

## *A Car Wash: Post-truth Politics, Petrobras and Ethics of the Real*

Accepted for publication in *Accounting, Auditing & Accountability Journal*

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### **ABSTRACT**

**Purpose** - We draw upon three *accounts* to examine post-truth politics and its link to accounting. In studying Petrobras, a Brazilian petrochemical company embroiled in a corruption scandal, we employ a politics of falsity to understand how different depictions of similar events can emerge. We depict Petrobras' CSR disclosures during the period of corruption juxtaposed against the Brazilian Federal Police investigation (the *Lava Jato/Car Wash Operation*) and Petrobras' response to the allegations of institutional corruption.

**Design/methodology/approach** - Our data set consisted of 56 Petrobras reports including Annual Reports, Financial Statements, Sustainability Reports and Form 20-Fs from 2004-2017, information disclosed by the Brazilian Federal Police concerning the *Lava Jato Operation* and media reports concerning Petrobras and the corruption scandal. The paper employs a discourse analysis approach to depict and interpret the *accounts*.

**Findings** – Through the connection between ontic *accounts* and ontological presuppositions, we illustrate a post-truth logic underpinning accounting, due to the interpretive, contestable and contingent nature of accounting information. Consequently, we turn to the 'ethics of the real' as a response, as citizen subjects must be cautious in how they approach accounting and CSR disclosures.

**Originality/value** - Rather than rely on simplistic true/false dualities, we argue that the 'ethics of the real' provides a courageous position for citizen subjects to interrogate the organisation by recognising the role of discourse and disclosure expectations on organisations in a post-truth environment. We also illustrate how competing, contingent *accounts* of the same timeframe can emerge.

**Keywords** - Post-truth politics, Petrobras, the Politics of Falsity, Ethics of the Real, Corporate Social Responsibility; Corruption.

**Paper type** - Research paper

## 1 INTRODUCTION

This paper is situated as an exploration of the implications of the politics of falsity for organisations and stakeholders and with particular emphasis on accounting and its range of technologies (by this we mean the range of communication devices employed in accounting, including, for example, financial reports, auditing reports and corporate social responsibility [CSR] reports). A fundamental problem for all accounts and all accounting is that language is a failing technology. Any ‘account’ of a phenomena lacks accuracy and completeness. In part, this is because the technology of language occludes, excludes, over-determines and misleads. The risk for the ethical subject, without access to how a preparer exercised decisions, choices and subjectivities within an account is that any ‘account’ may appear complete.

Within language, rhetoric often plays an overlooked role in helping ‘accounts’ appear complete, but at the same time, occluding. For example, suggesting that ‘the grass is green’ or ‘the organisation is green’ both may appear *complete*, but the metaphor technology carries with it implications for the ethical subject. The rhetorical impact of ‘green’ (as a colour or a symbol for environmentalism), as the *knowable*, is to help us to understand the unknown, the ‘grass’ or ‘the organisation’. However, as Aristotle ([c. 335 BCE] in Freese, 1975) argues, while the purpose of metaphor is to make the unfamiliar familiar by ‘making an implicit comparison’ and transferring quality, this transfer of quality has limits. What ‘green’ is the recipient supposed to know? How ‘green’ is ‘green’? What type of grass or organisation is the comparison made to? In the envisioned exchanges, without the ability to ask follow-up questions, the ‘accounts’ of the grass and the organisation are simultaneously complete and incomplete. This has implications for accounting. Nietzsche (1964, pp. 180-184) then uses this to challenge the concept of ‘truth’, by suggesting that ‘truth’ is ‘[a] mobile army of metaphors, metonymies, anthropomorphisms ... illusions of which one has forgotten they are illusions ...’. What Nietzsche argues with force is that this forgetfulness allows subjects a certain comfort to accept what is presented to the subject as ‘true’ and invokes a reawakening of the ethical citizen subject. In many ways, Nietzsche invokes a depiction of a post-truth world that confronts us today, in that what is held as ‘truth’ is merely that which we have forgotten to question as a humankind. That is, truth itself is the illusion. Important contributions in the accounting discourse similarly have pointed to the contestability of the conception of truth (Hines, 1988; Morgan, 1988). In Hines’ (1988, p. 253) seminal account of the ‘hidden power’, there is an important discussion of the flexible, elastic notion of truth within the accounting

discourse, as ‘there is no such thing as the truth, but there is such a thing as stretching the truth too far’.

Embedded in Hines’ (1988) depiction of accounting are seeds of a politics of falsity within a post-truth world. Our argument, in a similar manner to Hines, is not a rejection of reality, but instead to recognise that attempts to ‘account’ or ‘represent’ those activities (through financial or social and environmental accounting, for example) will be incomplete and partial. Morgan (1988, p. 477) shares a similar warning, by recognising that ‘[accountants] are subjective “constructors of reality”: presenting and representing the situations in limited and one-sided ways ... producing partial and rather one-sided views of reality’. What Morgan (1988) is suggesting here is a focus less on accounting as ‘technical’ and more recognition of the artistic licence granted to accountants. Frezatti *et al.* (2014, p. 428) draw upon this depiction to suggest a fundamental contestability and truths within accounting, by suggesting that the dichotomy between objective and subjective constitutes:

... a tension underpinning the logic of accounting: the quest for objectivity vis-à-vis the partial and one-sided representation that constitutes accounting. This illustrates the inherent contestability of accounting information and the space for competing and complementary organisational discourses to develop out of the same accounting information. Accountings are contestable, indeterminate and limited.

While accounting researchers in interpretive and accounting traditions (and to a lesser extent in the post-positivist and pragmatic approaches) might recognise accounting as partial, there are other researchers and stakeholders that hold to an underlying objectivity and truth within accounting and economic activity. Importantly, for our argument, Frezatti *et al.* (2014, p. 428) recognise that where there is contestability, there is an opportunity for competing, contingent accounts of the same phenomena. This ambiguity and contingency is vital to our argument (Hines, 1988; Miller and Napier, 1993; Roberts, 2015).

However, we argue that central to navigating contingency is the ethical subject citizen. This is not to call, ideologically, to a position based on navigating a simple dichotomy based on ‘truth’ vs ‘untruth’, but rather to navigate contingency (and contestability) as an informed, cautious receiver of information. Readers of Morgan’s (1988, p. 478) depiction of accounting as reality construction are presented with M.S. Escher’s lithograph *Hand with a Reflecting Globe*. This image helps Morgan to illustrate the partial nature of accounting, suggesting that accountants (through decision making processes) take a *subjective* position in determining what and how to account for a particular phenomenon navigating rules and constraints that somewhat confine

the scope of those choices in an arbitrary and contingent manner. Equally, the image alludes to a greater account (an unseen 'other') that informs the account but cannot be included in depiction due to decisions taken by the accountant and accounting. This is similar to how Hines (1988, p. 254) discusses the role of the accountant in choosing what to include within the organisation's account (in distinguishing between 'physical' and 'accounting' boundaries that surround the organisation).

However, we argue that both Morgan (1988) and Hines (1988) constitute a call to the tradition of the ethical citizen subject. We are concerned that the role of the receiver of accounting information (the ethical citizen subject) is underrepresented in current literature and is crucial to navigating a contingent, post-truth world in accounting. Each account, just like a piece of art, appeals to simple ethico-political questions: Do you like me? Am I acceptable to you? Do you trust me? The 'subjective construction of reality' (Morgan, 1988, p. 477) in any *account* suggests a central role for the ethical subject. Given the underlying contestability and indeterminacy, the appeal is not to whether the account depicts the truth ('there is no such thing', Hines, 1988, p. 253), but rather the terrain is an ethico-political terrain. Boyce (2000, p. 53) emphasises contestability rather than the search for 'infallible truth' in accounting, as any account creates 'a range of ... visibilities and exposure of values and priorities that become inputs to wider democratic processes of discourse and decision making'. Given that information is contestable and partial and that multiple accounts are possible with respect to the same stimulus phenomenon, the ultimate question is whether, in a rhetorical sense, this or that account is persuasive. Such contingency, we argue, is central to how any ethical subject should navigate the politics of falsity in a post-truth world. As Nietzsche (1964, p. 184) suggests, whether an account is perceived as 'true' depends on subject positions and 'forgetfulness'. Importantly, it is not for us to determine whether competing accounts are 'true' or not, as this is an implication of post-truth politics. However, what we do argue is that ethical citizen subjects need to exercise caution in relation to contingent information, as there is a risk of concealment and misinformation in 'accounts', due to the limits of language, onto-politics and partiality of accounting (Hines, 1988; Morgan, 1988; Cho *et al.*, 2015; Chelliah and Swamy, 2018).

Our paper proceeds by first discussing what is meant by the politics of falsity and post-truth. Our case study focuses on Petrobras and a corruption scandal linked to the Brazilian

government that emerged in 2014.<sup>1</sup> Our empirical account examines how Petrobras discussed corruption and its activities through CSR disclosures from 2004-2014 prior to the corruption scandal emerging. We then examine an ‘alternative’ account for the same period as presented by the *Lava Jato* Operation [LJO] files concerning Petrobras’ institutional corruption. Subsequently, we examine Petrobras’ reconstruction of their image following the LJO disclosure as the *victim* of corruption. We theoretically account for the differences in the accounts by examining the implications of a politics of falsity in a post-truth environment.<sup>2</sup> Our study concludes by reflecting on a role for ethical citizen subjects in a post-truth context.

