

DR PAUL GIANGRANDE, CONSULTANT HAEMATOLOGIST – BBC
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"It just takes one contaminated blood donation to contaminate a whole batch of Factor VIII. **People with haemophilia can be likened to the canary down the proverbial mine shaft. If there's an infection out there, they're gonna get it first.**"

The Price of Blood: Transcript

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PANORAMA The Price of Blood RECORDED FROM TRANSMISSION: BBC ONE DATE: 8:10:06

JOHN SWEENEY: Meet the Englishman at the heart of the New Labour establishment who has been sucked into two scandals in Italy: one you may know about - corruption - and one you don't.

Siena, northern Italy: A refrigerated lorry leaves a depot in the middle of the night. And two shippers in the pharmaceutical business are worried men. The mystery cargo is worth five and a half million pounds.

X: Hello.

Y: Riccardo

X: What's happening? Have they dumped the stuff?

Y: Sandro, it's better not to get involved, it's stuff from the '80s, and it hasn't even been tested for HIV. X: F***!

SWEENEY: What they don't know is that the Italian police are bugging them - and this phone-tap will spark the biggest public health investigation in Italian history.

So what was in the back of the lorry? Red oil, human blood, 15 and a half tonnes worth of blood, blood plasma blood products. There's a huge international market for blood, mainly for haemophiliacs, for whom clean blood is a matter of life or death.

But just one hour after leaving Siena, this mystery shipment of blood products is going nowhere. The truck 'breaks down' and is stuck in a lay-by for three months.

You're not supposed to keep fish fingers like this, never mind human blood.

Haemophiliacs need regular transfusions of Factor 8, it's a clotting agent that's missing from their blood. Without it, they can bleed to death. But the wrong kind of red oil - infected with blood-borne diseases like HIV and Hepatitis C - can also kill.

No-one in the blood game could have moved this stuff around in the mid-nineties without knowing the public health risks of bad blood. Years on, many are still living with the consequences of being given contaminated blood before the dangers were fully understood.

Haemophiliac **GRO-A** was unlucky to get infected as late as '91.

GRO-A And as a result of the blood products, four months later when I was tested, I was diagnosed with Hep C. If I'd had the chance of having cleaner and purer drugs I'd not have been sentenced to death in this way.

SWEENEY: In the eighties, thousands of innocent people were caught up in a world-wide epidemic of infection.

DR PAUL GIANGRANDE, CONSULTANT HAEMATOLOGIST: It just takes one contaminated blood donation to contaminate a whole batch of Factor 8. People with haemophilia can be likened to the canary down the proverbial mine shaft. If there's an infection out there, they're gonna get it first.

SWEENEY: The truck, now repaired, cannot find a safe haven to unload its cargo. One depot took a look at the paperwork and turned it away. Eventually, it ends up in this general warehouse in Padua. The shippers are nervous that they could somehow be connected with the blood.

[Reconstruction] Y: You don't get it... If they find that crap there... They should have burnt it, they should have destroyed it, but they haven't, ok? This is going to bite us on the arse!

SWEENEY: Eavesdropping on this - and becoming more and more alarmed - were the Guardia di Finanza, Italy's version of Customs and Excise.

MAJOR MARCO TRIPODI, ITALIAN GUARDIA DI FINANZA: We began looking into crimes in public administration which is our usual activity. But we found ourselves dealing with something completely different - blood, the sale of blood, and pharmaceutical products made from human blood.

SWEENEY: This case was no VAT fraud, but nor was it something the Duty men could ignore. The investigators weren't interested in the small fry. They wanted to nail the Mr Bigs. So they kept listening.

X: 'what sort of people are we dealing with here? Big people? Little people? Y: 'We are dealing with sons of bitches...'

SWEENEY: The police guessed that meant the foot-soldiers of organised crime. What they didn't expect? That they would be ultimately led to a family of business grandees headed by patriarch Guelfo Marcucci. They're big in blood, and they're big in Tuscany.

