

## Panama Papers Revelations: How Far Can Lawyers Go in Abetting Financial Wrongdoing?

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In the context of any financial scandal, questions are asked about the scope of lawyers' involvement in the financial misconduct. With respect to the 1980-90s savings and loan crisis, the [Panama Papers](#) shed light on the role of lawyers in aiding wealthy individuals, including public officials, in setting up offshore bank accounts and shell corporations to keep their assets from the public eye. The [International Consortium of Investigative Journalists \(ICIJ\)](#) published these 11 million plus confidential documents dating back to the 1980s that are reportedly connected to the Panamanian law firm Mossack Fonseca.

Ramón Fonseca, a founder of the firm, [told \*The New York Times\*](#) that Mossack Fonseca's lawyers did not engage in any wrongdoing in helping their clients set up shell corporations. Fonseca explained, "We are like a car factory who sells its car to a dealer (a lawyer for example), and he sells it to a lady that hits someone. The factory is not responsible for what is done with the car."

The document leak raised questions about the moral bar that lawyers are held to while representing their clients. The laws regulating the legal profession allow lawyers to help their clients use loopholes in the law to maximize profits so long as their conduct falls short of violating any specific laws.

The American Bar Association (ABA), in its [Model Rule of Professional Conduct 1.2\(d\)](#), says that a lawyer should "not counsel a client to engage, or assist a client in conduct that the lawyer knows is criminal or fraudulent" and that "a lawyer may discuss the legal consequences of any proposed course of conduct." Since the foundation of the rule rests on the tricky concept of the lawyer's knowledge, it seems to make a great case for when ignorance about the exact course of dealings may be pure bliss.

The ABA has also opposed bills that would require states to gather names of shareholders controlling corporate entities that cover the identities of the real owners of assets. Only time will tell if the Panama Papers leak will result in changes in the law regarding the accessibility of companies' ownership details.