IMF head held without bail on sexual assault charges

Alex Lantier
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Manhattan Criminal Court Judge Melissa Jackson yesterday denied bail to Dominique Strauss-Kahn, the managing director of the International Monetary Fund (IMF) and a leading figure in France's big business Socialist Party (PS). She accepted the arguments of prosecutors, who are charging Strauss-Kahn with sexual assault on a New York City hotel chambermaid, that he posed a flight risk.

The IMF chief faces seven charges, including two counts of criminal sexual acts and one charge of attempted rape, which carry a maximum sentence of 74 years and 3 months in jail.

Strauss-Kahn was transferred to the city's main jail complex on Rikers Island. His court appearance was set for May 20.

He has denied the charges, and his lawyer, Benjamin Brafman, has said that he will plead not guilty. Jackson refused Brafman's request that Strauss-Kahn be allowed to post $1 million bail to stay with his daughter, who lives in New York, until Friday's hearing, and then submit all future travel documents to the court.

Strauss-Kahn's lawyers presented an alibi, saying that he had left the Sofitel hotel at 12:28 PM Saturday to have lunch with his daughter—contradicting allegations that he assaulted the maid at around 1 PM. However, New York Police Department spokesman Paul Browne said that the alleged events would have taken place closer to noon than 1 PM.

Noting that France "does not extradite its nationals," Assistant District Attorney Artie McConnell argued that Strauss-Kahn was likely to flee the United States. "He has almost no incentive to stay in this country," the prosecutor said. "He has an extensive network of contacts throughout the world."

Prosecutors also claimed that investigative reports confirmed a detailed account of the alleged assault made by the chambermaid. They are reportedly gathering DNA evidence from Strauss-Kahn.

Judge Jackson cited the fact that Strauss-Kahn was taken into custody after boarding an Air France flight to Paris on Saturday afternoon, a few hours after the alleged confrontation took place between Strauss-Kahn and the maid. The IMF head's lawyers said they were "disappointed" by the decision to deny bail, but that they expected to prove their client's innocence.

The arrest of Strauss-Kahn, who oversaw negotiations of bailouts and social cuts imposed on indebted states in Europe and internationally, has thrown French and international politics into crisis. He was expected to be the Socialist Party candidate for president in next year's election and was leading in early opinion polls.

PS spokesman Benoît Hamon told AFP new service yesterday that "the facts will very rapidly dictate our attitude… Our position will remain the same as long as the facts have not definitively spoken. And it seems likely they will speak fairly rapidly."

His comments underlined, however, that the PS was severely shaken by the events in New York. "On the one hand," he said, "we are not in question as a political organization, so we want to remain a pole of stability, to keep up our agenda and all our meetings; on the other, one of our members is implicated in a serious matter—it would be if he were found guilty—in which he denies all responsibility."

With the unpopularity of conservative President Nicolas Sarkozy and the reactionary role of France's petty-bourgeois "left" forces in tying the working class to the PS, Strauss-Kahn and neo-fascist candidate Marine Le Pen had emerged as the leading candidates in the 2012 elections. The international media are increasingly concerned that Strauss-Kahn's arrest will

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likely eliminate him from the race and strengthen Le Pen's chances.

Speaking on I-Télé television, Le Pen said Strauss-Kahn was "definitively discredited" as a candidate.

The *Guardian* commented that "the damage of the DSK (Dominique Strauss-Kahn) affair will weaken the left, and the beneficiary will not be the ruling UMP party. Marine Le Pen…was quick to blast DSK as a symbol of a discredited old political class. Both as a political 'outsider' and as a woman in politics, Le Pen could gain most from the scandal."

Several French politicians suggested that Strauss-Kahn was the target of a conspiracy, either an attempt by the Sarkozy government to discredit its main rival or a move by US authorities displeased with his financial policies as IMF chief. Michèle Sabban, the vice president of the Ile-de-France region, which includes Paris, and a member of Strauss-Kahn's faction inside the PS, said she believed there was an "international plot" against him.

Rightwing politician Christine Boutin also suggested that there had been a "trap," saying: "It could come from the IMF, from the French right, or from the French left"—that is, from Strauss-Kahn's potential rivals inside the PS.

As yet, however, no information has emerged suggesting that a third party played a role in Strauss-Kahn's arrest.

Several politicians from the Union for a Popular Majority (UMP), the ruling conservative party in France, have come out in support of the accusations against Strauss-Kahn. UMP deputy Jacques Myard said, "Now the facts are proven and we must look reality in the face. Those who speak of a plot or conspiracy should stick to reason. Today the masks are falling and many established details are coming to the surface."

Conservative French politician Bernard Debré alleged that the arrest took place because Strauss-Kahn had had repeated encounters at the Sofitel in New York City. "The employees were about to revolt," he said. "Management knew but did not dare say anything until then. It hushed up all the other events."

The government of President Sarkozy did not make an official statement, but distanced itself from Debré's remarks. Solidarity Minister Roselyne Bachelot said that his comments were "unseemly" and "out of line."

Sofitel—owned by Accor, the largest hotel group in Europe—condemned Debré's allegations as "defamatory" towards its management. From its Paris offices, it issued a denial: "Sofitel management has put into place strict procedures and a special number open to anybody who wants to bring attention to specific facts and this has been in place for a year… The management has no knowledge of prior assault attempts."

The financial press also expects that Strauss-Kahn's arrest will shake the markets, as he played an important role in securing international agreement for contentious bailouts of indebted countries, particularly in the context of the European debt crisis.

The terms of the €78 billion loan to Portugal—in exchange for deep cuts in pensions, wages and health care spending—have reportedly been agreed upon. However, there are continuing debates over whether to extend further loans to Greece, where spending cuts have sent the country into an economic tailspin and prevented it from repaying its debts.

Strauss-Kahn reportedly helped smooth over the deep divisions within Europe. One European official told the *Financial Times*: "He showed himself to be a good manager at the IMF during the financial crisis by winning backing for his convictions and getting people to agree. This is not at all a trivial affair."

Before his arrest, Strauss-Kahn planned to travel to Berlin to meet with German Chancellor Angela Merkel, who has previously opposed the bailouts, preferring instead to push countries towards default.

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