This state-of-the-art facility is part of the Marcucci empire, which boasts a turnover of more than a hundred million pounds a year. In the mid-nineties, their company, then called Sclavo, was already one of the biggest blood-trading outfits in the world.

The factory's down in the valley. The Marcuccis live on the hill. In this part of the woods, they are lords of the manor.

TANA DE ZULUETA, ITALIAN MP AND FORMER EMPLOYEE: The old man, the boss, Guelfo Marcucci, though I think in Tuscany people call him Conte Dracula.

He's a silvery-haired gentlemen, you know, with a dark suit. He likes to, sort of, be a bit imposing.

The business is an old-fashioned Italian family affair. One of their former employees is now in parliament.

I think the Marcucci family liked the idea that they would be... become very important in their region, in Tuscany. They liked the feeling of being a family that counts.

SWEENEY: The Marcuccis built up their fortune with the help of an Englishman who loves all things Italian. He's a lawyer.

UPSOT MILLS: 'Check this out:

SWEENEY: This is David Mills, tax alchemist. He specialises in setting up offshore companies that help the super-rich bamboozle the taxman. In '94, he was one of the best-connected international lawyers in Britain, and married to Tessa Jowell, then a rising star in New Labour, today Secretary of State for Culture. Mills first met the Marcuccis in '88. They came to rely on Mills for his discreet business skills.

By May '95, the Guardia had heard enough from the phone-taps. They raided the warehouse in Padua, suspecting breaches of public health regulations. They went through the freezer lock-up box by box.

In the big freezer, Customs officials found all sorts of stuff, asparagus tips, lemon ice cream, cow brains, and mixed up in all of this, to their astonishment, 15 and a half tonnes of blood and blood products. Now, there are protocols for the proper storage of human blood, and this lot broke every rule in the book.

Nothing was right about this shipment. The paperwork was all over the place and the numbers didn't add up. It got worse: the police began to realise several hundred thousand pounds worth of blood was missing.

MAJOR MARCO TRIPODI: Not everything listed on the paperwork could be found in the Padua warehouse. So we assumed that if the missing blood hadn't been declared 'lost' then it must have been used.

SWEENEY: Studying the paperwork they realised that none of the 15 and a half tons of blood had been fully tested to screen out infectious diseases. The police feared the national blood bank had been contaminated. They sent what remained off to a public health laboratory for checking.

And when the results came back some of it was contaminated with Hepatitis C and some with HIV. As far as the authorities were concerned, the red oil that had vanished was a potential killer.

There were a few clues to where the blood might have come from and it didn't look good.

The blood was years old and mostly came from the United States. By the early nineties, controls were tighter but there was still some bad blood about. This penitentiary in Arkansas was one supplier to the international market. Junkies and sex offenders who wore lipstick sold blood for seven dollars a pint. The dealers could sell it on for ten times as much. They called it 'blood-mining'.

The sources of the Marcuccis' blood weren't all American.

TANA DE ZULUETA: Among the family stories which came out was a lion, a lion that was a gift of President Mobutu, President of Congo, because the Marcucci family had bought there in their blood business; they had had dealings with the Congo.

SWEENEY: They had bought blood from the Congo?

ZULUETA: Yes, that was what they told me.

SWEENEY: This lump of rock in the English Channel is called Sark. It's a perfectly legal tax haven and played a key role in the Marcuccis' plan to import blood into Italy and pay less tax on the profits.

David Mills' management company started up Sarafia Ltd. An off-shore outfit with directors on Sark and shareholders in Panama to sell blood to the Marcucci's company Sclavo. We asked a forensic

accountant to look at its books.

RICHARD MURPHY, FORENSIC ACCOUNTANT: Sarafia just raised pieces of paper that said it bought it and sold it. It made a couple of million dollars in one year, 1992, on \$24 million of blood product sales, and not a penny of tax was paid.

SWEENEY: In the early nineties, Sarafia imported 100,000 litres of blood from around the world. The Italian investigators needed to check the paper trail to source the original blood donors - but it went cold with Sarafia. The secrecy surrounding the Marcuccis' tax cut-out made it a danger to the public health.

