

Ex-Sanctions Official Jumps to Hughes Hubbard as Trump Vows New Restrictions

On the same day the president announced a return to economic sanctions on Iran, Hughes Hubbard brought on a veteran of the DOJ's sanctions team from Baker McKenzie.

By Dan Packel
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Hughes Hubbard & Reed's announcement Tuesday that it had landed international trade partner Ryan Fayhee from Baker McKenzie was well timed.

The Department of Justice veteran came on board to lead the firm's sanctions and export control group on the same day President Donald Trump announced plans to reimpose sanctions on Iran.

Fayhee spent 11 years with the DOJ, which included a term as national export control coordinator, the principal attorney overseeing export control and sanctions investigations and prosecutions nationally.

"I once thought—when I was with the DOJ starting in on sanctions work in 2008—that we'd never be busier," Fayhee said. "Here we are with Iran in the news today, and also Russia and North Korea."

As a prosecutor, Fayhee handled cases involving export controls, sanctions, cybercrime, trade secret theft and espionage. He had a lead role in the investigation and prosecution of a multinational oilfield services company that in 2015 received a \$232.7 million penalty for facilitating illegal transactions and engaging in trade with Iran and Sudan.



Ryan Fayhee of Hughes Hubbard & Reed.

That fine, paid by a Schlumberger Ltd. subsidiary, is the largest criminal fine to date for U.S. sanctions violations.

Fayhee said that prosecution was emblematic of how U.S. sanctions have grown more complicated, especially for multinational corporations that grew

outside of the United States but then took on characteristics that made them subject to American jurisdiction.

“I use a Superman analogy. Back in 2008, Iran, Cuba and North Korea were essentially kryptonite to U.S. persons. They couldn’t facilitate or participate in commerce in any of those countries. Now, U.S. authorities are using sanctions to get at a broader range of offenses,” he said.

For example, while Russia “is not kryptonite with regard to all U.S. persons,” the government is using sanctions to target individuals who have certain interests in Russia.

“Rather than being country-based, they’re looking to focus on specific sectors and individuals to effectuate change,” he said of DOJ officials. With regard to compliance, banks and other trade facilitators are now on the front lines.

However, Fayhee noted, the prospect of renewed sanctions on Iran marks a return to that earlier world.

Fayhee left public service in the middle of 2015 and spent almost three years as a partner in Baker McKenzie’s Washington office before his move to Hughes Hubbard.

His clients at the firm included Russia-based anti-virus firm Kaspersky Lab Inc., which sued the Trump

administration in November, claiming the government has unlawfully banned the company’s software from within U.S. federal agencies.

Fayhee described his new platform at Hughes Hubbard as more “disputes focused” than at his prior firm.

“It’s very strategic-minded. It has a good well-established trade practice,” he said. “Along with my sanctions skill set, it’s a great place to use some of my investigations skills as a former prosecutor.”

In addition to his international trade work at the DOJ, Fayhee also worked as a trial attorney in the civil fraud section and served as an assistant U.S. attorney in the Northern District of Illinois.

“International trade is an increasingly important component of our transnational business,” Hughes Hubbard chair Ted Mayer said in a statement. “We think Ryan brings substantial strengths in export controls and sanctions that will prove extremely valuable to our clients on their most sophisticated issues.”

A spokesman from Baker McKenzie did not immediately respond to a request for comment Tuesday.

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