean Trafficking Pipeline (ECTP) in which Sint Maarten is situated.

Schotte's quest for power

With his fall from power in 2012 Schotte and the party he leads the MFK have made several attempts to regain power via coalitions to supplant ruling coalitions. In February 2017 Parliament was dissolved and snap elections were called for April 28, 2017. Schotte, the MFK and 4 MPs formed the Group of 12 thereby constituting a coalition commanding the majority and were installed as the interim government until the general elections produced a new government. The coalition led by the MFK upon installation moved to cancel the general elections of April by instructing the Supreme Electoral Council to cancel the elections. The existing government of Holland was forced to invoke the constitutional power of Holland to ensure the elections were in fact held. This attempted coup by the interim government went down at a time when Corallo is incarcerated in Sint

Maarten and Schotte's appeal against his conviction is also due to be heard. The results of the April election show the MFK receiving the third highest number of votes but the rest of the Group of 12 were decimated with the group ending up with 9 seats from 12 with the PAR, MAN and the PIN in a coalition commanding the majority of seats. Schotte from the benches of the opposition must now jump the hurdle of his appeal.

<http://curacaochronicle.com/main/ronald-plasterk-attempted-coup-in-curacao/>

<http://curacaochronicle.com/local/curacao-voted-strategically/>

The Reality

In the aftermath of 10-10-10 it's now clearly apparent that the structure and operationalisation of key institutions inherited from Dutch colonialism are unable to wrestle with the threats posed to the states of Curacao and Sint Maarten. The management of the Central Bank of Curacao and Sint Maarten under the leadership of Emsley Tromp and the operational condition of the Police department of Sint Maarten today are but two potent examples of this reality. The fixation on the "gambling mafia" is simply a distraction to mask the failure and refusal to engage with the grave threats that are constituted by the illicit drug trade and its menu of affiliate illicit activities that were prevalent under Dutch colonialism before 10-10-10. Since 10-10-10 the hegemonic transnational trafficking organisations have exploited the operational head start afforded them by Dutch colonialism and are fully exploiting the institutional weaknesses and the politics of musical chairs premised on fragile coalition governments mortally wounded by political elites focused on feeding at the trough of the state. The best gift to the transnational traffickers was 10-10-10 which affirmed the vision of Pablo Escobar when he devised and implemented the strategy to turn the then Netherlands Antilles and Aruba into premier trafficking pipelines to Europe. The institutional structure of Curacao and Sint Maarten that kicked on at 10-10-10 was in severe denial over the legacy of Pablo Escobar and the Netherlands Antilles and since then nothing has been done and is been done to address this reality on the ground. Presently the Mexican Transnational Trafficking Organisations (MTTOs) are hegemonic with a level of organic discipline and strategic vision that surpasses that of Pablo Escobar in his period of hegemony and Curacao and Sint Maarten continue to labour with institutions that failed to address the threat

posed by Pablo Escobar's strategy and are now expected to wrestle with the much more concerted threat posed by the MTTOs. Can these institutions then handle the threats posed by the MTTOs in the 21st century? Dutch colonialism created the terrain that allows the traffickers operational space then Dutch colonialism washed its hands of the Netherlands Antilles and said it's your problem now. Now those politicians as Wilders will sever all ties thereby blaming the colonised for the sins of the coloniser and the coloniser refuses to accept the sins of colonisation. If the trafficking threat to Holland becomes a weighty political issue in Holland, then the momentum to build a "wall" between the former colonies of the Caribbean and Holland will approach the level of being part of the political mainstream. Another example of a failed European colonial experiment in the Caribbean with the legacy of grave questions about the viability of the countries within the Netherlands created.

<http://curacaochronicle.com/local/insurance-company-ennia-emptied-under-the-eyes-of-the-central-bank/>

<http://curacaochronicle.com/politics/fd-targets-central-bank-director-emsley-tromp/>

<https://soualigayouth.wordpress.com/2017/04/28/letter-to-the-editor-our-kpsm-police-force-april-26-20174048/>

The Drug Trafficking Reality

Curacao

<http://curacaochronicle.com/judicial/route-dusseldorf-attractive-for-drug-mules/>

<http://curacaochronicle.com/judicial/german-customs-seize-1580-pounds-of-cocaine-from-curacao/>

<http://curacaochronicle.com/judicial/cocaine-from-curacao-leads-to-bloodshed-in-the-criminal-world/>

These news stories indicate the extent of the drug trafficking activity from Curacao to Europe. Curacao is now a major operational centre in the realisation of the strategy of the MTTOs to flood Germany with product in the Caribbean island chain and the premier centre in the southern Caribbean island chain. In this scenario the "gambling mafia" must march in lockstep with this overarching

agenda and European transnational organised affiliated to or partners of the MTTOs will ensure this. The Ndrangheta, Camorra, Cosa Nostra and Sacra Corona Unita are all in the mix.

Sint Maarten

Sint Maarten as Saint Martin are part of the ECTP with an entirely different operational strategy and methodology in play from that of Curacao. What is noteworthy is the trafficking of cocaine from Curacao to Sint Maarten which indicates the linkages that are evolving in the drug markets of Curacao and Sint Maarten and Saint Martin.

<https://www.thedailyherald.sx/islands/63115-coke-belt>

<https://www.thedailyherald.sx/islands/63134-authorities-conduct-searches-related-to-drug-investigation>

<https://www.thedailyherald.sx/islands/65137-customs-confiscates-heavy-load-of-drugs>

Aruba

Aruba was the premier trafficking point of the Netherlands Antilles to Europe for the Medellin cartel. Long integrated into the hegemony of Colombian trafficking organisations trafficking on Aruba was impacted by the evolution of the Colombian trafficking enterprise with all its instability. The MTTOs are now inscribing their hegemony over trafficking in Aruba with its drastically new and radical strategy and operational methodology. Aruba is now back focused and attuned to the new reality as seen in the news story that follows.

<https://www.thedailyherald.sx/islands/64219-drugs-in-car-doors>

Every means and mode of transport from Curacao, Aruba and Sint Maarten are being exploited to place product in Europe contributing to the tsunami of cocaine the MTTOs have unleashed on Europe with the intent to open new markets and grow existing ones. In this tsunami the port of Rotterdam is a prime target for penetration as the chickens bred by colonial domination are coming home to roost as eagles. Pax Mexicana!