MAJOR MARCO TRIPODI: The Italian companies would tell me they bought from Sarafia but if the product comes from an American, Canadian or African transfusion centre. Well I have no way of telling.

SWEENEY: The paperwork was handled at 76 Shoe Lane - the city address of David Mills' management company, CMM.

RICHARD MURPHY: So somebody there was writing the invoices, buying and selling blood. David Mills must have known about it. He was in the blood game, he knew he was in the blood game.

SWEENEY: So David Mills' company had become a trader in human blood for the Marcuccis - the family name appears nowhere on the paperwork.

David Mills is a master of illusion. The service he provides for rich people is to create a series of companies and then move them around. And by doing so, he helps them hide their wealth. Now you see it. Now you don't. But if this wilderness of mirrors seems too complicated, that's because it's supposed to be.

Back at the warehouse in Padua, the police were scratching their heads. Box after box of imported blood, untested, unsafe but then a handy clue as to who the owners were: the name on the box. Sclavo - the mother company of the Marcuccis.

But Major Tripodi soon discovered it wasn't going to be that easy. The paperwork said neither Sclavo or the Marcuccis' offshore supplier, Sarafia, owned the infected blood. Instead, it belonged to a second offshore mystery company registered, this time, in a very sunny tax haven.

MAJOR MARCO TRIPODI: It seemed bizarre that a company that was based in the Virgin Island should have material of this kind stored in Padua. This made us suspicious and we investigated further.

SWEENEY: Look at that box again. Not the big black ink - but the felt-tip scribble at the top. Who owned the dodgy blood? Padmore Ltd, incorporated in the British Virgin Islands.

RICHARD MURPHY: The whole purpose of the British Virgin Islands is to hide the truth. Its product is secrecy, and that's why you go there, because you want to hide something from somebody else's sight.

SWEENEY: The Padmore paper trail to Bounty Bar-land was a fishy red herring. It ended in a forwarding address.

This led the Italian police to Regent Street, in London and the business address of its management company, CMM. So, Padmore, whose sole asset was dodgy blood, turned out to be incorporated in the British Virgin Islands and administered from London.

Major Tripodi and an Italian magistrate interviewed CMM's founder, David Mills, as a witness in '99 at the Met's Fraud Squad Office. He was asked to reveal the owners of the blood.

[Reconstruction Italian Police interview, 13th September 1999: Voice of DAVID MILLS]: You're asking who are the real owners? You've already said 'it's the Marcuccis'. You may be right. I don't know.

Obviously, some client somewhere has to ask for the incorporation of a company because CMM it's a company which reacts to what customers or clients ask them to do. You know its not acting on its own behalf.

The ownership becomes something philosophical of little importance, I think.

I am not going to waste people's time today because it's obvious, everybody knows I act for the Marcuccis. But what I want to make absolutely plain and I think you now understand quite well is that I have nothing to do with this particular case.

SWEENEY: The Italian police felt that Mills was a hostile witness. They had hoped for better from the husband of Tessa Jowell who, at the time, was British minister for public health.

MAJOR MARCO TRIPODI: Since this case was about the common good, which is people's health anywhere in the world, we expected he would cooperate and give us information in a forthcoming complete and truthful manner, but this was not the case. I'm afraid we had mistaken expectations about the kind of people we were dealing with.

SWEENEY: Mills went on to claim client confidentiality - and suggested that the investigators direct the question elsewhere. Six months after setting up Padmore, CMM was taken over by another firm. Mills stayed on as a director and was joined on the board by Dennis Lavin. Could he help?

[Reconstruction Italian Police interview: 15th September 1999 Voice of DENNIS LAVIN:] This is a very difficult question. I cannot name one individual. It's impossible to name one but I can name a family which I believe to be Marcucci. La famiglia Marcucci.

SWEENEY: The police were going backwards to square one. The blood in the warehouse had never really changed hands at all. The Marcuccis' sale to Padmore was an illusion. Then the investigators began to see a motive.

