



French Scandal Fricassee

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If you haven't been following the Clearstream scandal in France, you're in for a good guffaw.

Chirac and his chief Musketeer, Prime Minister Dominique Galouzeau de Villepin, have been caught in the act of some old-fashioned political skullduggery. And this time, it looks like someone has barred the doors.

Remember: this is the French president who could face an indictment on corruption charges the minute he leaves the Elysee palace, stemming from his days as Mayor of Paris. (Chirac allegedly kept a safe full of cash inside his office toilet, said to be kickbacks from municipal contractors, as I reported in [The French Betrayal of America](#)).

Because of that judicial sword of Damocles, Chirac long made his rivals believe he would run for a third term next year, hoping, per-

haps, to die in office rather than go to jail.

Under a deal he cut with the then-head of the French constitutional court, the socialist Roland Dumas, the court agreed not to allow prosecution against a sitting president, even for crimes committed before he took office. In exchange, Chirac would have the Justice Ministry drop an investigation of Dumas for taking bribes in the Taiwan frigates scandal (more on that, below).

There's an old cliché in France. Political scandals in the United States are all about sex, whereas in France they are all about money.

In America, the French note, it's scandalous for a politician to have sex with anyone other than his/her lawfully-wedded spouse; whereas in France, it's considered scandalous for a man who has climbed to the pinnacles of power not to also climb

into bed with his mistress. (The French become a bit more prudish when the cuckold is the man, but let's leave that for another day).

Thus, the French never got the Monica Lewinsky affair, which they thought was all about sex, since that's what the liberal media told them. And they found it quite normal that President Francois Mitterrand had an illegitimate daughter named Mazarine, whom he lodged in a luxury apartment near the Elysee Palace at taxpayer expense.

But money... now that's truly scandalous to the French. First, it's scandalous to make it. But it's even more scandalous to be caught hiding it - which, of course, in a country with a confiscatory tax system, everyone who has it, does.

Which brings us to Clearstream, a name the French have made synonymous with political corruption, bribery, kickbacks, and international intrigue.

On January 9, 2004, Dominique Galouzeau de Villepin, Chirac's protégé and would-be political heir, called the head of the French foreign intelligence service, the DGSE, to his office. At the time, Villepin was still foreign minister.

Villepin wanted General Philippe Rondot to investigate reports that French politicians and defense contractors had "secret accounts" logged on a data base held by Luxembourg's Clearstream Bank, a clearing house for international currency transactions.

The politicians and the companies were suspected of hiding some \$500 million in kickbacks from the \$2.3 billion sale of six frigates by Thomson-CSF (now Thales) to Taiwan in the early 1990s.

So far so good. Of course the foreign minister would want to know about secret overseas accounts on a major French arms deal. After all, his illustrious predecessor, Roland Dumas, allegedly had benefited from them.

But then last month, a French judge searched the home office of General Rondot, who is now retired, and found his contemporaneous notes of that meeting with Villepin. The main topic, Rondot noted, was Interior Minister Nicolas Sarkozy, arch-political rival of Villepin, rising political star, and the man Chirac suspected of the utter disloyalty of wanting to replace him as president in the next election.

"Political stakes: N. Sarkozy," Rondot wrote. "Obsession with N. Sarkozy (re: conflict J. Chirac/N. Sarkozy)."

When the judge interrogated him, Rondot made all of this very clear, according to a transcript of his deposition that was leaked to the French daily, *Le Monde*. It was Chirac himself who was behind what had all the appearances of a political smear, he said. It was Chirac who gave the orders to investigate Sarkozy, ordering Rondot through Villepin not to tell the domestic intelligence service, DST - since it was controlled by Sarkozy's Interior Ministry.

Also present at the meeting in Villepin's office on Jan. 9, 2004 was Jean-Louis Gergorin, a long-standing confidant of the French prime minister. He brought out of his coat pocket a listing of Clearstream account holdings that made Rondot's eyes pop, or so he claims.

He told the judge he was "surprised at the presence of politicians from the left and the right" on the list. One of those on the Clearstream list was Nicolas Sarkozy.

In April 2004, Gergorin requested a private meeting with the judge investigating the Taiwan frigates scandal. He said he was afraid for his life, because others involved in the scandal had already died, but he had critical information to provide the judge.

Days later - ta-da! - an unsigned letter of denunciation arrives in the judge's chambers, along with a CD-ROM containing the same listing of Clearstream accounts Gergorin had shown Villepin and Rondot four months earlier.

The only problem was, the listing was fake. It was a plant, aimed at smearing Sarkozy.

The French media has had a field day with the story in recent weeks, printing the entire 9,000 word transcript of Rondot's deposition before the judge, the text of his original note, Villepin's denials that he would never, ever try to smear his political rival, and more.

Chirac and Villepin then took to smearing Rondot, accusing him of

leaking the subject of a confidential judicial investigation (a French magistrate's investigation is similar to a U.S. grand jury). They even sought an injunction against newspapers that printed a dozen stories relating to Rondot's deposition.

So Rondot did what any self-respecting former French spy would do: he dipped into his bag of tricks and brought out a little gem he had saved up for a rainy day. President Jacques Chirac controlled a secret bank account with the Tokyo branch of the Sawa Bank of Japan with a balance of roughly \$50 million, Rondot claimed. ([Thanks to my colleague Martin Walker at UPI for pointing that out](#)).

Could Jacques Chirac possibly have received payments through cut-outs as part of the UN's corrupt Oil-for-Food scheme? Mum's the word from General Rondot, but stay tuned.

(If you want to follow the daily dish from Paris in English, visit blogger [Fausta Wertz](#). Her accounts are amusing and accurate, although her link to the full text of Rondot's deposition, published by Le Monde, has gone dead.)

This is one for the ages. Jacques Chirac is going down, and Dominique de Villepin is going with him.

As the center-left daily *Liberation* commented in a lead editorial two weeks ago, France "no longer has a government, it has a raft. A raft that has been floating for weeks toward dark shores where discredit reigns." (Sorry for the mixed metaphor, but

this is French journalism). “And that drags with it a whole country, mocked abroad, staggering under the moral decomposition of an executive that, in response, has hinted at the worst skullduggery.”

In the end, Sarkozy will come up smelling like roses. But that doesn't

mean he will win next year's elections.

Watch out for the return of neo-fascist Jean-Marie LePen. When corruption strikes, his popularity soars.

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