

FCPA Powerhouse: Reed Smith

By **Sean McLernon**

Law360, New York (June 05, 2013, 1:30 PM ET) -- Building up its Foreign Corrupt Practices Act work over the past decade with a collaborative structure and a growing local focus that has yielded major triumphs, Reed Smith LLP has quickly emerged as a leader in the field and appears poised to maintain that status for years to come.

One of Law360's FCPA Powerhouses, Reed Smith's team of 21 lawyers have delivered enviable results in the last two years, including a groundbreaking U.S. Securities and Exchange Commission settlement for a major manufacturer of pharmaceuticals and medical devices and the acquittal of a former Secret Service agent indicted on million-dollar conspiracy charges.

Utilizing a unique organizational structure, the firm has managed to distinguish itself from its peers and achieve recent FCPA successes in the life sciences industry and other areas.

Rather than relying heavily on attorneys based in the U.S., Reed Smith has placed seasoned experts all over the world who can respond almost immediately to client requests and work seamlessly with stateside lawyers or in other countries whenever needed.

"When you put the remedy closer to the problem, you're making it more convenient and cost-effective for the client," Reed Smith partner and former U.S. Attorney Eric A. Dubelier said. "We're doing it in a way in which we are able to provide the highest quality work."

Reed Smith didn't become heavily involved in FCPA work until the U.S. Department of Justice began ratcheting up enforcement in 2005. As demand increased, the firm decided that having attorneys on the ground overseas would go a long way in giving their clients an edge.

Dubelier said he used to go to China three or four times per year for FCPA matters, for example, but the travel expenses and costs of a translator started to add up. Last year, Reed Smith lured away Pfizer Inc.'s China regional compliance director John Tan to help lead the firm's FCPA efforts in the country.

With the addition of Tan, who is fluent in Chinese, eight of the Reed Smith's 21 FCPA attorneys are now located outside of the U.S. in places like London, Paris, Hong Kong and Greece.

Tan said Reed Smith's FCPA attorneys show a genuine willingness to work together and avoid any internal turf battles about whether a case belongs to a particular office. Because FCPA matters are sensitive and often cross-border, Tan said the ability to collaborate with ease is absolutely critical.

"You really have smooth cooperation across offices, and that is something that is very distinctive about Reed Smith compared to a number of national firms," Tan said. "We are dedicated to deploying the right people for a job no matter where they are located."

Reed Smith helps foster that cooperation by not having any designated leader of the FCPA group and allowing their attorneys to work autonomously, according to Dubelier.

"Our team just doesn't do things that way," Dubelier said. "Our white collar practice is highly collaborative and collegial. When we need each other, we use each other."

That collaborative effort was in full effect when Reed Smith helped a major life sciences client reach a highly favorable FCPA settlement with the government. The case involved lawyers from 11 of the firm's offices working in more than 30 countries over five years.

The process began in 2006, when the Justice Department accused the company of FCPA violations in Greece, Poland and Romania as well as illegal payments in Iraq linked to the United Nations Oil for Food program.

Reed Smith helped the company avoid any criminal convictions, striking a deal with the U.S. Securities and Exchange Commission and the U.K.'s Serious Fraud Office that saved the company millions of dollars by not requiring an independent external compliance monitor as part of the settlement.

Through five years of ushering the company through the FCPA minefield, Reed Smith helped its client develop such a close relationship with the Justice Department and the SEC that the regulators allowed the company to handle compliance matters in-house.

"These kinds of settlements are few and far between," Dubelier said. "It uses that money realistically in a positive way rather than hemorrhaging it out the door. They trusted us, trusted the quality of work and trusted the client to monitor themselves."

Dubelier and Reed Smith also won an acquittal for former Secret Service agent Patrick Caldwell in the government's so-called Africa sting operation that resulted in the indictment of 22 executives for conspiring to bribe the defense minister of the West African nation of Gabon.

The case involved a fictitious deal to supply the country's presidential guard with weapons and military gear that included a \$1.5 million bribe. Dubelier argued that Caldwell's hearing loss prevented him from understanding what the undercover agents were saying to him during the sting.

Dubelier, who took the case pro bono, said securing a rare FCPA acquittal sets Reed Smith apart from many of its peers and shows clients that they can push back against FCPA allegations when necessary.

The firm's FCPA practice, which includes three former Justice Department attorneys and two other lawyers who worked for the SEC, has served clients in construction, natural resources, banking and defense industries, but has devoted a large portion of its energy to life sciences.

No other firm knows those issues better, according to Dubelier, who said Reed Smith will continue to hold its FCPA perch for years to come

“There is zero learning curve for us dealing with potential corruption issues in the life sciences industry in the major markets of the world,” Dubelier said. “We just have a greater base of knowledge.”

--Editing by Andrew Park.

All Content © 2003-2013, Portfolio Media, Inc.