

Insights



Evelyn Sheehan on Far-Reaching U.S. Sanctions Against Latin America in Part Two of Q&A with Aguilar Castillo Love

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As part of U.S. law enforcement's focus on fighting money laundering and corruption in Latin America, sanctions have become a "powerful, rapid-fire tool" in the arsenal, Kobre & Kim's Evelyn Sheehan told Aguilar Castillo Love's Natalia Callejas in the second part of a Q&A on new enforcement trends in the region.

Many people don't realize the potential reach of U.S. sanctions. Primary sanctions, which generally prohibit U.S. persons from engaging in transactions with the target, have limited effect outside U.S. borders. However, secondary sanctions allow the country to "leverage its global economic dominance" by essentially coercing foreign parties to forgo transactions with sanctioned targets. This is done by depriving access to U.S. financial institutions, effectively ending a party's ability to engage in international transactions.

Armed with these tools, the Biden administration has continued to deploy them similarly to the prior administration, even as its focus has expanded to target corruption and human rights abuses even further. Targets – particularly government officials – have come from across the region – from Paraguay, Cuba and Venezuela to Nicaragua, El Salvador and Guatemala. Ms. Sheehan also notes that, with Chinese influence growing in Latin America, companies operating in the region should follow closely how the U.S. will adapt its sanctions regime in response.

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