MAJOR MARCO TRIPODI: Their idea was that they urgently wanted to shift the ownership of blood and human plasma that had not been tested because this ownership might involve responsibilities of a criminal nature.

SWEENEY: In 1993 new public health laws came into effect in Italy. By December 7, any blood owned by an Italian company that had not been tested for infection at source had to be destroyed. To keep unscreened blood was now a crime. Overnight, the Marcuccis' stockpile of untested blood - worth five and a half million quid - was worth nothing. To turn worthless junk back into gold, they needed to create another illusion.

Padmore Ltd - the outfit that owned the dodgy blood - was no ordinary company. It performed an extraordinary shift in the space-time continuum. Padmore Ltd, at the time it bought the blood from the Marcuccis, didn't actually exist. The clocks had been turned back.

The Padmore contract shows that it bought Sclavo's blood on 15th November 1993 before it became illegal to hold untested stock. But if you look up Padmore in the British Virgin Islands registry for 1993 it ain't there.

RICHARD MURPHY: This is a strange document I've got in front of me and in it it refers to a contract that the company concluded on the 15th of November 1993. Now that immediately says there's something wrong, because the company did not exist until the 4th of January 1994.

SWEENEY: So the purchase of the blood had been back-dated to get around the public health law. Exactly when, the police weren't able to discover. The signature on the contract belongs to Dennis Lavin, Mills' co-director.

RICHARD MURPHY: Now, as a chartered accountant, I can tell you a company can't enter into a contract before it exists, it's not possible, it wasn't there. That document is false. That's fraudulent to pretend it took place in November 1993 when it didn't.

SWEENEY: The Guardia did all but go through the dustbins when they searched the offices of the Marcuccis' company, Sclavo. And then they found this memo. Gotcha.

SCLAVO MEMO "In the light of particularly stringent national regulations, it was decided to make a bulk sale to Padmore Limited of all products from blood plasma that had not been tested for Hepatitis C, so that they could be utilised in countries which, from a regulatory point of view, would allow them to be further processed and then marketed."

The intention was to sell the rest of the Padmore blood - into a market where blood-testing was not as rigorous. And that could only mean the Third World. Dennis Lavin was asked did he know anything about the quality of this blood?

[Reconstruction Italian Police interview: Voice of DENNIS LAVIN, 15th September 1999] I understood it to be of good quality in '94.

Q. And after?

I was advised that the sell by date had passed for the purposes of human consumption.

SWEENEY: David Mills was also questioned. He stood by his clients.

[Reconstruction Italian Police interview, 13th September 1999: Voice of DAVID MILLS]:

I would be extremely surprised if anybody connected with the Marcucci's had anything to do with deliberately, deliberately, selling blood which was infected. I would be astonished, astonished. That's unthinkable.

SWEENEY: In Italy, the investigation went nationwide

The Marcuccis' companies and factories were searched. Thousands of suspect blood bags were confiscated. Police believe they found evidence of grave breaches of the public health laws that had been going on for years. Guelfo and his son Paolo Marcucci were now under investigation for causing an epidemic, but more of that later. We're going to follow the Englishman.

To get involved in one scandal may be regarded as a misfortune. But two?

Why did this clever lawyer so fluent in Italian and corporate law allow his reputation to be tainted. Not to mention that of his wife's - one of Tony Blair's inner circle. It's the puzzle at the heart of David Mills' career. Why does the super confident lawyer, brilliant in his field, have such poor taste in clients. Clients who lead him into trouble - and now into court.

The hacks smell blood. Mills has been accused of taking a \$600,000 bung from another Italian Mr

Big for lying on oath & the mystery cash is allegedly from Silvio Berlusconi, the country's former prime minister.

David Mills has been on a long march. A Labour councillor, in the seventies, for the notoriously left-wing Camden Council, he's ended up the rich man's lawyer of choice in Tuscany.

And it was at Camden that he met another Labour councillor, Tessa Jowell. The two councillors fell in love, left their partners and got hitched.

