

CHINESE SHADOWS

By Daniele Autieri

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DANIELE AUTIERI VOICE-OVER

Evil spirits haunt the nights of Prato. In the Chinese community, they are called "Gei", evil creatures capable of taking possession of a person. They are invisible spirits but sometimes security cameras manage to capture their essence. Here, a coffin is carried and placed outside the home of a textile entrepreneur. A few moments later a bomb explodes under the entrepreneur's car. On the coffin they nailed the photograph of their target. Life matters less than business.

LUCA TESCARIOLI – PUBLIC PROSECUTOR OF PRATO

There has been a series of murders, attempted murders, arsons, extortion, intimidation. We are dealing with a criminal escalation that began in June 2024.

DANIELE AUTIERI VOICE-OVER

The blood remains on the blade and leaves far-reaching traces. Behind the street violence, the hitmen arriving from China, and the children sent from Italy to be trained in the use of weapons, lies the greater game of business. Along the Silk Road designed by Marco Polo today flow goods, slaves, drugs but above all, money. A lot of money. Billions of dollars and euros that travel from the West to the East and end up in the vaults of Chinese banks to ensure the Beijing government the most powerful of unconventional weapons: economic blackmail.

SIGFRIDO RANUCCI IN STUDIO

It is China's silent war, which is intertwined with the tariff war announced by Trump. And which perhaps is not unrelated to the presence of a Chinese supermarket in our neighbourhoods. Now, according to some studies confirmed by the authoritative Brookings Institution, in short, the four Chinese state-controlled banks are said to have laundered 22 trillion dollars and euros in a single year. All currency that has been preserved, stockpiled into the vaults of the credit institutions in Hong Kong and Shanghai and which serves to make the Chinese nation more stable in its trade war against Europe and the United States. But how did they manage to siphon off such vast sums? Through the existence of a parallel state, a network that is present in all the states of the world, a series of clandestine bank branches, the so-called "stash houses", in Italy alone are said to be 400, how do they work? Essentially, you enter a Chinese business, in the back of the shop there is a broker who collects cash and is able to transfer it anywhere else in the world and then next to these branches, underground police stations would also operate, not to be confused with the official ones, in our country there are 11 opened in 2018 legally, but alongside those others are said to operate illegally. They are used to settle disputes in the Chinese community, even to "wash the family's dirty linen", then if you make a mistake, you go before a Chinese criminal court, even the underground one. Tonight we will show you for the first time the photograph of a court that operated in the back room of a business in Piazza Vittorio in Rome. This parallel network, this parallel state, operates alongside the official one. Chinese entrepreneurs, Chinese diplomats, associations, the Overseas organisations which are the operational arm of the United Front under the control of the Chinese Communist Party. They promote Chinese interests, but they are said to operate as a

part, a branch, of Chinese intelligence. Here, this extraordinary story that we will tell you tonight in an investigation signed by Daniele Autieri, starts from Prato, which is the place from which the clothes that flood half of Europe are made, but which is also a laboratory for the strategies that are then applied around the world. Prato, where we discovered that children who participate in summer camps are also trained militarily. Prato that has essentially started a "war of hangers", the metal frames used to transport clothes behind which lies the global control of trade.

DANIELE AUTIERI VOICE-OVER

To get to the bottom of this story, to the interests of governments and state connivance, you have to start from the street. On 15 April in Rome, in front of the entrance to an anonymous building in Via Prenestina, two Chinese citizens were shot dead by a killer while they were returning home on a bicycle. When we arrive at the scene, their bodies have already been transported to the morgue, but the blood is still on the asphalt.

FLATMATE OF THE VICTIMS

Maybe it's something... some... problems within the community.

DANIELE AUTIERI

Mrs. King? I'm Daniele...

LUCIA KING - SPOKESPERSON FOR THE CHINESE COMMUNITY OF ROME

Don't tell me you're a journalist

DANIELE AUTIERI

Yes, yes, I'm a journalist

LUCIA KING - SPOKESPERSON FOR THE CHINESE COMMUNITY OF ROME

Unfortunately, I can't give any more news.

LUCIA KING - SPOKESPERSON FOR THE CHINESE COMMUNITY OF ROME

At any rate, it is something let's say among compatriots.

DANIELE AUTIERI VOICE-OVER

A settling of scores within the community. This is suggested by the story of the victims: that of Gong Xiaogqing, 38, with no criminal record, but above all that of her partner Zhang Dayong, 53, a former collaborator of a boss in Prato and investigated as part of an investigation coordinated by Chief Prosecutor Luca Tescaroli. An investigation that starts from Tuscany involves the major European commercial routes and stems from the so-called "war of the hangers", the metal hangers upon which clothes are hung.

PAOLO NENCIONI – JOURNALIST

The idea is that there was this cartel that imposed a certain price and those who rebelled against this price, perhaps lowering it, were somehow punished.

DANIELE AUTIERI VOICE-OVER

On 6 July 2024, a commando of six people broke into Number One, a nightclub in Prato. Among them there is also a former soldier of the People's Republic of China. The target is the owner of a company active in the hanger production market, a felon and already convicted in 2006 for the murder of a compatriot.

LUCA TESCAROLI – PUBLIC PROSECUTOR OF PRATO

That attempted murder is part of the dynamic that sees a contrast between groups engaged in the production of clothes hangers and those engaged in the management of business activities related to transport and logistics.

DANIELE AUTIERI VOICE-OVER

The man is hanging onto life by a thread for days but he survives, while the hitmen are convicted in the first instance of attempted murder. From what was reconstructed by the Public Prosecutor's Office of Prato, the entire commando had departed from Wenzhou to commit the crime. A metropolis of 10 million inhabitants overlooking the East China Sea.

DANIELE AUTIERI

How many people have emigrated to Italy with your help?

ZHANG FANG YU - GENERAL MANAGER OF WENZHOU JOHN INTERNATIONAL TRAVEL AGENCY CO.

Certainly tens of thousands — through official processes to obtain work visas.

DANIELE AUTIERI VOICE-OVER

Wenzhou John International Travel Agency was founded in 1992 by Zhang's mother and provides services for those who want to emigrate, especially to Italy. But what emerges from the very beginning is a proven system for the distribution of passports.

