

The Panama Papers' Sprawling Web of Corruption

- 1) The first reaction to the leaked documents dubbed the Panama Papers is simply awe at the scope of the trove and the ingenuity of the anonymous source who provided the press with 11.5 million documents — 2.6 terabytes of data — revealing in extraordinary detail how offshore bank accounts and tax havens are used by the world's rich and powerful to conceal their wealth or avoid taxes.
- 2) Then comes the disgust. With more than 14,000 clients around the world and more than 214,000 offshore entities involved, Mossack Fonseca, the Panama-based law firm whose internal documents were exposed, piously insists it violated no laws or ethics. But the questions remain: How did all these politicians, dictators, criminals, billionaires and celebrities amass vast wealth and then benefit from elaborate webs of shell companies to disguise their identities and their assets? Would there have been no reckoning had the leak not occurred?
- 3) And then the core question: After these revelations, will anything change? Many formal denials and pledges of official investigations have been made. But to what degree do the law and public shaming still have dominion over this global elite? A public scarred by repeated revelations of corruption in government, sports and finance will demand to know.
- 4) It took scores of reporters convened by the German daily Süddeutsche Zeitung, the recipient of the leaked cache, and the International Consortium of Investigative Journalists, with whom it shared the data, more than a year to sort through the information, and it will take governments, commissions and prosecutors a long time to determine what laws have been violated, what taxes have been avoided and what remedial steps must be taken.
- 5) The fallout from the revelations has already begun. The prime minister of Iceland, Sigmundur David Gunnlaugsson, linked in the papers to a secret account, on Tuesday became the first public official forced to resign. Britain and Germany, among others, have announced that they are investigating whether citizens named in the papers avoided paying taxes. Americans do not figure prominently in the data trove, though that should not excuse the United States government from joining in a thorough investigation.
- 6) Offshore banking is not in itself illegal, and not all those named should be presumed to have done wrong. But it is clear that the secrecy of the sort Swiss banks formerly provided and now lawyers in Panama offer is a magnet for ill-gotten fortunes and tax evaders.
- 7) The papers chronicle a global industry developed to enable an international elite enriched by corrupt or illegal means to conceal its wealth and dealings from taxation, prosecution and public wrath. They expose the questionable riches that public officials have concealed, whether in Iceland, Russia, China, Saudi Arabia or Malaysia. President Xi Jinping of China and President Vladimir Putin of Russia have already clamped down on the media for shining an unwelcome light on the shady financial dealings of their cronies and family members.
- 8) Above all, the Panama Papers reveal an industry that flourishes in the gaps and holes of international finance. They make clear that policing offshore banking and tax havens and the rogues who use them cannot be done by any one country alone.
- 9) Lost tax revenue is one consequence of this hidden system; even more dangerous is its deep damage to democratic rule and regional stability when corrupt politicians have a place to stash stolen national assets out of public view.【APRIL 5, 2016/Editorial from New York Times】

awe:畏怖 trove: treasure trove 貴重な発見物 ingenuity:巧妙さ disgust:嫌悪 piously:敬虔に、もっともらしく
 amass:(富などを)蓄積する elaborate:手の込んだ disguise:(正体を)隠す reckoning:推定、予測 cache:(安全な隠し
 場 remedial:改善の、救済の chronicle:記録にとどめる clamp down:厳しく取り締まる crony:悪友、とりまき

☆Ice breaker for active discussion

1. What do you know about the Panama Papers?
2. How does the Panama Papers affect the reputation of big names?
3. How will the leak affect Japan?
4. Though it is not illegal, there are negative aspects of offshore companies to society.
What are they?
5. Do you do anything in particular to protect your assets?
6. Make sentences using the following words: ingenuity, disgust, cache, chronicle and crony.

NEWS de TALK by PHILOS

租税回避地 tax heaven の会社の設立などを行うパナマの法律事務所「モサック・フォンセカ」から大量のデータが流出した。法人情報の中には10か国の現旧指導者12人、彼らの親族ら61人の関係する会社も含まれている。offshore companies の offshore は「沖合の」「海外での」という意味から、法規制の緩やかなタックスヘイブンにおける非居住者による金融会社を指す。