Just a year after marrying Tessa, David set up his first company for Berlusconi in 1980. Mr B started out a nobody, a cruise ship crooner, who ended up Italy's richest man. And he did it by creating his own TV network, with a little help from his friends. Everyone got rich. David Mills' tax alchemy helped Mr B stash his profits off-shore. Bettino Craxi - Italy's then prime minister, no less - changed the law, legitimising Berlusconi's takeover of Italy's commercial telly.

And then a company called All Iberian hit the headlines.

TANA DE ZULUETA: Well, it became notorious in Italy when it emerged that it was through that company that Berlusconi had paid \$11 million to Bettino Craxi the Socialist Leader and then Prime Minister.

SWEENEY: The news that Mr B had corrupted the former prime minister with the biggest bung in Italian political history caused a meltdown. Parliament reacted with calm dignity. Craxi, in disgrace, did a runner. Soon, he'd be sleeping with the fishes. And the grand corrupter, Berlusconi? He begins a journey through the Italian courts. And what about Mr B's offshore Englishman?

TANA DE ZULUETA: David Mills first emerges as a name during those corruption trials, huge corruption trials which swept clean Italian parliament, or so it seemed.

SWEENEY: Mills was called as a witness for the prosecution. The focus of the investigation was Mr B's Fininvest TV empire and its offshore tentacle, All Iberian.

TANA DE ZULUETA: Afterwards it emerged that 'All Iberian' was just part of a huge network of shadow companies, that Fininvest had 64 offshore companies which were all under the umbrella, under the leadership, of a company which was run by David Mills. So 'All Iberian' was synonymous with secret deals hidden away in tax havens.

SWEENEY: Mr B liked Italian politics so much he bought the country. He used his billions to form his own political party, Forza Italia. He set it up with a chum, Marcello Dell'Utri, who is currently appealing his conviction for association with the mafia. When Mr B became prime minister he immediately passed some funny-peculiar 'time-expiry' laws. If the cops can't nail their man against the clock, the case collapses. And one of the first people to benefit? Berlusconi himself, who walked free of bunging Craxi \$11 million bucks.

And justice in Italy - that became a joke. But not a funny one. Unless your name begins with B.

TANA DE ZULUETA: He's been brought to trial four times for false accounts, and in every single instance he's managed to get off the hook, either because it's no longer a criminal offence, or because of statute of limitations. So he's very familiar with the art.

SWEENEY: Today Mr B - now out of power - is about to be tried for money laundering. Next month, David Mills will be in the dock with him. Both are likely to face a corruption charge. How did that happen? The case hinges on Mr B's buying of Hollywood film rights for his TV stations.

This is the prosecution's list of invoices for films, including The Godfather, which were acquired

with the Mills blend of financial alchemy.

RICHARD MURPHY: Mills did something fairly simple for Berlusconi. What he did was set up offshore companies for him, and those offshore companies let Berlusconi buy films in the States, or elsewhere, resell them, through the offshore companies, to Italy, and put some of the profit offshore.

SWEENEY: The prosecution say Berlusconi overcharged his TV channels to screen films like The Godfather. \$170 million dollars worth of profits went abroad and the taxmen took a hit. Later 50 million dollars of this vanished.

Berlusconi is accused of masterminding this as a money-laundering operation and Mills is accused of setting up the necessary companies and accounts.

David Mills' line to the Italian prosecutors was that he'd known next to nothing about what'd gone on. He likened it to Hertz or Avis - what happened to the cars - in his case, companies - after he had booked them out was nothing to do with him. Imagine the delight of the Italian Prosecutors when they got a juicy new bit of evidence from London: this, the 'Dear Bob' letter, this connected Mills, Silvio Berlusconi and a mystery payment of \$600,000.

In it, Mills explained to his accountant, Bob Drennan, how he'd got \$600,000 from Mr Berlusconi. It was a gift from the rich man to the poor lawyer. So how did Mills explain Mr B's dosh?

