

A stunning turn for IMF power player Dominique Strauss-Kahn

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By [Oren Dorell](#) and [Paul Davidson](#), USA TODAY

In a humiliating fall for one of the financial world's leading figures, the chief of the [International Monetary Fund](#), who on Saturday was staying in a \$3,000-a-night suite in a Manhattan hotel, slumped Monday in a packed courtroom while a [New York City](#) judge ordered him held without bail on sexual assault charges.



Pool, Getty Images IMF chief Dominique Strauss-Kahn appears Monday for his arraignment in federal court.

Enlarge

Pool, Getty Images

IMF chief Dominique Strauss-Kahn appears Monday for his arraignment in federal court.

[Dominique Strauss-Kahn](#), 62, a member of France's Socialist party, was widely

considered the strongest potential challenger next year to President Nicolas Sarkozy. On Monday, he appeared haggard and unshaven as his celebrity lawyers sparred with an assistant prosecutor over whether \$1 million cash his wife was able to pull together over the weekend would be enough to ensure that Strauss-Kahn would not flee the country.

Strauss-Kahn is charged with five felonies including attempted rape involving a 32-year-old hotel maid who told police she entered his suite thinking it was unoccupied, only to be confronted by a naked guest who chased her, assaulted her and forced her to perform a sex act on him. The accuser provided a powerful and detailed account, which was corroborated by evidence gathered during a hospital examination, Assistant District Attorney John McConnell said in court.

Strauss-Kahn "has almost no incentive to stay in this country and every incentive to leave," McConnell said. "If he went to France, we would have no legal mechanism to guarantee his return to this country."

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Manhattan Criminal Court Judge Melissa Jackson ordered Strauss-Kahn held until Friday, his next court date, when he may also learn whether a grand jury agreed to file official charges.

One of Strauss-Kahn's lawyers, [Ben Brafman](#), told reporters his client will fight the charges.

"This battle has just begun," Brafman said outside the courthouse. "Mr. Strauss-Kahn is innocent of these charges."

Strauss-Kahn, who was taken into custody while seated in the first-class section of an [Air France](#) flight about to leave [New York](#) for Paris, will likely spend the rest of the week at [Rikers Island](#), said Erin Duggan, chief spokeswoman for Manhattan District Attorney Cyrus Vance.

The courtroom was filled beyond capacity with about 100 reporters and photographers who stood along the back wall, while an additional 200 reporters filled the hallway outside, Duggan said.

The turnout was unusual, even in a city accustomed to large terrorism and banking cases.

"We're used to having big trials," Duggan said. "Usually our cases capture the interest of the financial press or the celebrity press. It's rare to have a case like this where it's

really compelling to all the reporters."

McConnell told the court that investigators are also looking into a separate incident involving a different victim at the same hotel.

Strauss-Kahn has been accused of sexual indiscretions in the past. In 2008, shortly after he took the helm at the [IMF](#), an affair with a subordinate, Piroska Nagy, led to an IMF investigation into whether he abused his authority.

The fund concluded that "there was no harassment, favoritism or any other abuse of authority" but that his actions "reflected a serious error of judgment."

In a statement at the time, Strauss-Kahn said, "I very much regret the incident, and I accept responsibility for it," adding that he apologized to the IMF and his family.

Meanwhile, a lawyer for 31-year-old French novelist Tristane Banon said she will probably file a complaint alleging Strauss-Kahn sexually attacked her in 2002, the Associated Press reported.

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Banon's mother, Anne Mansouret, a regional Socialist official in Normandy, said she had advised her daughter at the time against pursuing her claim.

Banon's lawyer, David Koubbi, told French radio RTL that Banon plans to file a criminal complaint soon, the Associated Press reported.

In a statement, IMF spokeswoman Caroline Atkinson said senior IMF officials met informally Monday to discuss the criminal charges facing their boss and that they will "continue to monitor developments."

Strauss-Kahn is widely credited with resuscitating an IMF that had largely lost its relevance, by persuading European leaders to provide loans to teetering nations when the financial crisis spread in fall of 2008.

"He was one of the first to recognize and spread the message of what to do at the highest levels," says Jan Randolph, a sovereign debt analyst for [IHS Global Insight](#).

[Eswar Prasad](#), a former IMF official, says Strauss-Kahn persuaded European leaders to cede power and give a bigger voice to increasingly influential emerging markets.

"He knows how to pull different groups of countries into doing the right thing," he says. "Part of it was the power of his personality."

Dominique Moisi, a former [Harvard University](#) professor who has known Strauss-Kahn for decades, calls him persuasive and charming. "He has a different relationship with women than with men. He sometimes looks at women as an object to

desire. He's very open about this."

But Moisi adds, "Between that and sexually assaulting someone else, there is a huge divide."

Contributing: The Associated Press

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