

Carlos Ghosn re-arrested over fresh allegations

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The rollercoaster saga of Carlos Ghosn has gripped Japan

Japanese prosecutors re-arrested former Nissan boss Carlos Ghosn over fresh allegations on Friday, apparently dashing his hopes of early release



in the latest twist to a rollercoaster saga.

The case of the once-revered 64-year-old tycoon has gripped Japan since he was arrested as he stepped off his private jet at Tokyo's Haneda Airport on November 19.

He had appeared set for release Friday after a court surprisingly rejected the prosecutors' demand to extend his detention for further questioning.

But instead of being granted bail, Ghosn was arrested Friday on suspicion of a separate issue of financial wrongdoing, involving the transfer of 1.85 billion yen (\$16.6 million) in losses from a swap contract from his own asset management fund to Nissan.

"The accused was responsible for managing Nissan's overall operations and for dutifully fulfilling his role as CEO not to cause damage to Nissan and its subsidiaries... but he took action that betrayed his role and caused financial damage to Nissan," prosecutors alleged.

According to public broadcaster NHK, Ghosn denies this latest set of allegations.

The Franco-Brazilian-Lebanese businessman has already been formally charged with under-reporting his income by tens of millions of dollars over several years and faces a second batch of allegations that this continued for three further years.

On Thursday a court refused to extend his detention over the second set of allegations, with media reporting the charges were too similar to the first set.

But this fresh arrest gives prosecutors 48 hours to question him on the new matter. Under Japanese law, they can then apply for a fresh



extension of 10 days, plus a further 10 days, to investigate the new claims.

His right-hand man, Greg Kelly, who faces the same initial charge, was not rearrested on Friday and his lawyer has requested bail, according to a court statement.

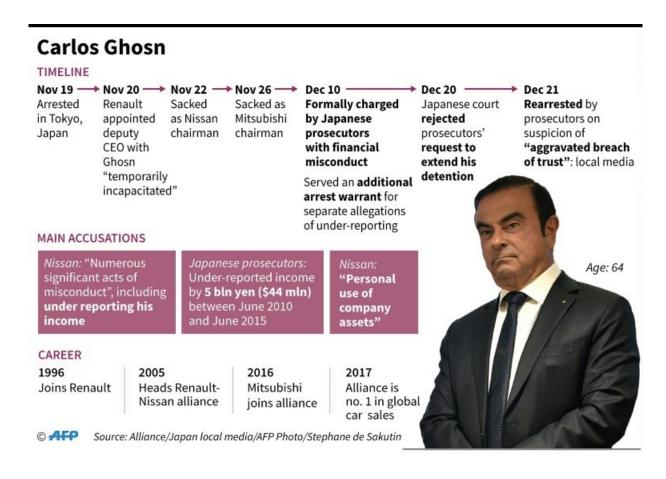
'Fractious alliance'

Since his stunning arrest last month, the once jet-setting executive has languished in a tiny cell in a detention centre in northern Tokyo, where he has complained about the cold and the rice-based menu.

His lengthy detention—in Japan, suspects can be "re-arrested" several times over different allegations—has sparked criticism, especially from abroad.

"The Japanese penal system has been revealed to the wider world. It is not necessarily Japan's best side and this is not good for business," Tokyo lawyer Lionel Vincent told AFP.





Updated factfile on ex-Nissan chief Carlos Ghosn

Ghosn has an unusually high profile for a foreign executive in Japan and was credited with turning around the struggling car giant Nissan and forging a three-way alliance with French manufacturer Renault and fellow Japanese firm Mitsubishi Motors.

He was seen as the glue holding together the fractious alliance and his arrest has exposed major rifts between Nissan—which makes the most money—and Renault, the dominant shareholder.

According to local media, Ghosn has admitted signing documents to defer part of his salary until after retirement but said this amount did not



need to be declared as it had not yet been definitively fixed.

The suspicion is that he sought to defer part of his pay to avoid criticism from staff and shareholders that his salary was too generous.

Both Nissan and Mitsubishi Motors promptly sacked Ghosn as chairman following his arrest, on the basis of a months-long internal Nissan investigation.

Renault has been much more cautious, keeping him on as chairman and CEO and appointing Thierry Bollore as interim boss.

According to a source close to the investigation, Nissan would seek to bar Ghosn from their premises if he were to be released.

'Duty of care'

In addition to charges against Ghosn and Kelly, prosecutors have also indicted Nissan, as the company submitted the official documents that allegedly under-reported his income.

On Thursday, the company pointedly declined to comment, saying it was "exclusively between the court and the prosecutors".

It said the decision to fire Ghosn was "based on the substantial and convincing evidence" from an internal investigation.

"Both Ghosn and Kelly have violated their director duty of care," the firm added in a statement.

Nissan has also accused its former boss of other financial impropriety, including using Nissan funds to purchase luxury homes around the world.



One of these—a luxurious, 800-square-metre (8,600-square-foot) spread with ocean views over Rio de Janeiro's famous Copacabana Beach—has become the subject of a legal battle.

Last week, Ghosn family members entered the flat, removed "personal effects" and opened the safes, according to Nissan. This followed a court order giving Ghosn's representatives access despite objections from the Japanese firm.

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