

IMF chief Christine Lagarde to appeal French trial decision

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Paris: International Monetary Fund chief Christine Lagarde has been ordered to stand trial in France over her role in a 2008 arbitration ruling that handed 400 million euros (\$434 million) to French businessman Bernard Tapie.

Lagarde, who was French finance minister at the time, denied wrongdoing in a statement Thursday and said she had ordered her lawyers to appeal the decision. Lagarde has maintained her innocence since the investigation began in 2011.

After years of investigation, a prosecutor in September argued that the case against her should be dropped. But the Court of Justice of the Republic on Thursday has decided that she has a case to answer, according to a spokesman at the court, which is a special body for trials of government ministers.

The spokesman did not have details of the lengthy written decision, and could not say exactly which charges were retained and therefore how much prison time, or fines, she might face, if convicted.

Lagarde said in a statement released by French adviser Marc Vanghelder that she "always acted in this affair in the interest of the state and in respect of the law." She considers "no charge can be attributed to her," the statement said.

Lagarde's lawyers have five days after the formal notification of the decision to lodge an appeal. Formal notification may not take place Thursday. "It's incomprehensible," her lawyer, Yves Repiquet, told i-Tele television.

The probe began before Lagarde became IMF chief in 2011. She took over from Dominique Strauss-Kahn, who left under sexual assault allegations.

The executive board of the IMF has expressed confidence in Lagarde despite the investigation and did so again Thursday.

IMF spokesman Gerry Rice said in a statement that IMF's executive board "continues to express its confidence in the managing director's ability to effectively carry out her duties." The IMF would not comment on the case.

The investigation centers on Tapie, a flamboyant magnate and TV star, who had sued French bank Credit Lyonnais for its handling of the sale of his majority stake in sportswear company Adidas in the mid-1990s. With Lagarde's approval, a private arbitration panel ruled that he should get 400 million euros in compensation, including interest.

The deal was seen by critics as a sign of too-close relationship between magnates and the French political elite. Tapie was close to then-President Nicolas Sarkozy, who was then Lagarde's boss. Critics say the deal was too generous to Tapie at the expense of the French state, and that the case shouldn't have gone to a private arbitration authority because it involved a state-owned bank.

The unusually large sum surprised many and raised questions about how the decision was handled. After many years of back-and-forth rulings, a court earlier this month reportedly ordered Tapie to pay the money back.

In a statement in 2014 after being questioned in the case, Lagarde said the court had found no evidence that she had done anything wrong and that the only remaining allegation "is that I was not sufficiently vigilant."

- AP