## 2 THE POLITICS OF FALSITY AND POST-TRUTH POLITICS

The Petrobras corruption scandal provides us scope to examine the ‘post-truth’ movement in politics and the associated politics of falsity. We are careful here not to define the concept of ‘post-truth’, but Table 1, below, provides a survey of significant definitional trends in current literature:

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*Insert Table 1 about here*

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In invoking ‘post-truth’, we call to the intellectual tradition, as Hines (1988) and Morgan (1988) do, as suggested by an onto-politics concerning ‘truth’. An editorial of *New Perspectives* (Tallis, 2016, p. 8) captures the essence of this onto-politics which varies from ‘a “liar” who “knows the truth, and cares about it enough to conceal it”’, to ‘the “bullshitter”, who, “by contrast, doesn’t care (and may not know) if what they say is true; they just care that you believe it”’ through to the destabilisation or even the destruction of the notion of Truth’. Each variation involves attempts at engineering silence concerning alternative accounts, while illustrating contingencies in how that silence is achievable. .

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<sup>1</sup> While we acknowledge that corruption is an important and complex issue concerning accounting and CSR (Roberts, 2015; Lehman & Thorne, 2015), our focus is not on the implications of corruption *per se*. We are interested in three alternative accounts of corruption activities associated with Petrobras.

<sup>2</sup> Please note that when we refer to accounts, we are not necessarily referring to a singular account (eg. a financial report or a social and environmental report specific to a year). Rather, the concept of ‘accounts’, for us, refers to thematics held/presented across a particular time and space (Huttunen and Kakkori, 2020, p. 609). We end up with three separate accounts of the same historical moments (from 2004-2014), with Petrobras’ original CSR accounts of its behaviour, the police reports on Petrobras’ activities and then Petrobras’ restatement as a victim of the corruption.

Consequently, we are less concerned with post-truth definitions that opine for the loss of ‘truth’ (see, Barzilai and Chinn, 2020, p. 107, above), as our discussion around post-truth is not an attempt to determine ‘truth’ or ‘falsity’ per se (as a somewhat meaningless or limited exercise). Rather, we embrace contingency and use this ambiguity to understand how alternative discursive accounts at the ontical level reveal ontological political struggles (Farkas and Schou, 2019). Our first two ‘accounts’ (contrasting Petrobras’ self-image as a best practice, industry-leading corporate citizen for Brazil against the Brazilian Federal Police’s allegations of Petrobras’ substantive institutional corruption) illustrate how different ‘accounts’ of the same timeframe articulate an active and contingent political battleground concerning ‘truths’. Our concern is what conditions persist to permit discursive practices (especially in relation to CSR); what this proliferation of CSR-signifiers within the context of post-truth signifies and what role this suggests for readers and users in an ethico-normative sense.

#### ***A Misinformation, Deception and Corporate Social Responsibility***

CSR provides an interesting opportunity to study post-truth. Significant literature suggests various degrees of disingenuity concerning CSR information (Aras and Crowther, 2008, Christensen *et al.*, 2013; Cho *et al.*, 2015; Jauernig & Valentinov, 2019; Journeault *et al.*, 2021). A further literature explores alternative accounts in the form of shadow or counter accounts (Sikka, 2006; Dey *et al.*, 2010; Saravanamuthu and Lehman, 2013; Lehman *et al.*, 2016). Dey (2003) illustrates that shadow accounts highlight voices of excluded stakeholders and information omitted from public reports, while Vinnari and Laine’s (2017, p. 1) highlight how shadow accounts ‘present a counterforce to hegemonic discourses and bring about emancipatory change in societies’. This suggests that CSR accounts are partial and limited. CSR scholars evaluate the nature of opaque CSR disclosures variously as greenwashing (Brown and Fraser, 2006), as part of a strategy of deception (Debeljak *et al.*, 2011), or as discretion and selectivity that occurs through inclusion, omission, concealment and manipulation and poor performance (Leung *et al.*, 2015). This opaqueness accords with the politics of post-truth. Certain scholars suggest that such disclosure practices are a calculated risk, align with the ‘business case’ (Spence, 2007; Ceglińska and Cegliński, 2015) or is organisational hypocrisy or a façade (Cho *et al.*, 2015). In a form of post-truth typology, Chelliah and Swamy (2018, p. 37) categorise deception as a business strategy with varying degrees of intentionality concerning the *falsity* of information disclosed. Examples include

fictions, such as exaggeration or white lies; playings for amusement (such as double entendre); deliberate ‘lies’ to deceive; crimes, masks (as concealment) to obscure; and unlies, as deception.

A related literature suggests an underlying hypocrisy in CSR disclosure (Wagner *et al.*, 2009; Christensen *et al.*, 2013; Sikka, 2013) centred around a fantasy of authenticity (Costas and Kärreman, 2013). Cho *et al.*, (2015) argue that society and institutions create contradictory pressures which require organisations to engage in hypocrisy and develop façades, which limit the sustainability reports so they are unable to become substantive discourses (Cho *et al.*, 2012; Parker, 2014). One concern for us, though, in extant CSR literature is that these typologies of deceptive information tend to assume a simple dialectic between false and ‘true’ information. We feel that embracing the insights of post-truth politics (as suggested by Tallis, 2016 above) helps us to focus on contingency, on the permissiveness of accounting disclosures and on what we ‘term’, ontological presuppositions, rather than being caught by the complexity of the ‘truthfulness’ of information.

Koehn (1999, pp. 82-83) argues (reflecting the Nietzsche, 1964 quote above) that one problem is that language has lost ‘meaning’ and is increasingly divorced from ‘things’ and ‘floats free’. This floating capacity, we suggest, provides a better heuristic to understand the organisational logics of strategies of deception due to the post-truth focus on the political (Farkas and Schou, 2018). Farkas and Schou (2019) in their study of the politics of falsity suggest a distinction between ‘misinformation’ and ‘disinformation’. Misinformation involves all types of misleading information including unintentionally misleading information (Fallis, 2015), while disinformation is intentionally misleading (Farkas and Schou, 2018). This contingency removes the strictness of a Kantian separation between fact and norm. As Farkas and Schou (2018, p. 301) argue, the “‘one” [fact] always relies on the “other” [norm]’ and Laclau (2014, p. 128) suggests:

There are no facts without signification, and there is no signification without practical engagements that require norms governing our behaviour. So there are not two orders — the normative and the descriptive—but normative/descriptive complexes in which facts and values interpenetrate each other in an inextricable way.

This suggests that norms and facts are intricately interwoven, as ‘the factual can never be separated from the normative, as it is only on the basis of the normative that the factual can emerge as fact’ (Farkas and Schou, 2018, p. 302).<sup>3</sup> As King (1998, pp. 58-59) reminds us:

... words and statements are not grounded in some prior reality, they are thoroughly embedded in a historically produced language game in which words and statements have to submit to certain rules to be meaningful. These rules do change over time but the point is that word use is constrained within any language game and therefore there is inappropriate and inadmissible word use in any game.

A further group of CSR scholars draw upon Baudrillard’s (1994) *hyperreality* to study CSR and accounting disclosures (see, Gumb, 2007; Unerman & Zappettini, 2014; Boiral and Henri, 2017). Boiral (2013, p. 1061) argues that ‘[s]ustainability reports can be viewed as simulacra that camouflage real sustainable development problems’ and that sustainability reports ‘represent the ideal of sustainable development’. Scholars employing hyperreality argue that hyperreality is more than rhetorical, as corporate simulacra of sustainability creates space for idealisation and the manipulation of reality (Boiral and Heras-Saizarbitoria, 2020). This manipulation of reality suggests that all that remains is the sign itself as a form of representation floating free from materiality. Macintosh *et al.* (2000), Macintosh (2002) and Graham (2008) realise that this might pose a problem for the use of hyperreality in accounting. Macintosh *et al.* (2000, p. 44) argues:

One immediately apparent problem concerns [Baudrillard’s] assertion that simulacra in the contemporary world lack rapport with reality. Many accounting signs today still have, as for Sumerian urn-accounting, a one-to-one correspondence with real objects.

This concern is reflected in post-structuralist research as Frezatti *et al.* (2014) argue that accounts have some (sometimes tenuous) connection to real events. We are also concerned with a logical impossibility within hyperreality as embedded within hyperreality is a premise that signifiers are freed from the signified (structural linguistics holds that a ‘sign’ connects a signifier – the sound image – to the signified – the concept). For our intervention, this claim is problematic as it suggests a pre-existing existing connection between signifier and signified. This suggests that there is a truth in representation, that this ‘truth’ was ‘freed’ and that representations were ‘once tied to reality’ (King, 1998, p. 55). King (1998, p. 56) summarises the problem: ‘the freed referent still needs its object but it just likes to pretend that it is free’.