ZHANG FANG YU - GENERAL MANAGER OF WENZHOU JOHN INTERNATIONAL TRAVEL AGENCY CO.

The consulate used to give my mother the task of delivering passports from Shanghai to cities such as Qingtian, Wenzhou and Rui'an. I don't know why the consulate trusted her so much, but they let her carry bags full of passports to distribute them to people.

DANIELE AUTIERI

How much does it cost to emigrate to Italy today?

ZHANG FANG YU - GENERAL MANAGER OF WENZHOU JOHN INTERNATIONAL TRAVEL AGENCY CO.

The cost is around 11,000 euros. Once you have obtained that amount, you can access the official channels to enter Italy. If you want to get a legitimate work quota, you must pay for it.

DANIELE AUTIERI

And who buys this quota?

ZHANG FANG YU - GENERAL MANAGER OF WENZHOU JOHN INTERNATIONAL TRAVEL AGENCY CO.

The employer. For example, I open a company in Italy and apply to the Italian government to obtain from 2 to 5 quotas, so as to bring Chinese workers. The employer then sells those quotas to those who are willing to pay for them.

DANIELE AUTIERI VOICE-OVER

An actual market for quotas that the Chinese entrepreneur established in Italy sells to his compatriots. Whoever has the possibility of paying for them immediately is free, otherwise he becomes a de facto slave, forced to pay off the debt by working in a factory.

SARAH CAUDIERO – TRADE UNIONIST SUDD COBAS

Chinese workers, both men and women of Chinese nationality, work shifts of 14 or even 16 hours, often living a condition of blackmail, involving total dependence upon the entrepreneurs.

DANIELE AUTIERI VOICE-OVER

Jin Ai Dong knows Prato well because she worked there for over ten years, until Covid convinced her to return to China. She welcomes us to her home in a residential district of Wenzhou, among high-rises that resemble beehives.

DANIELE AUTIERI

How much did you earn for a garment?

JIN AI DONG – FORMER TEXTILE ENTERPRISE WORKER

For the simple pieces about 50 cents each. For the difficult ones, more or less one euro and 20 cents.

DANIELE AUTIERI

And how much did you earn per month?

JIN AI DONG – FORMER TEXTILE ENTERPRISE WORKER

Just over 120 euros.

DANIELE AUTIERI VOICE-OVER

The exploitation of labour is just one of the levers that proliferates Chinese commercial activities in Italy and around the world. Among these there is also the trade of hangers, which in Prato has given rise to a series of attacks and murders.

PAOLO NENCIONI – JOURNALIST

It started as a hanger war, but right now it is a war that we can call the war of logistics because obviously, logistics moves incredibly larger interests.

DANIELE AUTIERI VOICE-OVER

The hanger business alone is worth 100 million euros. If we add to this the entire textile sector integrated with logistics and transport, the jackpot reaches several billions. A river of money that travels around Europe and the world.

SIGFRIDO RANUCCI IN STUDIO

In short, behind the hanger war, based on the hangers upon which millions and millions of clothes are moved, hides the control of logistics. Until a couple of years ago each hanger cost 27 cents, but then those who wanted to take over the market imposed a price going down to 5.8 cents, triggering a war between clans, and those accepted, of course, accepted because they are either suspected of mafia or use the mafia to settle scores. The six-man commando that came to settle accounts in Italy left China, just as hundreds of thousands of migrants move from China, and this strategy belongs precisely to the attempt to stabilise a network that can be a support for the Chinese economy, for the global control of trade. How it works: an entrepreneur leaves China with money, arrives in a country, opens a business and asks for permission for work quotas and once they've been obtained, in essence, he calls compatriots to work in his company, but each compatriot who leaves China must pay a fee of 11,000 euros. If he has it in cash he enters as a free worker, if he does not have it in cash, he enters the company and at that moment he essentially becomes a slave, and he will be paying off the share of 11,000 euros doing the work for the Chinese entrepreneur, and then only

after he has finished paying this fee, in short, he is free, free even from those entrepreneurs who are trying to monopolise logistics. But can you die from the control of hangers? Yes, if the goal is global control of trade. Now, drawing the lines from the points we have identified, a role also emerges for the associations, the Overseas, which are the operational arm of the United Front controlled by the Communist Party. They promote Chinese interests but are said to operate as a hidden intelligence.

DANIELE AUTIERI VOICE-OVER

On 16 February, just before dawn, three parcel bombs controlled with remote timers exploded in as many factories in Prato. A few days later, on 28 February and 11 March, other rudimentary devices exploded in the warehouses of Madrid and Paris belonging to one of the companies involved in the Tuscan feud. The war is now being fought all over Europe.

DANIELE AUTIERI

We have come to talk to you about the story of the bomb that was placed here.

"XSD" EMPLOYEE

I have no idea about this... I can't tell you anything, there were the guys who work shifts, we didn't expect it at all, let's say.

DANIELE AUTIERI

They mention this story of the hangers war.

"XSD" EMPLOYEE

We know nothing about this thing.

DANIELE AUTIERI VOICE-OVER

The second company targeted by the explosion is Elt Express, the same company that has also underwent attacks in its offices in Madrid and Paris. The owner is Zhang Di, known to all as Cesare.

"ELT EXPRESS" EMPLOYEE

So our owner wanted to participate, but leave me your number.

DANIELE AUTIERI

I'd be glad to

"ELT EXPRESS" EMPLOYEE

His name is Cesare you know...

DANIELE AUTIERI

Caesar

"ELT EXPRESS" EMPLOYEE

So you know, okay.

DANIELE AUTIERI

But that would be Zhang Di, right?

"ELT EXPRESS" EMPLOYEE

Yes, Zhang Di. He speaks very good Italian so anyway... The day after it exploded, he also came here.

DANIELE AUTIERI VOICE-OVER

Zhang Di is the son of Zhang Naizhong, involved years ago in a large-scale investigation on the Chinese mafia conducted by the Florence prosecutor's office and considered the head of an alleged mafia-type organisation that operated between Prato and Rome. Naizhong was never convicted of this charge, while his son took the reins of the family business, one of the largest groups active in logistics and freight transport in Europe. In addition to Prato, Madrid and Paris, one of the group's offices is in Rome, where we go to look for him.

