
IMF Chief Lagarde Found Guilty in French Tycoon Payout Trial

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Judges found Lagarde acted with negligence when she was French finance minister in 2008. Her attorney plans to appeal the ruling.

French judges on Monday found IMF chief Christine Lagarde guilty of negligence for failing to challenge a US\$417 million state arbitration payout to a business tycoon in 2008 when she was French finance minister.

Despite the ruling the judges did not hand down any sentence in the case on her decision to allow the rare out-of-court arbitration payment. She has denied the negligence charges.

Her lawyer said immediately after the ruling that his team would look into appealing the decision.

The ruling risks triggering a new leadership crisis at the International Monetary Fund after Lagarde's predecessor Dominique Strauss Khan resigned in 2011 over a sex assault scandal.