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<sup>3</sup> Norms in this sense are sedimented practices and not a universal category (Laclau, 2014; Farkas & Schou, 2018).

We wish then, as philosophers including Gadamer, Derrida and Rorty have done to draw upon the Heideggerian linguistic turn.

### ***B A Heideggerian Approach to Ontology and Ontics***

Central to our argument concerning post-truth politics is a focus on ontology and the ontic to draw out a role for contingency (Heidegger, 1962). We note a comparative paucity of Heideggerian work in accounting (see, Frezatti *et al.* 2014; Chabrak *et al.*, 2019). As Glynos and Howarth (2007, p. 108) explain:

... an ontical inquiry focuses on particular types of objects and entities that are located within a domain or 'region' of phenomena, whereas an ontological inquiry concerns the categorical pre-conditions for such objects and their investigation.

The study, for example, of organizational CSR disclosures and their meanings would constitute an ontical inquiry by accepting the domain of CSR. If, however, a CSR study examines the underlying presuppositions that account for current approaches to CSR disclosures (the sedimented practices of CSR disclosure), then this would be a study at the ontological level. This informs a study of post-truth politics as its accounts for studies of what permits misinformation and disinformation in CSR disclosures is ontological while studies of disclosures would be ontical (Farkas and Schou, 2019). Brown and Fraser's (2006) exploration of the 'business case' as a 'win-win' phenomenon is an ontical inquiry, while establishing the CSR heuristics of the business case, stakeholder-accountability and the critical case constitutes an ontological study by depicting elements of the CSR phenomenon.

Language and language games, in the Heideggerian sense, are central to the contingency evident in post-truth politics. King (1998, p. 58) argues:

Heidegger's linguistic orientation is important ... Rather our language makes certain parts of our world meaningful for us and it is these which our senses become attuned to recognizing. The meaningfulness of the world is established in language and the senses are directed by that meaningfulness. Furthermore, language does not record and imitate the objects of the external world but is a reality in itself into which human beings are thrown.

The central insight from Heidegger's (1962) *Being and Time* concerns meaning (the concept of *Dasein* - *there being*). Chabrak *et al.* (2019, p. 1424) explain that this suggests that 'in recognizing and coming to an understanding of a particular "thing" we do not exhaust the possibilities of that "thing". There are always other possibilities in 'being' and in "be-ings"'. This connects to contingency as a political logic, as Heidegger (2010, p. 211) argues that 'Dasein is "in the truth"'. As an ontological statement, this does not suggest that Dasein is

truthful in the sense of a correct, complete or totalising sense of truth. Rather, Heidegger suggests a link between truth and untruth, by recognising that “Dasein is in the truth”, and that “Dasein is in untruth” (Heidegger, 2010, p. 213). The differentiation that Heidegger explores is between what meanings exist and the conditions that operate to enable those meanings to exist. In calling to the Aristotelian tradition, Heidegger is suggesting too much focus on what things are (in the strict scientific sense of explanation), rather than studies at the ontological level that account for how certain meanings are produced. In the post-structural sense, the ontological helps to account for the preconditions of practices, while the ontical explains practices and regimes (Glynos and Howarth, 2007; Frezatti *et al.*, 2014, p. 434).

Heidegger unpacks problems with the correspondence theory of truth and points to the totalising trend towards correspondence truth within positivism. Rather, Heidegger argues for truth and untruth to be understood as unconcealment and concealment. The term, drawn from Aristotle, is *aletheia*. This notion of truth is different to correspondence theory, as invokes a contingent notion to truth, as the ethical subject identifies ‘true’ through different modes of knowing and ways of understanding (Inwood, 2010, p. 13; Hines, 1988; Morgan, 1988) Huttunen and Kakkori (2020, p. 609) recognise this contingency:

The truth as uncovering and unconcealing will always belong to a history, to a time and a place. Its essence can be described only as dynamic happening, not as a stable correspondence between sentences and things. When the truth is happening, it is always in the world, and we never call the being of the world into question.

The contingent notion of truth (belonging to a history, a time and a place) explains how multiple accounts on or about events might emerge. The existence of competing ontic accounts around the activities of an entity, for example, is because there are competing ontologies around the ‘meaning’ of the organisation, reflecting different legislative, economic, institutional and other stakeholder interests or regimes. Each account is couched within ontological presuppositions that reflect a history, a time and a place. CSR, for example, as a socio-political project, constitutes an ontological category that characterizes social structures and systems of social relations relevant to corporate practices within a social setting (see Table 2 below). However, the study of a specific organisational disclosure within the accepted parameters of the business case approach (Brown and Fraser, 2006) would be an example of an ontic category of inquiry, as it studies corporate responsibility informed by a set of ontological assumptions. The duality of the ontological and ontical allows us to understand the nature of accounts, but also to examine the ontological conditions that permit alternative accounts to exist.

The duality provides an appropriate terrain to explain the logic of ontology and the ontical as a political project within the space of post-truth politics and the existence of multiple accounts. The ontological space of CSR, for example, sets the conditions for competing signifiers at the ontical level. This explains the stylised, scripted nature of CSR disclosure as organisations ‘choose’ what, how and why to disclose. CSR disclosure is an example of ontical contingency. There are good and bad CSR disclosures (rather than ‘true’ or ‘false’) and disclosures that produce or fail to produce desired (emotional) responses. Furthermore, contingency (of history, time and place) explains how competing accounts (ontically) of the same ontology can exist simultaneously. However, the implication of the discursive interaction between norms and facts (that one relies on the other - Farkas and Schou, 2018) is a call to contingent politics (Hines, 1988; Laclau and Mouffe, 2001) and a central ethical role for citizen subjects. Our role, as citizens, as receivers of information, is to recognise the contingency of accounts at the ontical and ontological levels, as the ‘ethical’ is ‘the grasping of the radical contingency of social reality’ (Farkas and Schou, 2018, p. 302).

There are glimpses of this logic in the accounting literature, although not necessarily in an explicit manner. Mouck (1995, p. 535) argues that financial accounting is ‘a totalizing theory that attempts to silence “other voices”’. This silencing accords with a form of engineered silence within post-truth politics. The study of the products of financial accounting is ontical, but the study of the system of presuppositions, rules and practices that permit these approaches to financial accounting are ontological, such as Hines’ (1988) study of the hidden power within accounting and Hines’ (1991) critical examination of the Financial Accounting Standards Board’s conceptual framework project. Frezatti *et al.* (2014) examine the duality of the ontic and the ontological by studying an organisation’s sedimented management discourse, while illustrating the ontological conditions that constrain the discourse towards accounting-like measures. What we highlight, through our explanation of accounts (as ‘truths-claims’), is a role for the ethical subject due to contingency and ambiguity as accounts belong ‘to a history, to a time and a place’ (Huttunen and Kakkori, 2020, p. 609).

### ***C An Ethical Terrain***

The ontological/ontical terrain provides us with scope to examine the implications of the ‘post-truth’ movement associated with a politics of falsity, because it allows us to examine CSR disclosures and what conditions permit such discursive practices, alongside alternative discursive articulations (including Petrobras’ self-image, the Brazilian Federal Police’s LJO

investigation and Petrobras' response) reflect contingent politics concerning social reality. Each account (as an ontic) emerges from certain ontological presuppositions. What we wish to understand is what ontological conditions permit discursive practices (in relation to Petrobras' CSR disclosures and the police allegations) and within the context of post-truth, what issues this suggests from an ethico-normative sense. As Howarth (2006, pp. 126-127) argues:

It is here that the work of Heidegger, Lacan, Laclau, and Žižek assumes center stage, for it is the harnessing of “an ethics of the real,” facing up to the nothingness or gap that resides in being .... As Žižek neatly puts it, “There is ethics—that is to say, an injunction that cannot be grounded in ontology—insofar as there is a crack in the ontological edifice of the universe: at its most elementary, ethics designates fidelity to this crack”.

What Howarth (2006) and Žižek emphasise in this passage is how contingency permeates accounts and ‘truth-claims’, and, how, in a post-truth space, this reinforces the need for ethics. The implications of contingency in post-truth politics invokes an ethics of the subject focused on recognising the emotional appeals and expectation management embedded within accounts. Lacan’s studies of the fantasy and ideology led to the emergence of the ‘ethics of the real’ (Stavrakakis, 1999, p. 130; Žižek, 1990, p. 259) and is used by Laclau and Mouffe (2001) to ground both ontological and ethical standpoints. The ‘ethics of the real’ emerges from the impossibility of closure and the desire to achieve closure (the necessary impossible) (Tapiheru, 2021; Stavrakakis, 1999; Žižek, 1990).

The ‘ethics of the real’ moves away from a utopian ideal of ethics (Stavrakakis, 1999; Laclau, 1990), and is an ethical stance focused on the ineradicable and constitutive role of contingency. As a criticism of truth, this means that ‘transparency’ of reality, meaning and identity is not achievable (Mouffe, 1993; 2000). This understanding of ‘truth’ reflects Heidegger’s *aletheia* and the critique of correspondence truth. Embracing contingency encourages the ethical citizen subject to confront impossibility (Laclau and Mouffe, 2001), by suggesting an ethical principle that involves the continual pursuit of confronting this contingency.