[Reconstruction: actor's voice] 'the way in which I had been able to give my evidence (I told no lies, but I turned some very tricky corners, to put it mildly) and kept Mr B out of a great deal of trouble'

The 'Dear Bob' letter looked like corruption: a \$600,000 reward from Mr B to Mr M for being economical with the truth when Mills gave evidence in court. The Italian prosecutors sprang the 'Dear Bob' letter on an unsuspecting Mills.

[Reconstruction: actor's voice - Italian magistrates' interrogation Milan, 18 July 2004] 'You're showing me the letter, dated 2 February, 2004, addressed to Bob Drennan? I'm very upset to read it again...

SWEENEY: Mills cracked.

[Reconstruction: actor's voice] Silvio Berlusconi, as a sign of his gratitude for having succeeded in protecting him during the judicial investigations and proceedings, had decided to send a sum of money to me.

SWEENEY: Mills insisted the money was only a gift. But it didn't look good. The investigators thought he was effectively convicting himself of corruption. Six months later, Mills turned yet another corner, retracted his statement, and went on to describe it as a 'false confession'. In other words, a lie. Mills says that not Mr B but another client, Mr A, had actually given him the cash and that papers he's lodged with the Italian court prove that shipping magnate Diego Attanasio was the true source of the money.

The man himself denies this. Attanasio was in a remand prison at the time, and is currently appealing his conviction for corruption in a land scam.

Mills has someone who backs him to the hilt that the cash didn't come from Mr B: his wife.

[TESSA JOWELL on Woman's Hour, BBC Radio 4 27th February 2006] MS MURRAY: 'Were you shocked when you found out it might have come from Berlusconi?'

MS JOWELL: 'But it didn't. It categorically didn't. If I felt that either I or my husband were harbouring some guilty secret I would be very worried indeed.'

SWEENEY: Tessa Jowell was cleared of the charge that she might have broken the ministerial code by not declaring what her husband described as 'a gift'. However, the mystery \$600,000 was used to repay a mortgage taken out jointly by David and Tessa on their Kentish Town home. So Jowell did benefit from the money, whoever it came from.

So did David Mills and Tessa Jowell pay off their mortgage with the \$600,000 from Mr B? Or Mr A? From the man about to stand trial for corruption Or the man who's been convicted of corruption? And does either look good for a lawyer, still less a member of the Cabinet?

A few days after she gave the interview to Woman's Hour, the couple announced their separation. We asked them both about the source of the \$600,000. She said she wouldn't comment on any of his business affairs. Mills says that although the bribery case may fail under Italian time-expiry laws, he is innocent and will waive the limitation act and seek to conclude the case on the facts.

DAVID MILLS: Look, this case is going to be tried in Italy and not in the papers here.

SWEENEY: This is Siena, home of the Palio. Medieval Ascot. It's one of the biggest horse race festivals in the world and what matters is the winning. And rules and fair play? Forgeddit.

The Palio isn't just an opportunity for men in tights to show off their legs. It's a horse race and it's a social occasion: who's in, who's out, who's shaking it all about.

And for David Mills, the in-crowd at the palio in the summer of '95 became an alibi. The investigators into Berlusconi's alleged film pricing scam had found a back-dated contract with Mills' 'signature' on it. Was he the back-dater? It turns out not. Somebody else in London had signed his name without his knowledge. And besides, he was in Italy, with the missus at the gee-gees. This is what he told the Italian authorities:

[Actor's voice- Italian magistrates interview] 'We went to stay with friends in Siena who had a business there and we had the best possible seats in the Palio.'

SWEENEY: This was Marcucci country - their company Sclavo was based in Siena - and it was less than three months after the raid on the Padua warehouse and at the height of the investigation into rogue blood trading.

The inquiry had lifted up all sorts of stones, and underneath one, the Italian police found a mystery payment.

