

Nissan CEO tells staff feels 'dismay' at Ghosn scandal

November 23 2018



Carlos Ghosn
The CEO of Renault-Nissan-Mitsubishi is facing allegations of financial misconduct in Japan

MAIN DEVELOPMENTS

- Nov 19** Arrested in Tokyo
- Nov 20** Renault said he will remain chief executive despite his arrest
- Nov 21** Detention extended for a further 10 days
- Nov 22** Sacked as Nissan board chairman

MAJOR ACCUSATIONS

- Nissan said it had uncovered “**numerous significant acts of misconduct**”, including **under-reporting of his income**
- Japanese prosecutors said income was reported as **4.987 billion yen (\$44.5 million)** instead of the actual **9.998 billion yen**, between June 2011-June 2015
- Also accused of “**personal use of company assets**”

CAREER HIGHLIGHTS

- 1996** Joins Renault, recruited by chairman Louis Schweitzer
- 2005** Heads the Renault-Nissan alliance created in 1999
- 2016** Expands the Renault-Nissan alliance to Mitsubishi
- 2017** The Alliance becomes number 1 in global car sales

AFP Photo/Eric Piermont © AFP

What is known so far about the unfolding scandal involving Carlos Ghosn

Nissan chief Hirohito Saikawa spoke of his "resentment and dismay" at

revelations of misconduct by former company chief Carlos Ghosn in a letter to company employees.

Saikawa said he could not reveal all details of what had happened because the case was still under investigation.

But the company accused Ghosn of having under-reported compensation amounts, misrepresented the company's investments and used company assets for personal use.

It also accused representative director Greg Kelly of having masterminded the fraud with Ghosn. The company dismissed Ghosn and Kelly on Thursday.

As someone who had devoted himself to the Nissan revival plan, "I am left with great resentment and dismay that is difficult to articulate", wrote Saikawa.

"I truly regret, and would like to apologize for, us betraying and completely letting down our customers, business partners and other stakeholders who supported us after our revival," he wrote.

The internal memo invited all staff to a "town hall" meeting Monday with Saikawa to discuss the future of the [company](#).

Nissan's former chairman Ghosn has since Monday been held in custody in Japan accused of having understated his income by some five billion yen (\$44 million) between June 2011 and June 2015.

Japanese prosecutors have also accused Kelly of having a role in the offences.

Deputy chief prosecutor Shin Kukimoto said the Ghosn case was "one of

the most serious types of crime" under Japan's Financial Instruments Act, and that Ghosn could face up to 10 years in jail.

Although the Nissan board sacked Ghosn and Kelly, they have made it clear they want to their alliance with Renault and Mitsubishi survive.

The board of Mitsubishi Motors was reportedly set to meet on Monday to discuss Ghosn's future.

Renault's board has so far stood by Ghosn—naming his deputy Thierry Bollore to handle day-to-day business.

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