Consequently, as our accounts (as contingent ‘truth-claims’) belong ‘to a history, to a time and a place’ (Huttunen and Kakkori, 2020, p. 609), the implication of the ‘ethics of the real’ is a need to pursue ontological presuppositions that permit ontic interpretations of the same timeframe to emerge. Doing this, we argue, gives the ethical citizen information and context by which to make decisions, but failing to do this, leaves the citizen exposed to the risk of

whimsy (Tallis, 2016). With this foundation, we turn to methodology to explain how we gathered information to depict our ontological and ontic accounts of Petrobras, the Federal Police allegations of corruption, and then how Petrobras responded.

### 3 METHODOLOGY

To explore competing accounts of Petrobras' activities from 2004-2014, we commenced our literature and theoretical review with a simple question concerning how competing accounts concerning the same timeframe or events could co-exist with reference to CSR. Consequently, in recognising the contingency of 'truth-claims' or accounts within a post-truth context, we study the existence of three contingent 'accounts' within the terrain of an ontological and ontical inquiry. Our first 'account' analyses Petrobras' CSR disclosures from 2004-2014 and concerns how the Petrobras presented itself as acting in Brazil's interests. We present an alternate 'account' as depicted in police allegations concerning Petrobras' institutional corruption for the same 2004-2014 period (with the LJO disclosures beginning in 2014). Finally, we examine how Petrobras post-LJO present themselves as victims of corruption. To collect information, we analysed fourteen years of Petrobras' reports from 2004-2017 (Petrobras trades on the Brazilian and New York Stock Exchanges and other markets), official disclosures concerning LJO and media coverage. All information is publicly available. We started our analysis in 2004 as LJO files suggest that the corruption scheme commenced in 2004. Our data archive includes 56 financial and CSR reports from Petrobras from 2004-2017 including 13 annual reports from 2005-2017, 17 other financial statements, 14 years of form 20-F disclosures to the NYSE and 12 social and environmental reports. The analysis of the reports across the 10 years from 2004-2014 was central to depicting the first 'account'. We also collected official police disclosures concerning the LJO case, as well as associated media coverage concerning Petrobras and LJO. We collected this media coverage from the *Factiva* database using the words: 'criticism', 'critique' and 'protest' and 'Petrobras' in February 2018. This information helped us to construct the second account concerning Petrobras' alleged corruption. We used Petrobras' reports from 2014-2017 and media coverage of the LJO case to depict our third 'account' concerning how Petrobras responded discursively to the crisis in their public disclosure. May (1997, pp. 157-158) argues documents are a valuable source of information, as documents are 'sedimentations of social practices' and 'they also constitute particular readings of social events', which emphasises the role of contingency.

We started our analysis by reading all the documents. The reading exercise helped to identify key moments, signifiers, tensions and conflicts within and between the contingent accounts. We read, re-read and debated the document archive to identify key themes and issues. Central to this was the allegation of substantive corruption from 2004 in the LJO files. We were interested in Petrobras' CSR disclosures (especially with respect to corruption) during the 2004-2014 period. The juxtaposition between the police allegations of substantive corruption and Petrobras' imagery of an anti-corruption thought leader and as a corporation doing 'good' for Brazil was interesting. We drew upon examples of rhetorical analysis to guide our approach (Howarth and Griggs, 2006; Frezatti *et al.*, 2014; Warren *et al.* 2019). Czarniawska (2000, p. 19) reminds us that:

“[t]he voices of the field” do not speak for themselves ... It is never a question of “authenticity”; it is always a question of creating the appearance of authenticity, of recontextualisation that is interesting (“novel”), credible and respectful’.

To identify key disclosures concerning anti-corruption practices, for example, we collected every disclosure by Petrobras from 2004-2017 in their 56 annual reports in our document archive (see Table 4 below). In this thematic analysis, four themes emerged concerning Petrobras' anti-corruption agenda pre-LJO and involved Petrobras as best-practice, industry-leadership, the UN Global Compact and Petrobras' Ethics Code (account 1), the police's LJO allegation of substantive corruption involving Petrobras (account 2) and Petrobras' response post-LJO as the victim of corruption (account 3). We selected illustrative examples for our analysis based on repetition and examples of changes in disclosures. Similar techniques were employed to analyse the official LJO discourse and our media archive. We recognise that any reading is 'our reading', as 'any text is full of potential readings' (Frezatti *et al.*, 2014, p. 439).

#### **4 SITUATING THE CASE STUDY: PETRÓLEO BRASILEIRO S.A**

Our empirical analysis concerns Petróleo Brasileiro S.A (Petrobras), a Brazilian economic powerhouse. The company was ranked 74<sup>th</sup> on the 2019 Fortune-500 list of global companies. Headquartered in Rio de Janeiro, the company is part-publicly traded, with the Brazilian Government currently holding a 64 percent share. The company employs approximately 63,000 employees and 2019 financial results reported approximately US\$222 billion assets, \$95.5 billion revenue and US\$7.2 billion profit. Petrobras has historically been an instrument to further government policies (see, for example, Fick, 2018; Jelmayer, 2014; M-Brain, 2017) and there are allegations of mismanagement and favouritism to support political strategies (see,

Boadle, 2014; Cavarni and Stauffer, 2014; Fick, 2014; Connors and Kiernan, 2016). Contextually, there have been a series of corruption scandals associated with Petrobras ranging from Petrobras' lobbying against the Brazilian ethanol fuel programme in 1988 (Powell, 1988), being implicated in a corruption scandal with the former Brazilian president Fernando Collor that led to a 1992 impeachment in 1992 (Chapoval, 1992), and a Brazilian Congressional probe investigated Petrobras for substantive tax evasion (approximately US\$760.3 million) through creative accounting, cost overruns at a refinery project, inflated contract prices to construct oil platforms and political donations to the Sarney Foundation, which was associated with ex-Brazilian President Jose Sarney (Kerr, 2009). These examples serve not as a warning but seek to show the intertwining of Petrobras and the Brazilian state and, to some degree, illustrates elements of the ontological presuppositions concerning Petrobras, corruption and the State.

#### *A      **Ontological Presuppositions***

At this juncture, our discussion allows us to not only to examine 'truth-claims' as accounts (see the empirical discussions below) but to understand the conditions at the ontological level that allow or permit these competing ontic accounts of the same timeframe to emerge (reflecting moments in history, time and place).

Table 2 (below) explores the ontological presuppositions concerning CSR practices.<sup>4</sup> What is central to these observations is a contingency within the discourse of CSR and this invokes a role of the ethical citizen subject that we outline earlier.

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*Insert Table 2 about here*

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We also draw attention to the political presuppositions that gave rise to the conditions for corruption and for a corruption investigation to emerge. Table 3, below, explains key ontological elements (at the political level) that help to explain why this investigation emerged, the importance of the case, reasons why it happened and the Brazilian political landscape:

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<sup>4</sup> We recognise that there are overlaps between ontological presuppositions, but we believe that the contingency embedded in these presuppositions deserved recognition and thus, categorisation would risk condensing the sedimented space for CSR disclosure. We also note that the table is not exhaustive

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*Insert Table 3 about here*

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Table 2 and 3 identify elements of ontological presuppositions that enabled the contingent *accounts* to emerge. Each ontic account is partial and is a contingent, contestable product of its ontological framework. Our intervention, equally, interferes with the account. Our recontextualisation of these accounts equally manifests in a different time, space and place (Czarniawska, 2000) and is rhetorical.

**B     *Account 1: Petrobras' CSR Anti-corruption Agenda Pre-Lava Jato***

Petrobras carefully depicts itself from 2004-2014 as an exemplary corporate citizen, particularly within the Brazilian context even though Petrobras' CEO (2012-2015), Maria das Graças Silva Foster acknowledges that Petrobras has a complex history:

Petrobras' history is marked by challenges, and overcoming them has been the company's calling. For this reason, I reiterate our strategy to adequately meet the demands for products and services and to contribute to the development of society (Petrobras, 2011b, p. 3).

In the CEO's disclosure here, the rhetorical capacity within the ontology of CSR is evident, as the CEO both recognises historical challenges and a current and future goal around social development (Brown and Fraser, 2006). However, such a disclosure is also incomplete and contingent (Aras and Crowther, 2008). As an example of the ontological space to both disclose and not-disclose simultaneously (Banerjee, 2012), Petrobras emphasises a commitment to strong corporate governance and best practices with respect to anti-corruption in 40 of 56 reports from 2004-2014. In this, the ontological space for narrative, allows for Petrobras to position itself as a leader against questionable corporate conduct within the Brazilian business community. Petrobras emphasises its commitment to good corporate citizenship through its Ethics Code (mentioned in 40 reports out of 56) and its role with respect to the United Nations (UN) Global Compact (mentioned in 20 out of 56 reports, and particularly within annual and sustainability reports). Petrobras points to 'best practice' and 'industry-leading' policies especially with respect to corruption. If an ethical citizen subject accepts the ontic account of the LJO investigation, then these disclosures would illustrate a form of hypocrisy given the allegations made by the Brazilian Federal Police (Cho *et al.*, 2015). However, Petrobras' focus on ethics and anti-corruption may be strategic for Petrobras as it courted international investors given the challenges referred to by the CEO above (Petrobras, 2011b, p. 3). This might reflect

a fantasy of authenticity (Wagner *et al.*, 2009) and opaqueness (Debeljak *et al.*, 2011). Highlighting the company's commitment to 'anti-corruption' may be traditional messaging, but the company's focus on positioning itself as an 'anti-corruption' industry leader seems to go further, as Petrobras emphasises that it is employing exemplary practices. In Petrobras' (2011b, p. 147) Social Balance, which summarises activities from 2006-2011, Petrobras discloses that:

The company does not use child or slave labour, it is not involved in prostitution or sexual exploitation of children or adolescents, and it is not involved in corruption.