They'd discovered that just two days after the raid on the warehouse, a cash order - 'very, very urgent. Sorry for rush' - was signed by 'Dennis'. That's David Mills' associate Dennis Lavin, who had ordered \$274,500 to be moved from Padmore Ltd into this nobs' bank on the Strand - the client account of Mackenzie Mills, the law firm of David Mills.

MAJOR MARCO TRIPODI: Although money had been placed at David Mackenzie Mill's disposition, we found no trace, not even in the documentation that we were shown, of why.

SWEENEY: The police hoped the money would lead them to a trade in the missing blood. Mills claimed client confidentiality but has since said he was unaware of the payment got no personal benefit from it.

In 2004, nine years after the raid on the warehouse, Guelfo and Paolo Marcucci were acquitted of

causing an epidemic. The prosecutors could not prove that the missing Padmore blood had caused fresh infections in Italy. Their lawyers told us:

[MARCUCCHIS' LEGAL STATEMENT]: "The final verdict of the Criminal Court of Trento announced the complete and unqualified acquittal of Guelfo & Paulo Marcucci, with full confirmation of their innocence."

SWEENEY: Unqualified? Well, the judges said the back-dated Padmore contract was a "fiction". The judgment found 'violations of public health laws' and 'falsification of official documents'. They also remarked that the actions of the defendants were 'unfathomable', 'incomprehensible' and 'remained shrouded in shadows'.

The unanswered question is what happened to the missing blood. The Marcuccis did not deny that some of the Padmore blood that should have been destroyed got to market. But where? David Mills denied any involvement in the blood scandal. But then when interviewed by the Italian police he made a slip-up .

[Reconstruction Italian Police interview, 13th September 1999: Voice of DAVID MILLS] No, no, at that exact point I was no longer with CMM, I've already told you that.

ITALIAN: You told us you left CMM in June, July 1994. But Padmore was set up in January 1994 and even entered into a contract.

DAVID MILLS: Whatever. OK. Anyway. There were three or four hundred companies in CMM, and three or four people in the team. I told you I knew nothing about this matter at that time and that's the complete and utter truth.

SWEENEY: Ten days later, Mills signed a statement, on oath.

ACTOR: Padmore Ltd was incorporated after I sold my interest in CMM and it is for this reason I cannot say anything specific about the activities of Padmore Ltd.

SWEENEY: There is only one thing wrong with that statement. It is completely untrue. When Padmore Ltd was incorporated in January 1994, Mills still owned CMM. He only sold it six months later.

Another illusion. David Mills had turned back the clocks.

And what's more, he's lying on oath. And that's never a good thing to do, in business, or in love.

Mr Mills now says he accepts he may have been mistaken about the dates but that was understandable as he had no direct involvement in the matter. He said he'd like to talk to Panorama but because of the impending trial he'd been advised not to.

As a result he was unable to defend himself in what he described as an unfair "trial by television." He is confident that he will be cleared on the tax evasion and money laundering charges which he regards as flimsy and misconceived. He also has financial documents which will result in the corruption charge involving Mr Berlusconi being dropped. He says he did not deal in any detail with the Padmore or Sarafia blood companies and so can't comment.


And Mills' associate Dennis Lavin? He's said nothing to Panorama despite two requests. Major Tripodi interviewed Dennis Lavin in 99. He was by then with another company, but still the custodian of the Padmore file in his office on the Isle of Man. It could have contained the hard evidence: where the dirty blood came from, what the \$274,500 was for, and who ended up with half a million pounds of dodgy blood. Lives might be at risk. If only the police could get their hands on the Padmore file,


they might be able to do something.

[Reconstruction Italian Police interview, Voice of DENNIS LAVIN] I had the file in my office. My office is on the seventh floor of our building. On the shelf in front of the window I had left the file. I had left the window open. That night there was a very great storm wind the window went open and many documents, not just this file, were sucked out of the room. And may I say one more thing I did notice the smiles when this was mentioned I'm willing to swear to this in any court and I can provide witnesses.

SWEENEY: So this was the end of the line for the Italian investigators. A stormy, stormy night. And the blood documents were sucked out of the window. You couldn't make it up.

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