DANIELE AUTIERI

Good morning, I was looking for Cesare.

"ELT EXPRESS" EMPLOYEE

Do you have an appointment?

DANIELE AUTIERI

I don't have an appointment, I had even gone to Prato and asked for him...

"ELT EXPRESS" EMPLOYEE

He is not here.

DANIELE AUTIERI VOICE-OVER

Cesare is a ghost. Among the accused of the China Truck large-scale investigation, next to him and his father Naizong, emerges the figure of the entrepreneur Zheng Wenhua, who allegedly ran a house of prostitution as well as an illegal gambling den. An invisible thread that we are able to reconstruct thanks to the help of an entrepreneur who has worked for years with Chinese groups.

DANIELE AUTIERI

This Zeng Wenhua...

ENTREPRENEUR FROM PRATO

Yes, he is a subject who has a very important role because he is the head of the Italian Overseas Association of Fujian.

DANIELE AUTIERI

So he is a representative of the institutions, let's say.

ENTREPRENEUR FROM PRATO

Yes, but in a way that does not fall within international standards. Until recently, the association was not even registered.

DANIELE AUTIERI VOICE-OVER

Zheng Wenhua, the man accused of various crimes from extortion to the management of illegal gambling dens, is not just an entrepreneur. In 2022 he was appointed President of the Overseas Association of Fujian in Italy during an event organised with great fanfare, which was also attended by the former president of the Chamber of Deputies Irene Pivetti, now president of the Association of Friendship between Italy and China.

LAURA HART – DIRECTOR OF THE NGO SAFEGUARD DEFENDERS

More and more democratic authorities clearly define the United Front, and then all the agencies and so on linked to them, as part of the Chinese intelligence apparatus.

DANIELE AUTIERI VOICE-OVER

The Overseas Associations are the arm, eye and ear of the United Front, the network of influence through which the Beijing government exercises its control inside and outside national borders. A system denounced by Safeguard Defenders, the Spanish NGO that fights for the defence of human rights in China.

DANIELE AUTIERI

What is the role of the Overseas Associations?

LAURA HART – DIRECTOR OF THE NGO SAFEGUARD DEFENDERS

Their task is twofold: on the one hand, to influence, and therefore to try to create relationships with entrepreneurs, politicians, the media and the academic world. On the other hand, it is also to repress.

DANIELE AUTIERI VOICE-OVER

We then reach the Overseas Association of Fujian in Prato. The office is closed, but on the plaque nailed in front of the entrance there is a mobile phone number.

TELEPHONE OPERATOR

The customer you have called is currently unavailable. Please try again later, thank you.

DANIELE AUTIERI

Good morning, excuse me, I was looking for someone from the association here?

SHOPKEEPER

There is the number...

DANIELE AUTIERI

I tried to call but it's turned off

SHOPKEEPER

Ah, then I don't know..

DANIELE AUTIERI

Have you always seen it closed?

SHOPKEEPER

Not open much. When there's something

DANIELE AUTIERI

Ah, when there is an event, something... Thank you!

DANIELE AUTIERI VOICE-OVER

The appearance is that of a ghost association, yet the Overseas have a strategic role in putting Chinese institutions in contact with the world of business, lawful but also unlawful.

ENTREPRENEUR FROM PRATO

Prato is very important, because tons of money is laundered here. Those who are at the top of these Overseas are those who have control of any activity in their hands, normally there are 10 to 15 subjects, in Prato there are 18 Overseas Associations.

DANIELE AUTIERI VOICE-OVER

One of the aims of the Overseas Associations is to pave new ways for goods from China that invade the markets. Behind the trade war launched by Donald Trump there is in fact a more violent and invisible conflict, the one for geopolitical control of the world. A conflict where the end justifies the means, and those means do not exclude the involvement of international crime.

LUCA TESCAROLI - PUBLIC PROSECUTOR OF PRATO

There is an articulated economic system at the base of criminal activities that sees, first of all, an impressive activity of importing raw materials from China through the ports of Piraeus, the port of Gioia Tauro which also passes through Spain and the former Yugoslavia and which has Eastern Europe as its first landing point, normally Hungary.

DANIELE AUTIERI VOICE-OVER

The boundless docks of the port of Trieste are one of the Italian gateways for ships arriving from all over the world. A free zone populated by thousands of containers and armoured trucks, which is opened to us exclusively by the joint teams that guard this outpost where almost 60 million tonnes of goods transit every year.

SARA FIORE – COMMANDER OF THE 1ST OPERATIONAL UNIT OF THE II GROUP OF FINANCE POLICE OF TRIESTE

Every year inside the port of Trieste we take into account that about 900 thousand containers are unloaded.

DANIELE AUTIERI

A lot of goods also arrive from China, a lot of Chinese goods.

SARA FIORE – COMMANDER OF THE 1ST OPERATIONAL UNIT OF THE II GROUP OF FINANCE POLICE OF TRIESTE

Yes, a lot of goods arrive from China using trade flows that start from Turkey.

DANIELE AUTIERI

So the route is Suez Canal, Turkey and then Trieste.

SARA FIORE – COMMANDER OF THE 1ST OPERATIONAL UNIT OF THE II GROUP OF FINANCE POLICE OF TRIESTE

Exactly, exactly.

DANIELE AUTIERI VOICE-OVER

Together with the Finance Police and the Customs Agency, we take part in an operation of analysis and control of the incoming goods. Goods that leave the great Chinese metropolises, make a trip halfway around the world and arrive in Italy.

DANIELE AUTIERI

Where does this come from, it passed through Estonia, this package here.

SARA FIORE – COMMANDER OF THE 1ST OPERATIONAL UNIT OF THE II GROUP OF FINANCE POLICE OF TRIESTE

Yes, that's right, that's right

FINANCE POLICE OFFICER

This China, Estonia and then the recipient

DANIELE AUTIERI

China, Estonia, pass here through Trieste and Ukraine also I see here

SARA FIORE – COMMANDER OF THE 1ST OPERATIONAL UNIT OF THE II GROUP OF FINANCE POLICE OF TRIESTE

And it arrives at the place of destination... There is also Ukraine, yes yes, then the cargo was destined for, it is destined for Hungary.