From a discursive perspective, what is interesting about this disclosure is the comparative seriousness that Petrobras treats corruption as it is presented alongside prostitution or child sexual exploitation. The ontological space afforded within a CSR ontic is powerful, as it enables political persuasion and impression management (Hines, 1988; Brown and Fraser, 2006; Leung *et al.*, 2015). This highlights the discursive role of the metaphor (Hines, 1988), as appearance and public perception are important (Morgan, 1988; Spence, 2007). The appeal to the emotional or the emotive by Petrobras, through juxtaposing 'child abuse', 'sexual exploitation' and 'corruption' as equivalent is a post-truth tactic focused on what the audience wants to believe (Lockie, 2017). The ontological presuppositions of CSR enable such disclosures.

In a suggestion of authenticity, anti-corruption disclosures were common in Petrobras' reporting and appeared many documents in our document archive. Table 4, below, illustrates that a discussion concerning anti-corruption appeared in 36 from 56 reports (alongside the Ethics Code and the UN Global Compact), by recording whether 'anti-corruption', 'fraud' or 'bribery' were mentioned in the Petrobras' reports (2004-2017) (A ✓ suggests a disclosure, a × indicates it was not present in the report:

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*Insert Table 4 about here*

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We juxtapose two quotes from 2007 and 2014 to illustrate changes in the language of anti-corruption:

The Company holds scheduled audits to check situations that require special attention. The Corporate Protection management participates in investigation committees that can discover any involvement of employees in devious conduct that, in some cases, may be considered acts of corruption (Petrobras, 2007c, pp. 100-101).

In illustrating a hegemonic commitment to anti-corruption (Vinnari and Laine, 2017) and suggesting (an illusion of) authenticity (Christensen *et al.*, 2013), Petrobras highlights the role of audit and its Corporate Protection department as components of its anti-corruption practices. Petrobras emphasises that it operates processes to ‘uncover’ devious or corrupt activity. This disclosure, while focused less on prevention and more on detection operates to distance the company from corruption and suggests that if any corruption does exist, then this is the act of deviant employees. In 2014, though, we see a more holistic approach to corruption:

#### PETROBRAS’ CORRUPTION PREVENTION PROGRAM

Approved by the Executive Board in 2013, the objective of the Petrobras’ Corruption Prevention Program (PPPC) is to reinforce the prevention, detection and correction of fraud and corruption acts, through the integrated management and the improvement of actions and controls of our governance structure (Petrobras, 2014b, p. 21).

The 2014 quote offers a more holistic approach to corruption prevention and detection that operates to emphasise the corporate veil around corruption and seeks to manage expectations of users (Banerjee, 2012; Brown and Fraser, 2006; Leung *et al.*, 2015).

Given previous allegations of corruption and political interference, it is interesting (if not disingenuous) that Petrobras discloses on at least ten (10) separate occasions that it does not make contributions to political parties in Brazil and that it ‘rejects’ corruption or bribery of public officials (Aras and Crowther, 2008; Christensen *et al.*, 2013). For example, Petrobras (2007b, p. 100) suggests:

Petrobras uses standardizing management tools, for example, codes of competitive conduct and good practices, and adopts the code of conduct of the top federal administration, whose application is supervised by the Public Ethics Commission of the Presidency of the Republic. The Company does not contribute to political parties or politician election campaigns and rejects any practice of corruption and bribery. Petrobras conducts its business with transparency when taking action and stances especially with regard to public information.

If the ethical citizen subject were to accept the allegations of substantive institutional corruption between Petrobras, the State and political parties, then such quotes are indicative of a façade (Cho *et al.*, 2015). However, these ‘voluntary’ disclosures emphasise transparency with respect to business conducted with the State and links Petrobras’ anti-corruption practices to the Federal oversight in the form of the Public Ethics Committee. Certain ontological

presuppositions associated with CSR, including that CSR is only presented at face value and that CSR gives power to the discloser to control the narrative is central to the disclosures separating Petrobras from the State (Cho *et al.*, 2015).

Similarly, Petrobras emphasises independence in the following quote:

We also committed to refuse any corruption and bribery practices, maintaining formal control and penalty procedures relative to possible transgressions. In addition, we also refuse to support and make contributions to political parties or political campaigns of candidates to elected positions (Petrobras, 2009b, p. 30).

Petrobras both ‘rejects’ (2007b) and ‘refuses’ (2009b) corruption, bribery and political party contributions with processes to control and detect transgressions. This reflects a narrative capacity within CSR and operates to persuade as ‘an’ account (Hines, 1988).

Petrobras’ commitment to the fight against corruption extends beyond their own ‘best’ practices, policies and commitments. As a broader act of political persuasion, Petrobras positions itself as an industry leader (Brown and Fraser, 2006). In 2012, Petrobras' CEO, Maria das Graças Silva Foster commented:

We also reaffirm our commitment to following the principles of the United Nations Organization’s Global Compact, to increasingly pursue and disseminate best practices for human rights, labor standards, environment and anti-corruption measures (Petrobras, 2012b, p. 3).

This hegemonic claim reflects an act of impression management as the commitment is not only to anti-corruption but is also a commitment to being an industry leader with respect to human rights, the environment and anti-corruption measures (Leung *et al.* 2015). This claim to ‘leadership’ is important to Petrobras’ imagery and goes beyond best-practice. Petrobras emphasises that it was the first Latin American company to join the UN Global Compact, that it was Vice President (in 2006) of the local Brazilian chapter of the UN Compact and links all of this to ‘best practice’ with respect to social and environmental responsibilities:

Petrobras has broadened its commitment to the reduction of social inequality, environmental conservation and ecological efficiency. The first Latin American company to join the UN Global Compact, in 2003, Petrobras made further advances in its alignment with the ten principles of the compact — which address issues such as human rights, working conditions, the environment and fighting corruption — when in 2006 it joined the Council of the Global Compact and assumed the vice-presidency of the Brazilian arm (Petrobras, 2006a, p. 57).

This illustrates a narrative capacity within CSR and illustrates a degree of opacity or disingenuity (if one accepts the allegations from the Lava Jato investigation) (Gray, 2010;

Chelliah and Swamy, 2018; Aras and Crowther, 2008). Petrobras's CEO reasserts Petrobras' commitment to contribute to 'society':

Since 2003, Petrobras has complied with the principles set forth by the United Nations Global Compact concerning human rights, labor standards, environment and fighting corruption ... because I believe sustainable development demands the contribution of the various segments of society (Petrobras, 2011b, p. 3).

The goal here is to connect Petrobras's commitment to developing Brazilian society. There is a form of 'symbolic legitimacy' (at face value) in not only complying with the Global Compact but taking a leadership position with respect to disseminating the Global Compact (Morgan, 1988). Petrobras (2005a, p. 66) emphasises its regional and industry leadership:

In 2005, Petrobras joined the UN task force and the European Foundation for Management Development, which develop the bases for the formation of business leaders committed to the vision that social and environmental responsibility is an integral part of business. It was the first oil and energy company and the only Latin American participant among the 21 members of the group.

Petrobras' commitment to social and environmental issues as illustrated through the ten principles of the UN Global Compact, extended to Petrobras investing R\$585.8 million in social development and creating a fund for poverty alleviation and developing social equality (Petrobras, 2007b, p. 3). In emphasising the positive, CSR disclosures are partial and can take attention away from other practices (Hines, 1988; Brown and Fraser, 2006). The narrative effect here is to position Petrobras and Petrobras' activities as important to Brazilian development. This is both hegemonic and suggests an authentic commitment to Brazil (Leung *et al.*, 2015; Wagner *et al.*, 2009). This 'account', however, stands in stark contrast to the LJO allegations concerning Petrobras' institutional corruption.

### ***C Account 2: Lava Jato Allegations of Substantive Corruption by Petrobras***

At the heart of LJO are allegations of a substantive system of political corruption facilitated through Petrobras. The Brazilian Federal Police considers LJO the biggest investigation into corruption and money laundering in Brazil (MPF, 2022), while Watts (2017) suggests that LJO is the largest corruption scandal in history. The alleged corruption scheme centred on bribes paid and contractual overpayments via an organised network including political parties, contractors, financial operators and Petrobras' directors between 2004 and 2014. Petrobras formally acknowledged the Brazilian Federal Police LJO investigation by 'writ[ing] off US\$2,527 million of capitalised costs' because of contractual overpayments (Petrobras, 2014d, p. 9) and disclosed the existence of the LJO investigation in its sustainability, financial

statements and Form-20 F disclosures in 2014. The alleged corruption suggests an intimacy between Petrobras and the Brazilian Government as the bribery and corruption benefitted politicians, political parties, contractors, Petrobras and Petrobras executives (Boadle, 2014; Venezia, 2016; Hennigan, 2017).

