


COMMUNICATIONS +

Media Relations Briefing Note

The Panama Papers Usher in
a New World of Journalism
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MONTIETH & COMPANY



Picture over **100** organizations scattered around the world working together on an important new project. The team is **370 plus people** across **80 countries**. There are **thousands of gigabits of data** generated by the documents involved, so a web-based collaboration platform is created. Face to face meetings involve over **100 people**. Then, the project launches worldwide and it's a great success.

A United Nations event? A G20 Summit? No, it's the "Panama Papers." Specifically, how the **107** news media outlets around the world worked together to **mine the data hacked** from law firm Mossack Fonseca. That resulted in a cascading series of stories and television broadcasts that **shook** world leaders, **embarrassed** global banks, and threw more **fuel on the fire** of rising popular criticism of wealth disparities.

A Biting Reminder

What this means is clear and present: a biting reminder that organizations, public or private, of any structure or legal domicile, are newly vulnerable. Herein, the seismic shifts created by the phenomena of the Panama Papers:

This begins with the exponentially greater scale of the data security breach. By comparison Wikileaks is almost quaint; 1.76 GB of data. The Panama Papers is 2,600 GB. Mossack Fonseca is also only one of 12 major law firms and other intermediaries that specialize in creating offshore corporate structures.

Also different is the journalistic architecture that's evolved to weave what's found in these massive data leaks into highly impactful news narratives with legal, political, regulatory, social policy, and corporate angles.

What's New This Time

The Panama Papers coverage was the result of a collaboration orchestrated by the Washington, D.C.-based International Consortium of Investigative Journalists (ICIJ). In existence since the 1990s, the Panama Papers is the ICIJ's 25th major global investigative project.

Others in recent years were notable too: "Offshore Secrets"; "China Leaks"; the "Luxembourg Files"; and the "Swiss – HSBC – Leaks." They all share the same trademarks: data-driven investigations using sophisticated digital algorithms for mining "news," encrypted platforms for collaboration, and utter secrecy.

What's new this time is the far greater scale of the project. The ICIJ demonstrated it can handle far more technological complexity, herd 107 news organizations, and shake the

foundations of governments worldwide. That has never been done before and suggests a greater level of investigative and news organization management sophistication going forward.

What is important to note is how the ICIJ defined and managed the issues in the coverage. The Panama Papers fueled the rising global populist force, decrying what it sees as the persistent failure of the super-rich and of many corporations to be "good" citizens. It's not just companies and individuals using shell companies to break the law. It's the perception that the "1%" is not paying their fair share of taxes and that, by implication, means causing the rest of the world to suffer more than necessary.



The Challenge for Law Firms and their Clients

First, plan for the fact that data-driven journalism will only get bigger. That means any company

could find itself directly or indirectly dragged into a global avalanche of news managed by the ICIJ or one of the other dozen or so similar organizations around the world, many times the size and impact of *The New York Times*, *The Wall Street Journal*, and *Bloomberg* combined. In fact, none of those publications were invited to join the ICIJ network for the Panama Papers story, which tells you something else about how the global news industry is evolving (*The New York Times*, however, has since joined the ICIJ).

Second, have a multi-constituency communications plan (clients, employees, business partners, regulators) in place to address

any such data-security breach. Anticipate that it will drag the firm into a global news cycle. For firms with clients using offshore corporate structures, helping them be aware of the potential communications issues of another Panama Papers news cycle event is also key.

Third, of course, the law firm itself, like Mossack Fonseca, could well be at the center of the news coverage. One of the other outcomes of the Panama Papers was that regulatory and law enforcement authorities have become newly sensitized to how offshore structures are used. Expect greater scrutiny in the future—and media coverage.

Additional Resources

- + International Consortium of Investigative Journalists - The Panama Papers
- + *New York Times* - Panama Papers Leak Signals a Shift in Mainstream Journalism
- + Shorenstein Center - Anatomy of a Global Investigation
- + *Toronto Star* - Panama Papers hold new evidence in dispute over Modigliani painting

OUR ISSUES AND CRISIS MANAGEMENT PRACTICE

Every crisis has in common an underlying issue, or set of issues, that create a chain of causality. Montieth & Company's issues management work gets control of critical matters before they lead to a crisis.

We've developed a proprietary analytical model for identifying issues that could escalate into crises. Called Enterprise Risk Management, it applies a rigorous, research based system that looks at business, financial, regulatory and reputational issues to assess potential exposure. Our analysis then shapes an issues management program and dovetails with our crisis planning.

We also provide a full set of crisis management solutions from threat assessment to strategic and scenario planning, stakeholder communications and media relations. In addition, we help our clients understand the challenges that face management teams when a crisis hits and how to "repurpose" themselves to be as effective in addressing crises as they are in managing their businesses.

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