

Ghosn hit with more charges, release unlikely

January 11 2019, by Sara Hussein, Hiroshi Hiyama



Ghosn is unlikely to taste freedom any time soon

Tokyo prosecutors on Friday filed two new charges of financial misconduct against former Nissan chief Carlos Ghosn, meaning the auto tycoon is unlikely to be leaving his jail cell soon.

Lawyers for the former jet-setting executive filed a bail application

hours later, but have acknowledged that he will probably be detained until a trial.

Ghosn denies any wrongdoing and argued in a dramatic first court appearance on Tuesday that he has been "wrongly accused and unfairly detained."

He was already facing a first charge for allegedly under-reporting his compensation over five years to the tune of five billion yen (\$46 million) in official documents to shareholders.

The charges filed today allege that the under-reporting continued for another three years.


And they include a charge of "aggravated breach of trust" over a complex alleged scheme in which Ghosn is said to have tried to transfer losses on foreign exchange contracts to Nissan's books.

As part of the scheme, he is accused of also using company funds to repay a Saudi acquaintance who put up collateral for the contracts.

Prosecutors also filed charges Friday against Nissan and Ghosn aide Greg Kelly over the additional three years of under-reporting pay.

"We took these steps today because we believed that they are cases worthy of indictment and going to trial," said deputy chief prosecutor Shin Kukimoto.

A prosecutor's office spokeswoman said charges against Ghosn carry a maximum prison sentence of 15 years.



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

Ghosn is facing a litany of accusations—all of which he denies

The breach of trust charge is regarded as particularly serious, and Ghosn's lawyer Motonari Otsuru admitted Tuesday it would be "very difficult" to secure bail for his client.

"In general in such cases in Japan, it is indeed the case that bail is not approved before the first trial does take place," he said, adding that it could be six months before the case comes before a judge.

New allegations emerge

Ghosn has appeared in public just once since his shock November 19 arrest, during the Tuesday court hearing called after his lawyers requested judges explain the tycoon's ongoing detention.

One of the most recognisable foreign executives in Japan, Ghosn was led into Tokyo District Court in handcuffs and with a rope around his waist and was noticeably thinner.

He spoke in a strong voice and said he had acted "honourably, legally and with the knowledge and approval of the appropriate executives inside the company".

The judge said his ongoing detention was justified because he poses a flight risk and could tamper with evidence if released.

A request filed the same day by his lawyers to end his detention was rejected.

Private jet to private cell

Ghosn's prolonged detention has put the spotlight on Japan's justice system, which has come in for some international criticism.



Ghosn declared his love for Nissan at a dramatic court appearance

With each allegation against Ghosn, prosecutors can seek up to 22 days of detention to investigate the claims—the period for the aggravated [breach of trust](#) allegation expired Friday.

And with each formal charge, prosecutors can hold Ghosn for two months of pre-trial detention, which is renewable.

The jet-setting high-flyer who once sparked criticism for his lavish lifestyle has gone from spacious digs in international capitals to a one-man cell.

He was initially held in a small room with traditional Japanese tatami floor mats to sleep on, but has now been moved to a larger cell with a Western-style bed.

He has reportedly complained about the rice-based diet at the detention centre, with his family saying he has lost up to 20 kilos (44 pounds).

This week he suffered a fever that prompted prosecutors to suspend their interrogations, though his lawyer said Friday that Ghosn's temperature had gone back down.

The arrest of the 64-year-old has exposed rifts in the alliance he forged and led between Nissan, Mitsubishi Motors and France's Renault.

While the two Japanese firms quickly ousted him from leadership roles, Renault has kept him on and its board said Thursday that an ongoing audit has found no sign of fraud in the last two years.

Nissan said Friday it has filed its own criminal complaint against its former chief "on the basis of Ghosn's misuse of a significant amount of the company's funds."

It said it took the charges filed against the firm "extremely seriously" and was continuing its investigation into the case.

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