The LJO corruption case is complex and involves significant elements of Brazilian politics:

The *Lava Jato* Operation is a criminal scheme between Petrobras's senior managers, politicians and large engineering companies. The '*Lava Jato* Operation' unveiled a grand scheme of corruption of public agents and money laundering related to the public company *Petróleo Brasileiro S/A - PETROBRAS*. The operation so named covers, in fact, a diverse set of investigations and criminal actions linked to the 13th Federal Court of the Judicial Branch of Paraná, in Curitiba .... Further investigation led to indications that at least between 2004 and 2012, the boards of the public company [Petrobras] were divided between political parties, which were responsible for nominating and maintaining their respective directors (MPF, n.d.).

LJO initially referred to a petrol station car wash that was a front for a criminal network engaged in money laundering (MPF, 2022). The corruption scheme involved senior managers from Petrobras and the main political parties in Brazil including *Partido dos Trabalhadores* (PT – Workers Party), *Partido Progressista* (PP – Progressive Party) and *Partido do Movimento Democrático Brasileiro* (PMDB – Brazilian Democratic Movement Party). The corruption component involved over-pricing contracts by one-to-five percent and using financial operators to transfer the over-payments from contractors to politicians (MPF, 2021). Petrobras effectively funded political campaigns to keep the existing political coalition in power. The Government appointed Petrobras' directors and Petrobras funnelled money back to the politicians and their political parties. These schemes cost Brazilian taxpayers and shareholders billions of *Reais*, as well as undercutting Brazilian democracy. Figure 1, below, illustrates how the scheme diverted resources from Petrobras to political institutions:

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*Insert Figure 1 about here*

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The ramifications of the LJO corruption scandal continued to spread, as the extent of corruption exposed by LJO involved much of Brazil's political apparatus and impacted Brazilian society. Each new phase of the police investigation resulted in more arrests and investigations into companies, politicians, former employees and other members of the political establishment. Phase 1 of the LJO in March 2014 resulted in 28 prison sentences,

while Phase 55 in September 2019 led to 19 more terms of imprisonment. The Brazilian Federal Police warns of more phases to come:

The investigation of the repercussions of the case has not ended yet. According to the MPF in January 2022, there are seventy-nine phases (Curitiba), fifty-six (Rio de Janeiro) and six (São Paulo) ... investigations with an estimated amount of R\$14.7 billion to be recovered (MPF, n.d.)

LJO has affected the central political landscape of Brazil. Ongoing criminal action against the former Brazilian President Luis Inácio Lula da Silva (Lula)<sup>5</sup> suggests that LJO affects the highest offices in Brazil and had an associated impact in the impeachment of President Dilma Rousseff, due to the close relationship between Presidents Lula and Rousseff and that Lula was considered the head of the scheme (MPF, 2019, p. 3).

Furthermore, US shareholders filed a complaint in Providence, New York that alleged that shareholders were misled by information disclosed by Petrobras and audited by PwC following the LJO revelations and inflation of net income (McAllister, 2014). Petrobras and PwC Brazil settled the case for US\$2.95 billion (Petrobras) and US\$50 million (PwC Brazil). In Brazil, however, Brazilian authorities have only recovered 2.22 per cent of the amount diverted from Petrobras (MPF, n.d.). MPF (2021) estimates the total dollar figure for Petrobras amounts to approximately R\$19 billion (approximately US\$3.5 billion). To date, LJO has resulted in 174 convictions against at least 553 people. The Brazilian Federal Police is seeking R\$14.7 billion of assets (MPF, 2021).

#### ***D The Ontological Pre-conditions in Support of the CSR and Corruption Ontics***

. The ontic accounts of Petrobras and the Police's LJO files operate rhetorically as acts of persuasion (Brown and Fraser, 2006; Hines, 1988) and seek to manage expectations (Leung *et al.*, 2015; Barros, 2014). The implication of post-truth is to recognise that the police disclosures are not removed from their rhetorical foundations or that 'police' disclosure must be factual (in the sense of 'truth'). Corruption investigations reflect what is political and legally acceptable. Both CSR and legal discourses are contingent. We make no explicit judgment in this paper as to which 'account' is more convincing as that would belie our theoretical positioning (although individually, as authors, we may ascribe to one over the other as ethical

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<sup>5</sup> Lula was sentenced to 12 years' imprisonment for corruption and money laundering in 2018. He was released in November 2019 as the Supreme Court decided that Lula could remain free until all appeals options were exhausted.

subjects), but we do illustrate that multiple ontical lenses can exist to depict the same phenomena at the same time in different ways. What the Heideggerian ontological/ontical terrain opens is an opportunity to reflect upon what categorical presuppositions are sedimented within both the CSR and legal ontologies to enable these two different ontical accounts to emerge (see Tables 2 and 3 above).

These two ontical lenses highlight the way discourses are contingent due to the interdependency of facts and norms (Laclau, 2014; Farkas and Schou, 2018). We first focus on the sedimented presuppositions of the CSR discourse, before reflecting on the official corruption discourse. This is, arguably, the key role for ethical subjects in examining the interplay between an ontology and the ontical (King, 1998; Howarth, 2006). The crucial question, ontologically, is what permits the forms of disclosures at the ontical level. In emphasising that CSR is a narrative, rhetorical performance, the literature studies what was said and what was meant, but ontological focus is less concerned with concrete meaning (see table 2 above). Organisations seek to control how users perceive the organisation in what they say, how they say it and how CSR enables these narratives (Spence, 2007; Barros, 2014; Leung *et al.*, 2015). However, the ethical question reflects the contestability and contingency of CSR disclosure, especially in how Petrobras construct themselves as “anti-corrupt” according to norms, expectations and political projects.

Petrobras constructed an imagery of best-practice anti-corruption leaders contributing to economic development. Each anti-corruption image and disclosure sought to elicit a desired response according to key corporate norms (Leung *et al.* 2015). Equally, though, the police discourse also reflects certain ontological presuppositions. For example, such investigations require significant financial, policing and other resources, as well as a sufficient political climate to enable such investigations. This involves individual investigators committing to the cause, as well as organisational cohesion and commitment. This is more complex in environments where corruption exists. Therefore, in both cases it is important to recognise the ontological presuppositions, as these presuppositions govern with the way the contestable “facts” emerge. This contributes to the post-truth language game of CSR as expected and permitted disclosures revolve around ‘legitimised’ rules and norms regardless of their truth or falsity. Thus, alternate accounts of the same ontology can exist simultaneously, which draws attention to contingency and the ethical role of the critical subject through the ‘ethics of the real’. We reinvigorate the political terrain by focusing on the contingency of disclosure and

introduce an explicit ethical terrain, by challenging the risk in assuming a truth and objectivity to accounting without critique or question. Our study exposes the radical contingency of discourse as two competing accounts and multiple contingent meanings of the same timeframe co-exist.

### *E Account 3: Petrobras' Response as the Victim of Corruption*

Our third account focuses on how Petrobras responded to the LJO disclosures. Given the extent of the corruption allegations, Petrobras had to respond and Petrobras narrated itself as a victim of the corruption scheme both in the media (for example, Buenos Aires Herald, 2015; Connors and Kiernan, 2016) and through its CSR disclosures (Petrobras, 2014b; 2014e; 2015a; 2015b; 2016b). Petrobras employs three interrelated strategies by distancing Petrobras (as organisation) from individuals responsible for the corruption scheme, by depicting itself as a *victim*, and by reinforcing its commitment to 'best practice' anti-corruption policy and procedure. This reflects that the ontology of CSR permits acts of political persuasion, especially as the receiver of information receives such information at face value (Brown and Fraser, 2006; Morgan, 1988; Cho *et al.*, 2015; Weir, 2016).

Petrobras seeks to distance the organisation from 'bad apples' and detach the company from the corruption activities of ex-directors, ex-managers and ex-high-level executives. This is an example of using the corporate veil to distance the company from its agents (note the similarity to 2007c disclosure discussed above, where corruption was only performed by deviant employees) (Banerjee, 2012). When Petrobras acknowledges LJO, they generally describe people involved as ex-directors, ex-managers or ex-employees (Petrobras, 2014b, p. 22):

After we received the denunciations of supposed bribe payments by SBM Offshore [SBM was a contractor that offered bribes to secure Petrobras contracts] to one of our employees or ex-employees, in February 2014, we created an internal investigation commission, which did not identify facts or documents that proved any undue payments to employees or ex-employees of Petrobras. SBM itself affirmed, in April, that it had not found out any evidence of improper payments (Petrobras, 2014b, p. 23).<sup>6</sup>

However, this disclosure by Petrobras suggests that its internal processes failed to uncover any evidence of improper activities. This is a potential hypocrisy, deception or opaqueness (Cho *et al.*, 2015; Debeljak *et al.*, 2011). As a post-truth act, the phrase '*supposed* bribe payment' does not just deny the guilt of Petrobras but it also challenges the allegation as well. This is more of

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<sup>6</sup> SBM settled with the Brazilian Federal Police in 2018 for US\$189 million.

an emotive plea (Lockie, 2017). Petrobras seeks to separate the alleged activity from continued company operations and the impact of this distance is to lay the blame for the corruption with individuals, as Petrobras does not admit organisational guilt in relation to LJO despite the link between Petrobras, its directors and the political corruption activities: ‘Petrobras never assumed any form of guilt’ (RTTNews, 2018). For example, in a 2014 Petrobras report, as the scandal was breaking, Petrobras commented that:

Petrobras reaffirms that the relevant government authorities have officially acknowledged the Company as a *victim* in this investigative procedure (Petrobras, 2014e).