DANIELE AUTIERI VOICE-OVER

Among the Chinese objects, there is also a mockery aimed at Elon Musk.

DANIELE AUTIERI

They redid the Tesla logo here. May I?

FINANCE POLICE OFFICER

Yes, yes, be my guest

SARA FIORE – COMMANDER OF THE 1ST OPERATIONAL UNIT OF THE II GROUP OF FINANCE POLICE OF TRIESTE

A containment bag with clear writing in Chinese. Remote control, instructions in Chinese

DANIELE AUTIERI

Instructions in Chinese.

DANIELE AUTIERI VOICE-OVER

From games to electronic devices, from footwear to helmets, each container resembles a treasure chest of desires.

SARA FIORE – COMMANDER OF THE 1ST OPERATIONAL UNIT OF THE II GROUP OF FINANCE POLICE OF TRIESTE

Judging by the brand, these could be counterfeit

DANIELE AUTIERI

These are earphones

SARA FIORE – COMMANDER OF THE 1ST OPERATIONAL UNIT OF THE II GROUP OF FINANCE POLICE OF TRIESTE

They would have gone to Hungary, these are components for making earphones, basically; then, once assembled, they will then give life to the finished product.

DANIELE AUTIERI VOICE-OVER

From the ports managed by Chinese multinationals, those goods are brought to Italy and other European countries by taking advantage of the tax suspension regime and therefore evading the payment of VAT. Chinese companies in the territory that buy the goods get into debt with Italian tax authorities, but are not attackable by the State because their management is entrusted to front companies. After a few years, the companies go bankrupt, the front company disappears and the real owner opens new ones, renewing the system.

ANTONIO CANTIANI - DIRECTOR OF THE VENETO AND FRIULI VENEZIA GIULIA CUSTOMS AGENCY

The EU single market allows precisely this, the purpose of being able to clear customs the goods that arrive at the port of Rotterdam or Hamburg or others, clear them there

and then declare them, and then goods that can then arrive in Italy to recipients, let's say, that are ghost companies here, that exist perhaps only on paper.

DANIELE AUTIERI

Front company.

ANTONIO CANTIANI - DIRECTOR OF THE VENETO AND FRIULI VENEZIA GIULIA CUSTOMS AGENCY

Front company... in those cases it is clear that the VAT at that point that should be paid in Italy because it must be paid in the country of release for consumption, probably since they are ghost companies, is never paid.

DANIELE AUTIERI

On the subject of tariffs, have you noticed the attempt by Chinese companies to pass off products for others, to pass off products that have a higher tariff as those that have a lower tariff?

ANTONIO CANTIANI - DIRECTOR OF THE VENETO AND FRIULI VENEZIA GIULIA CUSTOMS AGENCY

This is, let's say, the norm in our activities, this is a practice that we have always opposed.

DANIELE AUTIERI VOICE-OVER

Port control ensures that Chinese companies have total freedom of action on intercontinental transits of goods. The Chinese conglomerate Cosco controls 67% of the port of Piraeus, 24.9% of Terminal 3 of the port of Hamburg, strategic for Germany, and 51% of the container terminal of the ports of Valencia and Bilbao. In Italy, Cosco itself took over 40% of the container terminal in Vado Ligure in 2016, as well as being present in the structure that controls the port of Trieste. In the first ten months of 2024, the value of goods sold by China worldwide reached 5 trillion dollars.

Jia Guide, the Ambassador of the People's Republic of China in Italy, opens the doors of his residence to us and exclusively delivers to Report the position of the Beijing government on the most delicate issues in terms of tariffs and international trade.

DANIELE AUTIERI

European Commission President Ursula von der Leyen expressed concerns over the phone to Chinese Prime Minister Li Qiang that American tariffs could create some sort of Chinese "trade diversion" to Europe. Is there a risk that Europe will be invaded by Chinese goods?

JIA GUIDE – AMBASSADOR OF THE PEOPLE'S REPUBLIC OF CHINA TO ITALY

We understand the concerns of European countries, but in reality this issue has been exaggerated. China is now the world's second largest consumer market and, for many years, the domestic market has been the main driving force behind our economic growth.

DANIELE AUTIERI

Is the application of tariffs also likely to negatively affect trade relations between Italy and China?

JIA GUIDE – AMBASSADOR OF THE PEOPLE'S REPUBLIC OF CHINA TO ITALY

Tensions in international trade have had an impact on the global trade order and, inevitably, also a negative influence on economic and trade cooperation between China

and Italy. In general, economic and trade relations between Italy and China are based on solid foundations.

DANIELE AUTIERI

Is the Chinese government doing anything to curb illegal practices that may in any way affect fair competition in the markets?

JIA GUIDE – AMBASSADOR OF THE PEOPLE’S REPUBLIC OF CHINA TO ITALY

China attaches great importance to fair competition and the rules of the World Trade Organisation, and the law clearly requires overseas businesses to comply with host country’s regulations and international norms.

Currently, the major factor in disturbing fairness in international trade is represented by the tariff war. The abuse of tariffs by the United States harms the legitimate interests of other countries, seriously violates the rules of the World Trade Organisation and puts the international economic and trade order at risk. They constitute discriminatory practices that hinder fair competition. Those who respect the rules of international trade cannot give in to those who break them.

DANIELE AUTIERI VOICE-OVER

The Chinese Ambassador appeals to respect international rules and mutual cooperation, but at least in the large-scale investigations where organised crime intertwines the economic interests, there is no trace of this cooperation.

LUCA TESCAROLI - PUBLIC PROSECUTOR OF PRATO

The People’s Republic of China has an interest in procuring heavy currency such as the euro and the productive activity that is carried out here, the profits that are made and consequently, the production of euros, is a figure that is in line with the policy of the People’s Republic of China.

DANIELE AUTIERI

Are you able to share anti-money laundering data on the flows that end up in Chinese banks?

