

Insights



Evelyn Sheehan and Beau Barnes Discuss the U.S. “Sledgehammer” Seizure of Iranian Oil in Global Trade Review

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The seizure of 1.1 million barrels of Iranian oil bound for Venezuela by the U.S. government is a “heavy sledgehammer” based on “a tactical legal innovation,” Kobre & Kim’s Evelyn Sheehan and Beau Barnes said to *Global Trade Review*.

Iran has been supplying desperately needed petroleum to Venezuela for some time, in violation of U.S. sanctions. With previous actions having little effect, the U.S. escalated by leveraging the civil forfeiture process and sanctions against a designated terrorist organization, Iran’s Islamic Revolutionary Guard Corps (IRGC), seizing cargo for the first time.

Sheehan points out that, unlike most forfeiture actions, “The U.S. government has the ability to go after any assets owned by a designated terrorist organization, anywhere in the world, without having to prove that those assets are being used to carry out a criminal act.” Barnes sees this as “part of [the U.S. government’s] all-tools approach using a combination of criminal tools, civil tools, diplomatic tool and sanctions.” The U.S. designation of IRGC essentially labels Iran as a terrorist organization, which gives the U.S. action “a little bit more oomph,” Barnes remarked.

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