The victim imagery is both for narrative effect and operates as a metaphor (Hines, 1988). This approach continued in the media [emphasis added]:

Ms. Rousseff has previously said that she believes there was corruption at Petrobras and that the responsible parties should be punished. Petrobras says it is a *victim of the alleged scheme* (Kiernan, 2015).

Petrobras executives have said the company is *the victim of kickback schemes* and is cooperating with authorities (Schectman, 2015, see also Connors and Kiernan, 2016).

These quotes illustrate how Petrobras responds to the allegation of corruption by positioning itself as victim of that corruption.

The final strategy employed by Petrobras in response to the corruption allegations is to reinforce the company’s ‘best practice’ approaches to anti-corruption policy. Petrobras repeats that it does not contribute or support political parties or election campaigns (Petrobras, 2016b, p. 23). Petrobras emphasises the Petrobras Corruption Prevention Program (PPPC) (but provides little detail as to what this entails):

We have a Corporate Compliance Policy, which ... discloses the commitments we assume with respect to the promotion of the highest ethical values and transparency when conducting business, with zero tolerance for fraud, corruption and money laundering. For integration and strengthening of the compliance initiatives, we use, in addition to the Code of Ethics and Code of Conduct, the Petrobras Corruption Prevention Program (PPPC) (Petrobras, 2017a, p. 118).

Finally, Petrobras’s CEO repeats the commitment to the UN Global Compact, as CEO, Pedro Parente, notes:

“We reaffirm our commitment to United Nations Global Compact, which stimulate us to advance in initiatives related to the respect and support of human rights, fair labour practices, environment preservation and fight against corruption” (Petrobras, 2016b, p. 4).

The content of the ontic concerning Petrobras as a good corporate citizen does not change, providing an excellent example of post-truth politics. First, the ontical presentation is an attempt at engineered silence as they never admit guilt (the company agrees to pay money to US Stockholders to settle but does not admit any wrongdoing). Literature on the ‘bad apple’ in accounting (Everett *et al.*, 2007; Guénin-Paracini and Gendron, 2010) note that organisations accused of wrongdoing rarely admit guilt. However, this silence is contingent. Petrobras’ strategy is about confusing the situation through misinformation in the post-truth sense of attempting to disorient or destabilize. The Police accuse Petrobras of corruption; Petrobras emphasise that they are victims of the corruption scheme. The Police claim that Petrobras must have known;<sup>7</sup> Petrobras and Senior Executives suggest they had no knowledge. The Police point the finger at Petrobras; Petrobras points the finger at rogue ‘ex-Petrobras’ employees. They also adopt consistency in their rhetorical strategy through continued commitment to the UN Global Compact and the employment of ‘best practice’ anti-corruption policies. What is interesting in the post-truth environment is that the ethics of the corporation remains unchanged within the politics of falsity.

The challenge for the ethical subject remains the same. The contingencies in Petrobras’ presentation of the self were present and the implications here is that ethical citizen subject should recognise the contingent practices associated with CSR (and accounting) disclosure. Contingency takes various forms, but hints included the CEO’s emphasis of a challenging history to be overcome, the repeated emphasis concerning anti-corruption, the history of corruption associated with Petrobras (including a history of political donations to parties and candidates), and many connections between leading Brazilian politicians and Petrobras. LJO, as an ontical lens, could be understood either as a standalone moment in the history of Petrobras or as a continuation of a history of questionable corporate practices.

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<sup>7</sup> For example, the Brazilian Federal Police comment that it is unlikely that the Company did not know of the corruption scheme and doubt the credibility of senior Petrobras executives claiming they had no knowledge:

[The] President of Petrobras, denied any specific knowledge about political influences in the exchange. But the President of the company being unaware that Executive Directors are being replaced for purely political reasons, seems rather unlikely, casting doubt on either his aptitude for the office or the credibility of his testimony before this Court (MPF, 2018a).

## 5 CONCLUSIONS

Through a post-truth analysis of the 2004-2017 period, we demonstrated that different actors hold different and contingent interpretations of the same timeframe. Through this post-truth understanding, we emphasise the interdependency between facts and norms. In part, this extends Frezatti *et al.* (2014) as it encourages analysis to move beyond what disclosures are to what disclosures do and account for what permits disclosures to take the form that they do, which we categorise as ontological presuppositions. We argue that these ontological presuppositions drive different claims as actors will act based on how they understand that moment, and readers will interpret based on how they understand that. Ontic disclosures reflect a history, a time and a place (Farkas and Schou, 2018). We argue that this provides a way of understanding accounting disclosure in a post-truth environment, as it helps us to understand why certain disclosures are permitted by certain ontological presuppositions. In the case of Petrobras' CSR anti-corruption agenda, as evidenced from 2004-2014, the foundation for this disclosure is the emergence of CSR based on issues of performance driven by meeting expectations and legitimacy (Barros, 2014; Leung *et al.*, 2015).

Our empirical site is unique, as we have two concurrent explanations (Petrobras CSR vs LJO corruption) of the same time frame. We acknowledge that while this is empirically unusual, it is by no means uncommon. The juxtaposition of the two accounts is valuable empirically in illustrating the contingency of organisational disclosure. For us, this suggests the importance of asking what the nature of the disclosure is in association with what the disclosure does (in how the organisation manages or meets expectations) and what conditions permit such disclosures to exist. For users of accounting information, this contingency is always present, as any accounting disclosure is a product of the current set of conditions that *regulate* accounting, formally (through accounting regulation), informally (through accounting practices) socio-culturally, and with reference to the imagery desired by the organisation.

This contingency is central to accounting, as the linguistic and symbolic processes render accounting particularly susceptible to post-truth politics. However, insufficient research in accounting deals with this contingency. While Hines (1988) and Morgan (1988) illustrate the role of accounting in constructing reality, for example, their analysis is still within a context of a logic of truth and falsity. We move past the simplicity of truth and falsity in our analysis and outline ontological presuppositions that exist and lead to CSR disclosures. Through this lens we can see the way that the hidden power of accounting has been extended through CSR

reports through each of the ontological presuppositions outlined in Table 2 above. The flexible and elastic nature of accounting has been expanded through CSR. Through this lens we do not reject reality, but instead point to the contingency and contestability of any account. Accounting still holds a profound ability to *claim* objectivity and truth, despite inherent subjectivities. These subjectivities are why we propose the ethics of the real as an advancement of previous accounting research.

Our account is also contingent. The problem we see is that despite accounting's susceptibility to the politics of falsity, there continues to be a retrenchment to truth and objectivity. Shareholders, stakeholders and the media still seem in 'shock' and 'awe' when allegations emerge of misleading financial reports. The linguistic nature of accounting, auditing and CSR provide a rich ground for rhetorical 'language games'. A focus on what accounting does and what conditions allow for certain disclosure practices to emerge provides a more useful space in which to understand strategic disclosures in a post-truth accounting and CSR world. Through this we argue that we should be less concerned with the *real* politics of truth and falsity and focus more on the contested terrain of contingent disclosures. Despite fear mongering concerning the 'loss of truth' and nihilism, our approach provides a stronger ethical terrain for the citizen subject to make judgements about what matters to them and what convinces them .

In a simple sense, there is an important interdependency between facts and norms that manifests in our analysis of best practice, industry leadership and anti-corruption policies contemporaneously as the substantial allegations of institutional corruption. In our examination of post-truth politics, we make no romanticised call for organisations to 'tell' the truth, but instead we call to an ethics of the ever-critical citizen subject, as there is a risk that too many subjects take disclosure at face value and see disclosures as objective and the truth. We position this as the 'ethics of the real' (Stavrakakis, 1999, p. 130; Žižek, 1990, p. 259) and the ontology of lack (Laclau and Mouffe, 2001). On this basis, the ethics of the real fleshes out the ethical aim and critical standpoint embedded in post-structuralist discourse theory. There is always a risk associated with accepting at face value, but the ethical citizen subject needs to recognise that this risk is embodied by the ontology of lack and we need to be cautious of the desire to achieve that closure of this lack. Accepting this challenge encourages engagement with the ethics of the real (Tapiheru, 2021). Through the ethics of the real we must confront the impossibility of closure and the inherent contingency in any account, as the

ideal of transparency of social reality, meaning and identity cannot be achieved (Mouffe, 1993; 2000). Through the ethics of the real we argue that the ethical subject should continuously confront and embrace the contingency of accounting, as the ethics of the real is an important step away from utopian ideas of ethics (Stavrakakis, 1999; Laclau, 1990).