LUCA TESCAROLI - PUBLIC PROSECUTOR OF PRATO

The letters rogatory that have been issued in this regard have not been answered.

DANIELE AUTIERI VOICE-OVER

But the obstructionism does not come only from China. On 22 October 2024, Tescaroli himself sent a letter to the Directorate General for Internal Affairs of the Ministry of Justice. A letter that resembles a heartfelt appeal, because the institutions have forgotten about Prato. In addition to asking for the creation of a District Anti-Mafia Directorate in Prato, Tescaroli points out that an average of 937 days pass between the request for a court hearing and the hearing itself, over two and a half years, an infinite time that is irreconcilable with those who really want to fight organised crime.

SIGFRIDO RANUCCI IN STUDIO

The Minister of Justice does not respond to the need to equip the Prato Public Prosecutor’s Office with the necessary tools to fight the mafia, mind you, this is not a war between gangs. And it hides a very important geopolitical project, the global control of trade. For years, Beijing has been investing billions and billions of euros to have the control of ports around the world, for the conquest of markets that would allow it to reach tens and tens of millions of potential customers. Indeed, those European ports are even more strategic, why? Because they also allow the circumvention of tariffs,

because you might arrive with a product and if a tariff increases in price, in short, you simply change the cataloguing of the product and it is easy for you to save. Then, European ports would also allow VAT evasion more easily, why? Because in the meantime, the products that come from China are purchased by Chinese companies that are perhaps in Hungary, in Romania, allowing the activation of the suspension of VAT because it is allowed to be paid in the last country of destination where the product is then actually sold, perhaps in the case of Italy there is a chain of front companies who, once they have acquired the goods and sold them, they have not paid VAT, companies disappear, they close, they go bankrupt, they change their name, the actual owner regenerates several times by playing the game of tax evasion, a phenomenon that is extremely difficult to counter. Alongside this there is the phenomenon of the "stash houses". We have seen it, we have heard of it before, stash houses are these underground bank branches that operate outside international circuits and are all over the world. The Chinese have invented a way to move money without physically moving it, that is, by compensating through the various stash houses that are in the world and retaining a percentage, a commission. So, why it is important to equip the Prosecutor's Office of Prato with the tools to fight the mafia is explained to us by the American experience.

DANIELE AUTIERI VOICE-OVER

New York, Washington, Chicago, Los Angeles, Miami. America's major cities are the playground of Mexican cartels and the open-air ATMs where narcos build their fortunes. Billions of dollars accumulated from the sale of drugs, starting with fentanyl. A river of money that needs to be cleaned up and no one is as good at cleaning up money as Chinese brokers.

CHRIS URBEN – GENERAL MANAGER OF THE NARDELLO&CO INVESTIGATION AGENCY

What used to take 7 to 10 days to be laundered and given back to Mexican cartels now takes just one or two days, and at a cost of 1-2% compared to 7-10% in the past.

DANIELE AUTIERI VOICE-OVER

Chris Urben was an operative of the DEA, the anti-drug department of the US special forces. Over twenty years of faithful service during which Chris participated in the hunt for the king of narcos, El Chapo Guzman, as well as being among the first to end up on the trail of the largest laundering network set up by the Chinese underground banking system.

CHRIS URBEN – GENERAL MANAGER OF THE NARDELLO&CO INVESTIGATION AGENCY

As Chinese workers became dispersed around the world, they needed a way to repatriate their funds back home.

This network of Chinese workers abroad gave rise to China's underground banking system, because it was a network based on trust.

DANIELE AUTIERI VOICE-OVER

From 2018 onwards, the American anti-drug agency discovered that within the Chinese community of New York there was an underground network of well-structured money launderers with relationships of trust in every corner of the world.

CHRIS URBEN – GENERAL MANAGER OF THE NARDELLO&CO INVESTIGATION AGENCY

So there was a new method of laundering. I'm talking about one, two million dollars, kept in what we call "stash locations", that is, places controlled by them. This allowed us to understand how the network worked. We have observed drug traffickers handing over money to subjects that are new to us: Chinese money launderers who took those funds, took them to stash houses and accumulated large amounts of currency.

DANIELE AUTIERI VOICE-OVER

Stash houses, underground bank branches, can be anywhere. In the back room of a fish market as in the basement of a warehouse. In Manhattan as in the Bronx.

CHRIS URBEN – GENERAL MANAGER OF THE NARDELLO&CO INVESTIGATION AGENCY

There were dozens of Chinese brokers in New York and New Jersey. And we realised that they had employees, like any other organisation. They had couriers who delivered money, couriers who collected it. They had people who ran the stash locations, where the money was kept and counted. And then they had other subjects who operated on encrypted applications such as WeChat, and on message boards or channels in Mandarin, where they sold that money.

DANIELE AUTIERI VOICE-OVER

One step at a time, Chris and his team understand how the system works. The Cartel's emissaries deliver the dirty money to New York and in exchange get an identification code that they share with their associates in Mexico. At that point, another member of the Cartel in Tijuana or Culiacan goes to the Chinese broker of reference, shows the code and takes back the money. Money does not move, but it is Chinese brokers distributed around the world who compensate each other, as if they were actual banking institutions.

DANIELE AUTIERI

Is there evidence of Chinese banks' complicity in this system?

VANDA FELBAB-BROWN – BROOKINGS INSTITUTION ANALYST

In the past, some estimates from the U.S. government and other sources indicated that China's four largest state-owned banks are said to launder up to 21, 22 trillion dollars a year, which is an extraordinary number.

DANIELE AUTIERI VOICE-OVER

Vanda Felbab-Brown is one of the world's leading experts on international organised crime. She worked first at the London School of Economics and now as an analyst at the Brookings Institution, the most prestigious of American think tanks.

VANDA FELBAB-BROWN – BROOKINGS INSTITUTION ANALYST

Over the past thirty years, we have consistently seen that, alongside China's legal economic activities, various forms of illegality have proliferated. This is evident in Southeast Asia, Africa, Latin America, and even the United States.

DANIELE

AUTIERI

Is President Xi Jinping really cracking down on organised crime?

