

Political Misconduct in France

by Michael Curtis



Nicolas Sarkozy and Carla Bruni in better days

Political scandals are not unknown in France and are well documented but the list of well-known politicians, including former presidents and prime ministers, accused in recent years of financial misdeeds or corruption, is growing exponentially. In the present French political system, presidents are powerful figures, the head of state with supreme executive authority and command of the armed forces, ability to choose the prime minister, though the person should be one who can command a majority in the National Assembly, and is regarded as a symbol of the French nation. Directly elected by universal suffrage, not by an electoral college, for a term of five years, presidents cannot be voted out of office by parliamentary vote. The presidents enjoy immunity and cannot be prosecuted during their term. However, inquiries and prosecution of them can be started after they leave

office.

It is rare for former presidents to be put on trial, and even rarer for them to be convicted of an alleged offence. France has had the dubious distinction of having two cases of judicial judgment in recent history concerning two presidents, Jacques Chirac and Nicolas Sarkozy. The first concerned Jacques Chirac, president 1995-2007, who in 2011 was convicted for embezzling and misusing public funds when he was mayor of Paris. He was tried in absentia because he was in ill health suffering from neurological problems. He received a two-year suspended sentence over "ghost jobs." Chirac was the first former head of state to be convicted since the head of the Vichy government, Marshall Philippe Petain, in 1945, was found guilty of collaboration with the Nazis. Chirac was convicted of paying members of his political party, the RPR, for 21 municipal jobs that did not exist, diverting public funds to finance his political party, and abusing public trust while he was mayor. The court found him to be the sole person responsible, holding there was no fault by his subordinates.

The case of Nicolas Sarkozy is more important historically and politically since it is the first time that a former president of the Fifth Republic has appeared in court on criminal charges and been convicted. Sarkozy had been president 2007-2012 after winning 53% of the popular vote. After his electoral defeat by Francois Holland in 2012 he officially retired from public life but continued to play an influence role in French conservative politics where he remained popular. In a historic ruling, on March 1, 2021, the French court convicted Sarkozy, now 66 years old, and sentenced him to three years in prison for corruption and influence peddling, though the sentence was suspended for two years and the third year can be served by Sarkozy at home wearing an electronic bracelet or in limited home confinement. The court held that he had used his status as former president toward a magistrate who had served his personal interests.

The verdict does not legally ban Sarkozy from holding public office, but politically it almost certainly ends any hope of a presidential comeback at which Sarkozy has been hinting during the last year. His political party the center-right, *Les Republicains*, has been searching for a candidate for the presidential campaign to be held in 2022 since the leading candidate who was strongly favored to win, former prime minister Francois Fillon was involved in an affair (Penelopegate) of giving fake jobs to his wife Penelope paid from public funds. He was convicted in 2020 with a 5 year prison term, of which three were suspended.

Sarkozy's conviction interrelates with a number of other legal problems and charges of corruption in which he is embroiled. He has denied accusations of wrongdoing in all the cases. There are five main issues in which he is centrally or peripherally involved, some of which are interrelated: for convenience they can be called the Bygmalion affair, Libyan issue, Russia consulting, L'Oreal, and Karachi funding.

The verdict on March 1 stems from the case in which Sarkozy told his lawyer Thierry Herzog to offer Gilbert Azibert, the senior judge of the Cour de Cassation, the highest appeal court in France, a good job in Monaco, virtually a retirement package, in return for information on an official investigation into whether Sarkozy had received donations for his electoral campaign from Liliane Bettencourt. The allegation, based on telephone taps, was that Sarkozy, using the pseudonym Paul Bismuth to evade detection, had called his lawyer to get confidential information about the Bettencourt case. His lawyer, Herzog, argued that the secretly recorded conversation with Sarkozy could not be used as evidence because of client-lawyer privilege.

At the core of the case was the allegation that Sarkozy desiring funds for campaign finances had received illicit payments from Liliane Bettencourt, born in 1922, the daughter and heiress of Eugene Schueller, the founder and owner of

L'Oreal, who had been a Nazi sympathizer during World War II. Liliane was the richest woman in France and one of the richest in the world. It was said that conservative politicians were given envelopes stuffed with cash at her mansion. One of those such envelopes, containing \$200,000, was given to Eric Woerth, treasurer of Sarkozy's party for the 2007 campaign. The allegation was that the Sarkozy campaign had taken advantage of Liliane's age, mental condition, deaf, suffering from dementia and Alzheimer's disease and too old to understand what was happening. However, Woerth was cleared in 2015 of all charges. Though it is disputed, Sarkozy was alleged to have been a regular visitor to the Bettencourt mansion. Whether true or not it is ironic that it is the charge in the court case, the attempt by Sarkozy to get information about the allegation he had illegally obtained funds from Bettencourt in 2007 was central to the guilty verdict on March 1, 2021.

A second case, the so called Bygmalion case, with the trial due to start on March 17, 2021, involves allegations of illegal funding for Sarkozy's 2012 failed presidential campaign. His party, then known as the UMP, is said to have worked with Bygmalion, a public relations company, to hide the true cost of reelection expenditure. France has strict limits on campaign spending, and the Sarkozy campaign spent \$50 million, which was twice the amount legally allowed. The Bygmalion company improperly invoiced the UMP, not the Sarkozy campaign, to evade the legal restrictions. Though there is no evidence that Sarkozy took part in the fraudulent system it is unlikely he left all decisions on it to be made by his staff.

A third issue again concerns the 2007 election, with allegations of corruption and illegal financing involving Libyan spies and arms dealers. The dictator Muammar Gaddafi is said to have given 50 million euros, \$62, million in briefcases stuffed with millions of euros to the Sarkozy campaign in exchange for access and favors. Whether true or not, it is puzzling that Gaddafi was given a lavish state

visit to France in December 2007 and complex ties were set up between the two countries.

A fourth issue is the charge of influence peddling by Sarkozy, seven years after he left office. He has been involved with and received a payment of three million euros in 2019 from the Russian insurance firm Reso-Garantia. The issue is whether Sarkozy was a consultant, which is perfectly legal, or was involved in potential criminal lobbying on behalf of the Russian firm.

The fifth and ongoing issue, one in which Sarkozy is a witness not a suspect concerns campaign funding for Edouard Balladur who was prime minister 1993-95 of more than \$ 3million and running a campaign for president which he lost to Jacques Chirac in 1995. In that campaign Balladur had exceeded the maximum campaign spending limit as had his opponent Chirac, so no action was taken. The allegation is of complicity in misuse of corporate assets and concealment in connection with the sale of Agosta 90B submarines to Pakistan for 800 million euros and frigates to Saudi Arabia. Two former aides got kickbacks, estimated at 13 million francs, 10 million of which went to Balladur's campaign, from Pakistani arms dealers at a time when Sarkozy was budget minister and Balladur's election spokesperson.

Balladur has been charged with complicity in the alleged misappropriation of public funds. He has denied any wrongdoing or knowledge of kickbacks, and thought that the large increase in campaign funds came from the sale of T-shirts and other items at political rallies. His case is to be heard by the Court of Justice of the Republic, a special tribunal set up in 1993 to try members or former members of government for offenses committed during their mandate. The case has come to light during an investigation into the bombing in May 2002 in Karachi, Pakistan which targeted a bus transporting French engineers; 15 people were killed, including 11 French engineers working on the submarine contract. The bombing may

have been committed by al Qaeda, but more probably in retaliation for non-payment of bribes promised by French officials.

The inquiries into the behavior and actions of Sarkozy and other ministers continue. Whatever their outcome it is instructive to observe how France deals with allegations of official misconduct.