

Renault to bring case against Ghosn over expenses

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Ex Renault-Nissan chief executive Carlos Ghosn faces a shareholder's complaint in connection with 11 million euros in questionable expenses

French carmaker Renault is to bring a case against former chief executive Carlos Ghosn after identifying 11 million euros of

questionable expenses, the government said Wednesday, in a new blow for the fallen tycoon as he awaits trial in Japan.

France holds a 15 percent stake in Renault and Finance Minister Bruno Le Maire told French television there would be a case against Ghosn by Renault over the expenses and the government would supply all the documents required.

The prospect of new legal action backed by France marks a new headache for the former Renault CEO, who was also Nissan chairman in the alliance with the Japanese carmaker, after his initial arrest in Tokyo in November.

Ghosn, who is a French citizen, was seen as a titan of the industry until his mounting legal troubles precipitated his spectacular fall.

"The (French) state will hand over all the elements to the judicial authorities and there will be a complaint," Le Maire told BFM TV in an interview.

"The state will play its role fully as a Renault shareholder. When the state has a shareholding like it does in Renault, its role is to assure that (corporate) governance works well," he added.

He said the conclusions of an internal audit carried out by Renault had uncovered "reprehensible" facts and it was now up to the judicial authorities to take the next decision.

'Extra costs of air travel'

The internal audit conducted by Renault and Nissan identified 11 million euros (\$12 million) of questionable expenses at their Dutch subsidiary RNBV linked to Ghosn.

"These findings confirmed the existence of deficiencies within RNBV in terms of financial transparency and procedures for monitoring expenditure," Renault said in a statement late Tuesday.

It said that the company was looking into legal action over Ghosn's "extra costs of air travel" and other expenses "as well as exploring recovering from Mr Ghosn gifts made to some non-profit organisations."

Any [legal action](#) would be in the Netherlands, where RNBV is based.

Reacting to the allegations stated by Renault, Ghosn's French lawyer Jean-Yves Le Borgne lashed out at what he said was the opacity of the process, demanding access to all the documents.

"They talk about unjustified expenses but don't tell us which ones," he told AFP.

"This audit needs to be analysed, discussed and Mr Ghosn needs to give his responses," he added.

Mounting legal troubles

The 65-year-old Ghosn, who maintains his innocence, is awaiting trial in Japan over charges of under-reporting his salary for years while at Nissan and using company funds for personal expenses.

To the irritation of Ghosn's defence team, France has kept its distance from his legal troubles in Japan, insisting on the independence of the Japanese legal system while urging that his rights be respected.

Renault board members met Tuesday to discuss a proposed merger with Fiat Chrysler. Renault said it was studying the offer with interest but would meet Wednesday for more discussions.

Renault under Ghosn for years tied its strategy to the partnership with Nissan but this has been put in doubt by his arrest and subsequent ouster at both companies.

Renault has previously signalled to French authorities suspect transactions under Ghosn, who at the peak of his powers was known for his jet-setting and luxury lifestyle

These included expenses paid for marketing in Oman suspected of being used for personal expenses without any link to the work of the company.

He is also suspected of hiring the entire Versailles palace outside Paris in 2016 to celebrate his marriage in exchange for a philanthropy deal between the state-owned property and Renault.

Ghosn was freed in Japan on \$4.5 million bail in April after being detained on fresh charges but is living under strict conditions including restrictions on seeing his wife.

Under the conditions of his bail, Ghosn must stay in Japan and must live in a court-appointed residence with cameras to monitor his movements

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