VANDA FELBAB-BROWN – BROOKINGS INSTITUTION ANALYST

President Xi Jinping has shown himself very determined to crack down on Chinese criminal groups operating abroad. In these cases, repressive interventions are often very selective, as long as these groups don't cross certain "red lines".

DANIELE AUTIERI VOICE-OVER

It's the same the world over. And the streets of South Manhattan don't seem too different from the alleyways of Piazza Vittorio, a multi-ethnic enclave in the heart of Rome, where hiding behind the windows and colourful signs are the "stash locations", the money collection rooms managed by the underground banking system.

DANIELE AUTIERI

Good evening, I wanted to talk to you because I read about this investigation by the Italian Finance Police about laundering that also concerns this store...

SHOPKEEPER

I don't speak Italian, little, I speak little so I don't understand

DANIELE AUTIERI

Didn't they come here? Right in this shop here?

SHOPKEEPER

No, no, no wrong shop.

DANIELE AUTIERI

Practically people who bring money.

SHOPKEEPER

We are a business of... women's clothing.

SHOPKEEPER

You are wrong, perhaps it happened with Napoleone III.

DANIELE AUTIERI VOICE-OVER

Everyone denies it, but on 4 October 2023, it was inside these shops around Piazza Vittorio that investigators from the Investigative Group of the Finance Police discovered an international money laundering network and arrested 33 people. Shops transformed into branches of an underground bank that in a few months would have laundered over 50 million euros. Dirty money from the mafia and Roman crime.

DANIELE AUTIERI

Excuse me, I am a journalist for Rai. I wanted to ask you some information about that investigation that there was of money laundering... there was also talk of this place...

You don't understand Italian?

SHOPKEEPER

Not so much.

DANIELE AUTIERI

People carrying shopping bags full of money... in the back rooms.

SHOPKEEPER

I don't know.

DANIELE AUTIERI VOICE-OVER

According to investigators, the head of the Rome money laundering centre is a Chinese named Zheng Wen Kui, known to all as Luca. Luca was convicted and is now serving an alternative sentence to prison, as cashier of his own restaurant just a stone's throw from Piazza Vittorio.

DANIELE AUTIERI

Luca, right?

ZHENG WEN KUI

Yes? Now I'm finally working.

DANIELE AUTIERI

Out of curiosity, Who were all people who came from...

ZHENG WEN KUI

I have a client from Madrid and he knows me, they change money with Rome.

DANIELE AUTIERI

Ah, I understand...

ZHENG WEN KUI

I help bring in money... I help client in Madrid. So Finance followed people who brought money to the Italian store, and they say that they sold drugs that I help to launder, clean up money, I didn't know anything...

SIGFRIDO RANUCCI IN STUDIO

New York, Madrid or Piazza Vittorio in Rome, in short, the meaning does not change. In the back room of a Chinese business, there is the possibility of bringing bags of cash that are counted and then exchanged in another place, on the other side of the world within an underground banking circuit. So, thanks to this procedure, the proceeds of drugs are also laundered, from crimes, Chinese activities have been transformed in this way into the largest washing machine of dirty money in modern history. According to analysts at the Brookings Institution, Chinese banks have laundered some 22 trillion euros or dollars of dirty money. We have seen the system, it is well-oiled and works like this all over the world: you enter a back room of a Chinese business, bring your money in cash, the Chinese broker collects it and gives you an identification code in return. You send this code to an accomplice who is on the other side of the world, who will show it to another Chinese broker in the back room of another shop and will receive the equivalent sum paid in Rome, minus the commission that is retained by the Chinese. So, this is the method that is also used to pay for batches of drugs and also to launder money from illegal activities. Well, that's because Chinese brokers also offer to clean up dirty money in that they make available supply chains with shell companies that issue invoices and then return the money cleaned up through a transfer minus, obviously, the commission. Now, there are said to be four hundred branches like this in Italy: the head of the collection in Rome would be Luca, the person that our Daniele went to interview who is serving the alternative sentence, working as a cashier in his restaurant. According to the Investigative Group of the Finance Police, in the shops of Piazza Vittorio as many as 50 million euros would have been collected in a few weeks from the activities of Roman organised crime, proceeds that come from drug dealing squares, but also from the activities of professionals beyond suspicion. Obviously, illegal activities. Now, Luca is just one of the 400 managers of those branches that are said operate in our country that are said to have met in a secret meeting in 2023 in Padua to lay down the new strategies.

SIGFRIDO RANUCCI IN STUDIO

We were talking about the Chinese strategy for global control of trade, how this strategy was born in Italy and in Prato, which has become a world laboratory. We have also seen that this strategy can count on the existence of an underground parallel state made up of underground, clandestine bank branches, underground Chinese police stations running alongside the official ones and even entrepreneurs suspected of mafia. All this parallel and clandestine state moves alongside the official one, made up of entrepreneurs, diplomats from the Overseas, the associations that promote the Chinese system, but which are the operational arm of the United Front controlled by the Chinese Communist Party, which would act as an intelligence apparatus, also this, underground. In 2022, appointed as president of an Overseas of Prato representing the citizens of Fujian was an entrepreneur who was involved in the exploitation of prostitution and the management of illegal gambling dens. So, official and criminal entrepreneurship sometimes are so close they touch. It happened, for example, in September 2023 in Padua, when a public meeting was called by the association of Chinese entrepreneurs of Venice. That meeting was attended by Italian entrepreneurs and politicians, but a secret meeting was held on the sidelines, where the owners of the four hundred branches of the underground banks present in Italy participated, and according to a super witness who is bringing knowledge to the Prosecutor's office on this parallel world, the new strategies would have been dictated in that meeting: no more branches in the backrooms, because they are too dangerous, too shabby, but the branches become small detached houses that are bunkers under video surveillance. One has already been caught by the Finance Police of the Marche region. Just think, that in a single detached house, something like 3 billion euros were laundered. And then, according to this super witness, the rules are dictated: it is forbidden to make a mistake, because you end up in front of a criminal court, it too underground, which also operates in the backrooms of the shops in Piazza Vittorio. Report is able to show you for the first time the photograph of a composition of this court.

