

Crisis Management and Strategic Response

When legal, public policy and media crises converge and a company's reputation and business are at stake, no firm rivals WilmerHale's ability to navigate fast-moving events and craft lasting solutions. Based in Washington DC and composed of lawyers with senior experience in all three branches of government, our StrategicResponse Group is known for helping companies through the highest-profile corporate crises. Drawing on our lawyers' industry insights and their deep knowledge of how government operates, we mobilize to help clients take charge of even the most challenging situations.

WHAT IS STRATEGIC RESPONSE?

The biggest challenges for an organization can take many forms. An environmental accident unfolds, sparking immediate congressional hearings. A cyber breach exposes customer financial information. An omission in corporate disclosure prompts a regulatory enforcement action. A business-critical objective becomes the focus of intense scrutiny by the media and antitrust regulators. Whatever the issue, these crises share a set of core characteristics:

- A government dimension. Whether they generate Executive Branch attention, congressional scrutiny, federal investigations and enforcement actions, or global and multi-state political dimensions, the most significant challenges have—or can suddenly invite—government involvement.
- Rapidly shifting parameters. The original locus of a problem may appear specific and discrete, but high-stakes challenges have the tendency to migrate across the branches of government into new arenas.
- A high level of complexity and sensitivity. These situations pose challenges
 unlike anything an organization faces in the usual course of business, with
 political, legal and media crosscurrents that can exacerbate reputational risk.
- The need for a strategy that extends beyond resolving just the immediate crisis. An effective crisis response demands not only an immediate governance, communications and procedural roadmap to ensure that the steps an organization takes in the first 24 or 48 hours are the right ones, but also longer-term legislative, regulatory, multi-branch and litigation strategies to prevent issues from lingering or recurring—and an understanding of how strategies in one venue affect developments in the others.

87%

of executives rate reputation risk as more important than other strategic risks

41%

of companies that experienced a negative reputation event reported loss of brand value and revenue

25%

of a company's market value, on average, is directly attributable to its reputation, according to a study by the World Economic Forum

"A reputation risk that is not properly managed can quickly escalate into a major strategic crisis."

— deloitte.com/reputationrisksurvey

PRACTICE AT A GLANCE

- Approach. Our deep, bipartisan insight into the workings of government and
 the legal and regulatory frameworks that govern our clients' industries enables us
 to identify issues before they ignite and to craft durable solutions.
- Capabilities. Our lawyers have directed sensitive internal investigations, responded to enforcement proceedings by US and international regulators, advanced legislative and policy objectives through bipartisan outreach to House and Senate leadership, defended household-name companies in high-stakes litigation, prepared clients for congressional investigations, provided strategic support for proposed business transactions, and navigated multi-state and global challenges—and have done many of the above in combination.
- Clients. Our clients include financial institutions, trade associations, educational
 institutions, nonprofits and major multinational corporations across a range
 of industries, including biotechnology and pharmaceuticals, defense, energy,
 financial services, healthcare, media and communications, retail and technology.
- Scope. Clients have turned to us to address matters involving securities disclosure; cyber breach response and prevention; national security; government contracting; antitrust clearance; environmental accident response; international sanctions and export controls; police use of force; Title IX and civil rights compliance reviews at major universities; tax issues; and Foreign Corrupt Practices Act, Dodd-Frank Act and False Claims Act whistleblower cases, among many other issues.

EXPERIENCE

- When **Target** became the victim of one of the largest data breaches ever reported, we led the company's governance and communications response, prepared a company officer for congressional testimony, and steered the debate back to the critical objective of holding the perpetrators accountable and preventing future intrusions.
- After the "London Whale" incident, in which a trader in the London-based Chief Investment Office acquired large positions in synthetic credit derivatives, leading to losses of approximately \$6 billion for **JP Morgan Chase**, we mounted a response that involved crafting a communications strategy, assisting the bank in its management task force review, and helping to resolve inquiries from regulators all over the world, including the US Securities and Exchange Commission, Office of the Comptroller of the Currency, Federal Reserve, UK Financial Conduct Authority and US Senate PSI.
- Retained by **BP America** in the wake of the Deepwater Horizon accident in the Gulf of Mexico, we led the company's response to unprecedented congressional inquiries—including 15 hearings and investigative demands by more than 90 committees and members—and investigations by the DOJ, SEC, National Oil Spill Commission, Chemical Safety Board and National Academy of Engineers.

OUR TEAM

Government positions formerly held by members of our team include:

- Deputy Attorney General
- FBI Director
- Head of the DOJ's Civil
 Division, Office of Legal
 Counsel and Office of Legal
 Policy
- US Attorney
- US Secretary of the Interior
- Deputy Secretary of the Treasury
- SEC Commissioner
- SEC Director of Enforcement
- SEC Director of Corporation
 Finance
- General Counsel of the Defense Department, Treasury Department, National Security Council, FBI, CIA and Office of the Director of National Intelligence
- US Trade Representative
- FBI Director
- State Attorney General
- SEC Commissioner

20+ lawyers with US Attorney's Office experience and 10 with White House experience

For more information, please contact our strategic response group chairs:

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