

Renault audit finds no fraud yet as Ghosn learns fate

January 10 2019, by Pierre Donadieu And Joseph Schmid



Board members weren't told whether the meeting is about Ghosn

The board of French automaker Renault on Thursday said an ongoing audit into executive pay had found no sign of fraud in the last two years, as CEO Carlos Ghosn could face fresh charges in Japan.

Directors gave no hint in their statement of any deliberations into Ghosn's future at Renault, as Japanese prosecutors reportedly prepare to press new formal charges likely to keep the once-towering auto boss behind bars.

The Renault meeting comes two days after Ghosn made his first court appearance over alleged financial impropriety during his years as head of the carmaker's alliance partner Nissan.

Renault's board said an independent review had looked into the compensation of the group's executive committee during the financial years 2017 and 2018 "and has concluded that it is both in compliance with applicable laws and free from any fraud".

But the board statement added that the audit would continue, with previous years scrutinised as it progresses.

Ghosn, who has been Renault CEO since 2005, has been languishing in a Tokyo detention centre for more than 50 days as he fights multiple allegations of financial misconduct.

The 64-year-old has been formally charged with under-declaring his income by tens of millions of dollars in an apparent bid to quash accusations he was overpaid.

He also faces questioning in connection with alleged attempts to transfer personal investment losses to Nissan and making unnecessary payments to a Saudi associate from company funds.



Ghosn was told in a Japanese court that he was a flight risk

Ghosn's requests Tuesday to be released before trial were rejected by a judge who declared he was a flight risk.

One of his lawyers later conceded that Ghosn could spend a further six months behind bars before his case comes to trial.

Japanese media reports have suggested new charges could be levied against him on Friday, which could ensure he remains jailed.

He may be accused of understating his salary from 2015 to 2018, three years more than the original charge that he under-reported some five

billion yen (\$44 million) in income over five years from 2010.

He could also face charges for breach of trust, reports say.

The claims have heightened worries over the viability of keeping him on as Renault's chief executive.

New revelations

French daily Le Figaro reported Thursday that the board meeting was one of several informal gatherings held regularly since Ghosn's arrest to discuss developments in the case.



The internal Nissan probe may be widening, reports say

Nissan said earlier that its board had also met Thursday, when directors had received "an updated report" on its own investigations into Ghosn's alleged misconduct.

Nissan last weekend put two executives close to Ghosn on leave of absence, suggesting that the internal investigation into the alleged misconduct could be spreading.

Jose Munoz, the chief performance officer, and human resources head Arun Bajaj have not been replaced during their absences.

Nissan as well as Mitsubishi, the third alliance partner, have removed Ghosn as chairman, but Renault has kept him on while appointing a deputy CEO to ensure day-to-day management.

The French automaker has said internal investigations have found no signs of wrongdoing by its chief during his tenure.

But pressure on Ghosn rose further Thursday after French daily Liberation reported that he had not been paying French income taxes since 2012, after moving his fiscal residency to the Netherlands.

Both Renault and the French economy ministry declined to comment, but it was an unwelcome revelation for the head of a company in which the French state owns a 15-percent stake.

"The leader of a French company should pay his taxes in France," President Emmanuel Macron said in a speech last month.



Renault and the French government are standing by Ghosn, for now

Chance of bail?

Japanese media, citing Ghosn's lawyers, said Thursday that he was suffering from a high fever and unable to meet investigators for questioning.

At his dramatic court appearance on Tuesday, Ghosn appeared to have lost a lot of weight in detention but otherwise seemed in good health.

"I have been wrongly accused and unfairly detained based on meritless and unsubstantiated accusations," the once-revered car titan told the court.

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

But afterwards Ghosn's lawyer said it would be "very difficult" to win bail and it could be months before his case is heard.

The French government has stood by Ghosn so far, saying he must benefit from the presumption of innocence.

But Transport Minister Elisabeth Borne told French radio this week that "obviously, if this situation continues we'll have to draw the consequences."

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Citation: Renault audit finds no fraud yet as Ghosn learns fate (2019, January 10) retrieved 2 May 2024 from <https://phys.org/news/2019-01-renault-fraud-ghosn-key.html>

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