DANIELE AUTIERI VOICE-OVER

On 8 September 2023, Luca takes a train and reaches an anonymous hotel in Padua where the fourth edition of the festival organised by the Federation of Chinese Entrepreneurs of Venice is celebrated. It is an important event for the Chinese community in Northern Italy, which is also attended by the Chinese Vice-consul in Milan and the Chinese Consul for the diaspora, Ren Wu. The meeting ended with the appointment of the new president of the Federation, the Chinese entrepreneur Yang Lifeng.

LAURA HART – DIRECTOR OF THE NGO SAFEGUARD DEFENDERS

Lifeng is a typical associate of the United Front, he is appointed president of this association of Chinese companies in the Veneto region. Clearly, he is a person of some importance, shall we say, for the Chinese authorities in Italy.

DANIELE AUTIERI VOICE-OVER

This interview has been re-enacted. Our source is an Italian citizen of Chinese origin who is collaborating with some Italian prosecutors. He entrusted us with his testimony and some unique documents. Ensuring his anonymity is essential to protect his safety and security.

RE-ENACTMENT

MEMBER OF THE CHINESE COMMUNITY RE-ENACTMENT

In 2023 an institutional event is taking place in Padua... Inside there are Chinese entrepreneurs, members of the Chinese community, Chinese diplomats and Italian politicians.

DANIELE AUTIERI VOICE-OVER

The official event, however, hides something else, because like Luca, all the others, the other managers of the dirty money collection centres also meet at the hotel in Padua. It is the Summit that meets.

DANIELE AUTIERI

How many collection centre managers are there in Italy?

MEMBER OF THE CHINESE COMMUNITY

About 400... And that event was in fact organised to be a cover that did not attract the attention of the prosecutors.

DANIELE AUTIERI

But precisely, why meet and, in any case, run such a risk?

MEMBER OF THE CHINESE COMMUNITY

To discuss things with each other and understand how to move. Consider that it is a system that moves at the speed of light, they completely change strategy and that is why they are elusive. They used to use shops as collection centres, the backrooms of shops, now they have moved to houses, which are bunkers, they have absurd video surveillance systems, so if you get close they notice it immediately and make everything disappear.

DANIELE AUTIERI VOICE-OVER

A house lost in the Marche countryside, a travel agency and a wholesale supermarket a few kilometres from Civitanova. Here the Finance Police of Ancona and Macerata, coordinated by the European Prosecutor's office, unmask a transactional criminal organisation in October 2024 and reconstruct illicit financial transactions worth a total of 3 billion euros.

PEPPINO ABBRUZZESE – COMMANDER OF THE FINANCE POLICE ORGANISED CRIME INVESTIGATION GROUP OF ANCONA

The criminal association was also able to manage an underground Chinese bank that receives money, gives cash in exchange for commissions. The courier who had to physically transport from point A to point B carried a 5 euro banknote with him. This banknote was posted within an encrypted chat so the recipient of the request did nothing more than verify the serial alphanumeric code on the banknote that the courier exhibited and automatically the exchange took place.

DANIELE AUTIERI

These bags that arrived how much money are we talking about?

PEPPINO ABBRUZZESE – COMMANDER OF THE FINANCE POLICE ORGANISED CRIME INVESTIGATION GROUP OF ANCONA

In one case we managed to identify a courier who was carrying more than 100 thousand euros in a trolley, he had physically collected the bag from the travel agency here in the Marche region and was going to a region of central Italy.

DANIELE AUTIERI VOICE-OVER

Albanian mafia alongside wealthy Italian entrepreneurs. Everyone lined up at the counters of the underground bank. A counter open day and night and capable of offering services of various kinds: from money laundering to the loan of black market cash.

PEPPINO ABBRUZZESE – COMMANDER OF THE FINANCE POLICE INVESTIGATIVE GROUP OF ANCONA

We are sure that some payments went in the direction of China, but the presence of virtual accounts has somewhat limited our investigative capacity.

DANIELE AUTIERI

So there are virtual IBANs in which, apparently, you are making a transfer in Germany but in reality you are doing it in China.

PEPPINO ABBRUZZESE – COMMANDER OF THE FINANCE POLICE ORGANISED CRIME INVESTIGATION GROUP OF ANCONA

Directly in China.

DANIELE AUTIERI

Have you asked the Chinese authorities for help.

PEPPINO ABBRUZZESE – COMMANDER OF THE FINANCE POLICE ORGANISED CRIME INVESTIGATIVE GROUP OF ANCONA

It has been asked, to date there has been a lack of objective data of collaboration.

DANIELE AUTIERI VOICE-OVER

Alongside the head of the organisation, the Finance Police arrested another 32 persons. Among them are also Xinxin and Nadia Sun, brother and sister accused of laundering illicit revenues by investing in commercial activities. Two well-known personalities in the region, because their father, Sun Guang, opened the first Chinese restaurant in the Marche region, is now president of the Italy/China Association and very close to diplomatic institutions, so much so that last September he accompanied the Ambassador of the People's Republic of China, Jia Guide, on a visit to the Marche region.

PEPPINO ABBRUZZESE – COMMANDER OF THE FINANCIAL POLICE ORGANISED CRIME INVESTIGATION GROUP OF ANCONA

They were people who travelled beyond suspicion.

DANIELE AUTIERI

Do Chinese institutions, the Communist Party, the Chinese government, now also have an interest in controlling the business of Chinese criminal organisations?

LAURA HART – DIRECTOR OF THE NGO SAFEGUARD DEFENDERS

I believe that there is greater awareness in the world now that this exists. For example, in Hong Kong there is a long tradition of using triads in some way, and this phenomenon is certainly well known in Southeast Asia, but it exists or can also exist also here, obviously.

DANIELE AUTIERI VOICE-OVER

In December 2022, Safeguard Defenders published a report that went global in a few days. The report revealed where 110 Chinese police stations operating in 53 countries were located, structures set up to provide administrative services such as passport

management, settling disputes between Chinese citizens, but also for controlling members of the community abroad. Of these, at least 11 are said to have been opened with the authorisation of the Italian authorities.