Post-truth politics involves the politics of engineered silence. This is about 'submission'. This is, of course, contingent, but the ethical citizen subject needs to know more than just what disclosures mean but needs support to understand what disclosures do and under what ontological conditions disclosures are permitted, whilst constantly adopting the position of the ethics of the real. The role of the ethical citizen subject is to be cautious and constantly search for and acknowledge contingency in every and any account, as all accounts are attempts at acts of persuasion.

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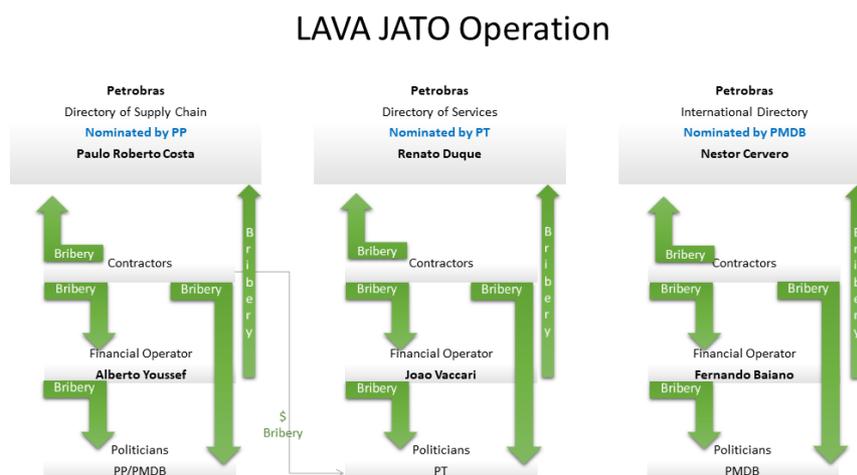


Figure 1 - Petrobras and Lava Jato (adapted from MPF 2022).

Table 1: Examples of Literature definitions of Post-Truth Politics

Suiter (2017, p. 26)	'Post-truth politics': where appeals to emotion are dominant and factual rebuttals or fact checks are ignored on the basis that they are mere assertions
Barzilai and Chinn (2020, p. 107)	Post-truth - 'this term is used to decry social trends that reflect a disregard for truth and for reliable ways of knowing what is true'
Lockie (2017, p. 1)	In popular use, [post-truth] is associated with an increasing disregard for factual evidence in political discourse. What matters is not whether the claims of politicians can be proven true. What matters is whether those listening to those claims would like them to be true – truth being judged not by evidence but by consistency with listeners' existing beliefs and values.
Schindler (2020, p. 384)	According to Oxford Dictionaries, [post-truth] denotes 'circumstances in which objective facts are less influential in shaping public opinion than appeals to emotion and personal belief'
Rose (2017, p. 556)	"post-truth politics"—a world in which truth is less important than public attitudes and where everyone has their own (often incompatible) "facts."

Table 2: Ontological presuppositions informing CSR disclosures and practices

<b>Corporate social responsibility ...</b>	Is a narrative and this format encourages selective, partial and incomplete disclosures. It is rhetorical then.	Gray (2010); Leung <i>et al.</i> , (2015); Brown and Fraser (2006)
	Requires is no requirement to demonstrate or present evidence (as a facade)	Cho <i>et al.</i> (2015)
	Has limited formal regulation and no formal audit requirements	Gray (2010)
	Is disclosure, but there is always non-disclosure	Banerjee (2012); Brown and Fraser (2006)
	Allows for disingenuity	Aras and Crowther (2008), Christensen <i>et al.</i> (2013)
	Only presents information at face value to the receiver/reader	Morgan (1988); Cho <i>et al.</i> (2015)
	Contributes to and is a product of a dominant hegemony	Vinnari and Laine (2017); Brown and Fraser (2006); Spence (2007)
	Is 'an' account (not 'the' account) that is illustrative of the 'hidden power' in creating the picture.	Hines (1988); Morgan (1988); Spence (2007)
	Is a metaphor	Hines (1988)
	Allows for deception or opacity	Brown and Fraser (2006); Debeljak <i>et al.</i> (2011); Leung <i>et al.</i> (2015); Chelliah and Swamy (2018)
	Is a form of hypocrisy	Cho <i>et al.</i> (2015); Cho <i>et al.</i> (2012); Parker (2014)
	Offers a partial reading	Hines (1988); Cho <i>et al.</i> (2015); Brown and Fraser (2006)
Suggests authenticity (an illusion or a fantasy)	Wagner <i>et al.</i> (2009); Christensen <i>et al.</i> (2013)	

	Is limited	Hines (1988); Sikka (2006); Dey <i>et al.</i> (2010); Saravanamuthu and Lehman (2013); Lehman <i>et al.</i> (2016)
	Is discursive	Brown and Fraser (2006)
	Is a powerful narrative	Hines (1988); Banerjee (2012); Ceglińska and Cegliński (2015)
	Tends to over-emphasise the positive and either underemphasise or avoid negative disclosures	Hines (1988); Banerjee (2012); Brown and Fraser (2006)
	Creates a corporate veil	Banerjee (2012); Brown and Fraser (2006)
	Is for impression or expectation management	Leung <i>et al.</i> (2015)
	Is an instrument for political persuasion	Brown and Fraser (2006)
	Lacks balance	Cho <i>et al.</i> (2015); Journeault <i>et al.</i> (2021)

*Table 3 - Political Presuppositions relevant to the Lava Jato Investigation*

<b>Scenario</b>	<b>Why did the investigation start?</b> The investigation of the Lava Jato scheme started <u>accidentally</u> as a small-scale scrutiny into money laundering in a gas station in Brasilia <sup>8</sup> (Watts, 2017) by the Federal Police office in Curitiba. This initial investigation, it is alleged, uncovered a more significant corruption scheme involving politicians, Petrobras executives and financial agents.
<b>Importance</b>	<b>Why is this important?</b> It was the first time in 30 years that politicians and powerful business people were held accountable for these actions through jail time (Watts, 2017). Additionally, Petrobras is one of the largest and powerful companies in Brazil. It had significant impacts with a number of political figures facing trial and ultimately led to President Dilma Rousseff's impeachment.
<b>Background</b>	<b>Why did the investigation happen?</b> Lava Jato happened opportunistically and synergistically. First, it was initiated in Curitiba, known as 'London of Brazil', where the culture of 'stick to the rules' is supposedly stronger than the central politics of Brazil. Second, the investigations were led by an ambitious judge (Sérgio Moro - who was to take up a ministerial role in the government of Bolsonaro prior to resigning) who imposed the law without, supposedly, political distraction. Thirdly, the investigation gained speed as judges denied bail to the rich (forcing them to be housed in simple jail cells without luxury). This act pressured some suspects to provide evidence for the prosecution, almost like a "house of cards" (Watts, 2017).
<b>Political landscape</b>	The <b>political landscape</b> of Brazil involves 'a culture of impunity' that reigned Brazil for a significant time period and Petrobras was at the centre of Brazil's politics (Watts, 2017). This meant that the culture of impunity at elite social levels allowed politicians and executives to use their positions for their own benefit. Corruption was, sadly, expected in Brazil.

<sup>8</sup> Brasilia is the capital of Brazil where all the three branches of the Brazilian Federal government are located.

<b>Effects</b>	It is too early to tell. The <b>effects</b> of Lava Jato are still under scrutiny (the most recent 79 <sup>th</sup> phase <sup>9</sup> includes the fulfillment of eleven search and seizure warrants of employees, former Petrobras employees and controlled entities). It had a significant political effect and the election of Bolsonaro might be one measure. Other political implications included the impeachment of former Brazilian President Dilma Rousseff in 2016, the imprisonment of the former Brazilian President Lula in 2018, Sérgio Moro taking up the offer of the Brazilian Minister of Justice in 2019-2020. With respect to Petrobras, Petrobras replaced many executives, but little substantive changes were made to how Petrobras operates and the nature of their CSR disclosures.
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*Table 4 - 'Anti-corruption', 'fraud' or 'bribery' discussed in Petrobras' reports (2004-2017)*

<i>Year</i>	Annual Reports	Sustainability Reports	Financial Statements	Form 20-F
2004	x	x	x	✓
2005	x	x	x	✓
2006	x	✓	x	✓
2007	x	✓	x	✓
2008	x	✓	x	✓
2009	x	✓	x	✓
2010	x	✓	✓	✓
2011	x	✓	x	✓
2012	x	✓	x	✓
2013	✓	✓	x	✓
2014	✓	✓	✓	✓
2015	✓	✓	✓	✓
2016	✓	✓	✓	✓
2017	✓	✓	✓	✓

<sup>9</sup> <http://www.mpf.mp.br/grandes-casos/lava-jato/entenda-o-caso/curitiba/linha-do-tempo/79a-fase> accessed on 21 January 2022.