

Ex-Nissan boss Ghosn 'could spend six months in jail'

January 8 2019, by Hiroshi Hiyama, Natsuko Fukue



Former Nissan boss Carlos Ghosn faces a host of allegations of financial impropriety

Former Nissan boss Carlos Ghosn could spend another six months behind bars before his case comes to trial, his lawyer said Tuesday.

In his first public appearance since his arrest in November rocked the business world, Ghosn told a Tokyo court Tuesday he had been "wrongly accused and unfairly detained".

But he appears unlikely to win release anytime soon, as Japan allows prosecutors to seek lengthy pre-trial detention as well as further detention periods to investigate allegations even before pressing charges.

His lawyer said it would be "very difficult" to win bail and it could be months before his case is heard.

"I believe it could be considered that at least six months will be needed before being able to go to the first trial," Motonari Otsuru said, citing the complexity of the case and the fact that the documents involved are in both Japanese and English.

Appearing in the Tokyo District Court handcuffed with a rope around his waist, Ghosn earlier mounted a passionate defence against a string of financial misconduct allegations.


The 64-year-old was thinner—his family says he has lost up to 20 kilogrammes (44 pounds) due to the rice-based diet in his Tokyo detention centre—and his hair was greying.

He appeared in a dark suit without a tie and wore plastic slippers.

Carlos Ghosn

ARREST TIMELINE

Nov 19 Arrested in Tokyo	Nov 22 Sacked as Nissan chairman	Nov 26 Sacked as Mitsubishi chairman	Dec 10 Formally charged	Dec 21 Re-arrested	Dec 31 Court extends detention to Jan 11	Jan 8 Makes first appearance in court, says he is innocent
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MAIN ACCUSATIONS

<i>Nissan:</i> "Numerous significant acts of misconduct", including under reporting his income	<i>Japanese prosecutors:</i> Under-reported income by 5 bln yen (\$44 mln) between June 2010 and June 2015	<i>Nissan:</i> " Personal use of company assets "
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CAREER

1996 Joins Renault	2005 Heads Renault-Nissan alliance	2016 Mitsubishi joins alliance	2017 Alliance is no. 1 in global car sales
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AFP Photo/Eric Piermont © AFP

A timeline of the arrest and charges against Ghosn

"I have been wrongly accused and unfairly detained based on meritless and unsubstantiated accusations," the once-revered titan of the auto industry told the court in a clear and steady voice.

He showed no emotion and mostly faced forward or looked down, glancing occasionally at the gallery in the packed courtroom.

In a career spanning decades, during which he won praise for turning around the struggling Japanese car maker, he said he had "always acted with integrity" and had never before been accused of any wrongdoing.

"I have acted honourably, legally and with the knowledge and approval of the appropriate executives inside the company," stressed Ghosn.

From the moment on November 19 that prosecutors stormed his private jet at a Tokyo airport, the twists and turns of the case have gripped Japan and the [business world](#).

At one point, the Franco-Lebanese-Brazilian tycoon appeared on the point of release, only for prosecutors to produce further allegations against him to continue his custody.

In an indication of the huge interest in the case, more than 1,000 people waited outside the court from the early hours in the hope of getting one of just 14 tickets for the public gallery.

Tuesday's hearing itself caught observers off-guard as Ghosn's lawyers deployed a rarely-used article of the Japanese constitution to force the court to explain the reasons for his detention.



A courtroom sketch of Carlos Ghosn by Masato Yamashita

Presiding Judge Yuichi Tada said Ghosn was being detained because he was a flight risk and there was a possibility he would conceal evidence.

The suspect has "bases in foreign countries" and may "escape", Tada said.

Go Kondo, one of Ghosn's lawyers, countered: "There is no risk that he will run away. He's CEO of French company Renault. He's widely known so it's difficult for him to escape."

'Greatest joy'

Ghosn faces a host of allegations of financial impropriety.

Prosecutors have formally charged him over suspicions he under-declared some five billion yen (\$44 million) from his salary in documents to investors over five fiscal years from 2010—apparently to avoid accusations he was paid too much.

Authorities also suspect he continued this scheme over the next three tax years, seeking to defer another four billion yen of his salary until after retirement.

A third, more complex, accusation is that he sought to shift personal foreign exchange losses onto Nissan's books and then paid a Saudi business contact some \$14.7 million—supposedly from company funds—who allegedly stumped up collateral for him.



Judge Yuichi Tada told the court the detention of ex-Nissan chief Carlos Ghosn is justified because he poses a flight risk

Ghosn has not been formally charged over the latter two allegations and rebutted all of them in court.

"I never received any compensation from Nissan that was not disclosed," he said.

He added that Nissan never incurred any losses from his foreign exchange contracts and that the Saudi partner, Khaled Juffali, was "appropriately compensated" for "critical services that substantially benefited Nissan".

A statement issued on behalf of Juffali's company, the first since the allegations emerged, said the compensation was for work done to benefit Nissan, including resolving a local business dispute and lobbying for the approval for a new plant in Saudi Arabia.

A towering figure in the auto industry, Ghosn is credited with turning around a struggling Nissan—also giving him a high profile rare for foreign executives in Japan.

He forged an unlikely three-way alliance between Mitsubishi Motors, Renault and Nissan that now outsells any other rival group.

Ghosn said that reviving the fortunes of the Japanese firm was "the greatest joy of my life, next to my family".

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