LAURA HART – DIRECTOR OF THE NGO SAFEGUARD DEFENDERS

According to the accounts of the Chinese themselves, it is also this complicity of the Italian authorities that allowed them to create the first police stations, to do it right in Italy, using, for example, the joint patrols of the Italian and Chinese police in some cities. So it does not seem a coincidence that in the end it was Italy that had the world record with no less than 11 stations on its territory, and it is only the tip of the iceberg.

DANIELE AUTIERI VOICE-OVER

On 18 December 2017, Angelino Alfano, then Foreign Minister in the Gentiloni government, signed an agreement in Beijing with his counterpart Wang Yi to authorise the presence of Chinese police stations in Italy. On 12 June 2018, the opening of one of the first stations was celebrated in Rome, in the presence of the Italian State Police.

RE-ENACTMENT

MEMBER OF THE CHINESE COMMUNITY

Alongside these pseudo-legal stations, even recognised by some governments, there are many that are completely illegal. They are even used for espionage activities.

DANIELE AUTIERI

Are there any in Rome?

MEMBER OF THE CHINESE COMMUNITY

Yes, yes, there are several, but they often change the location.

DANIELE AUTIERI

Can you give me the address of one of these?

MEMBER OF THE CHINESE COMMUNITY

There was one on [omissis] Street 142 entering to the left... you could see a small room... that's their central command.

DANIELE AUTIERI VOICE-OVER

The witness gives us an address in the area of Piazza Vittorio, in Rome. A small shop, with a counter where cigarettes are sold and little else. On the left, however, a second room can be glimpsed. It is there that the headquarters of the clandestine police station were said to be.

DANIELE AUTIERI

We went to see but in the end there was nothing there, at least to all appearances...

MEMBER OF THE CHINESE COMMUNITY

It's normal... They have probably already moved and opened another one somewhere else.

DANIELE AUTIERI VOICE-OVER

The parallel state system is precisely replicated in every part of the world. Dan Nardello, a former federal prosecutor in the Southern District Court in New York, has initiated trials against organised crime, financial fraud and corruption in the police force. In 2003

he founded an international investigative agency and tells us about the intelligence activity in Chinese police stations in the United States.

DAN NARDELLO – FOUNDER AND PRESIDENT OF THE NARDELLO&CO. INVESTIGATION AGENCY

There are documented cases of people arrested by the American authorities for espionage, as they were operating inside these police stations. In the case of New York, they were citizens with American citizenship who clearly worked for the Chinese secret services.

DANIELE AUTIERI VOICE-OVER

At the end of 2023, the FBI discovered an underground Chinese police station in the Lower Manhattan area. A year later, the two citizens of American nationality and Chinese origin who ran the underground centre were convicted of conspiring to act as agents of the government of the People's Republic of China.

VANDA FELBAB-BROWN – BROOKINGS INSTITUTION ANALYST

China formally denies operating secret police stations. Beijing downplays them by presenting them as entities that provide bureaucratic services, such as the issuance of driver's licenses.

DANIELE

AUTIERI

What is the role of these police stations?

DAN NARDELLO – FOUNDER AND PRESIDENT OF THE NARDELLO&CO. INVESTIGATION AGENCY

To counter dissidents around the world, especially Chinese citizens considered enemies of the Communist Party. In addition to this, they certainly play a role in general espionage activities.

VANDA FELBAB-BROWN – BROOKINGS INSTITUTION ANALYST

All this fits perfectly into the strategy of the so-called "United Front" promoted by Beijing: every citizen, every Chinese company – even on the criminal front – is considered part of a system that must support the interests of the Chinese government.

DANIELE AUTIERI VOICE-OVER

On WeChat, the social network most used by Chinese citizens, the Italian community is offered any kind of service, from tricks for obtaining European passports in friendly countries, to summer camps offering military training for children who intend to return to take holidays in China.

RE-ENACTMENT

MEMBER OF THE CHINESE COMMUNITY

The system is designed to be completely autonomous and act under the radar so as not to arouse social alarm.

DANIELE AUTIERI

How far does this network extend?

MEMBER OF THE CHINESE COMMUNITY

Up to the administration of justice.

DANIELE AUTIERI

What do you mean?

MEMBER OF THE CHINESE COMMUNITY

They do the trials themselves, they have judges, they have lawyers, if there is a dispute between Chinese citizens residing in Italy they do not turn to the Italian justice.

DANIELE AUTIERI

Do these courts exist in Italian cities, in Rome?

MEMBER OF THE CHINESE COMMUNITY

Yes, yes, in Rome, in Rome there are several.

DANIELE AUTIERI

Do you have proof of this?

MEMBER OF THE CHINESE COMMUNITY

Yes, I have a photo... I'll show it to you... I just can't give it to you to publish it.

DANIELE AUTIERI VOICE-OVER

According to our witness, showing that photo means condemning the person who took it to death. For this reason, with the help of artificial intelligence, we have reconstructed the subject. The image portrays two men and a woman who seem to make up a jury. On their sides are the Italian flag and that of the People's Republic of China.

DANIELE AUTIERI

Where is this place located?

MEMBER OF THE CHINESE COMMUNITY

It's in a basement in Piazza Vittorio in Rome... I have seen it, it is the maximum expression of the parallel state.

SIGFRIDO RANUCCI IN STUDIO

Every citizen, every company, even the Chinese mafia, is part of that mechanism that must bring interests to the Chinese state in the project of controlling global trade for which the parallel state we have told you about tonight is also functional. Now, however well-oiled this system is, it nevertheless risks imploding from within. There are many Chinese citizens who have chosen our country to start a new life with greater freedom, they came knocking on the door, the Prosecutor of Prato Luca Tescaroli told us, to denounce the violence of the Chinese mafia, which is why it would be important to equip the Public Prosecutor's Office of Prato of the District Anti-mafia Directorate, with a structure to fight against the mafia. Also equip the Court of Prato with the necessary tools. Today a trial against the Chinese mafia is being held in Florence, China Truck, but since 2017 it has been suspended practically to a standstill because it is not possible to replace the interpreter who has made himself untraceable. So, all the defendants are free, because the precautionary measures have been rejected, annulled by the Review Court.