

Biden administration's enforcement and regulatory priorities impact law firm hiring

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The past two years have shaken up the economy, starting with a year spent in a pandemic and followed up by a year of transition with a new presidential administration and an operational landscape riddled with post-COVID adjustments. Following an initial slowdown at the beginning of COVID-19, many law firms emerged from 2020 having a very profitable year; that success has continued unabated in 2021.

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Many practice areas that initially slowed during the pandemic — private equity, finance, capital markets, and M&A — saw tremendous growth in 2021. In turn, many law firms have been aggressively hiring associates and bringing on lateral partners to keep up with increasing client demands. This has led to increased salaries, and significant signing and retention bonuses being given to associates, and firms recruiting partners in certain practice areas with less emphasis on portable business.

As we approach the end of 2021, law firms have a better understanding of the new administration's enforcement and regulatory priorities and how those priorities will impact client demands. Law firms are focused on growing certain practice groups that can provide legal services in areas that will experience increased regulatory and enforcement scrutiny and see the continued high demand.

Life sciences and health care

COVID-19 created a tremendous need for life sciences and health care lawyers who could handle regulatory, transactions and intellectual property matters. The demand for these lawyers is fueled by pharmaceutical, medical device and health care provider companies dealing with the rapidly evolving laws and regulations involving vaccines, therapeutics, diagnostic testing

and telemedicine following the pandemic. There are no signs of this demand dissipating as life science and health care companies are continually implementing emerging technologies to address patients' needs.

Blockchain, cryptocurrency and FinTech

As blockchain and cryptocurrency have exploded in the mainstream marketplace, it has landed on the radar of the Biden administration, which is now engaged in increasing regulations and enforcement. Recently, U.S. Deputy Attorney General Lisa Monaco announced the creation of a National Cryptocurrency Enforcement Team that will be responsible for prosecuting criminal cases involving cryptocurrency. This follows the U.S. Securities and Exchange Commission Chair Gary Gensler's statements that SEC regulations of cryptocurrencies are necessary to protect investors.

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Increased regulatory and enforcement attention on cryptocurrency, coupled with its proliferation among mainstream financial institutions, online payment processors, social media platforms and cryptocurrency exchange platforms like Coinbase going public, have law firms scrambling to find lawyers with both financial services and technology industry expertise.

Environmental, social and governance

The Biden administration has made it clear that companies will be required to focus on environmental, social and governance (ESG) issues through regulatory requirements and enforcement. Recently, the SEC announced that it was planning to issue formal

rules on mandatory disclosure requirements regarding climate change, diversity, and human and civil rights for public companies. This follows regulations adopted by the European Union in 2019 requiring sustainability-related disclosures in the financial services sector.

This increased regulatory focus on ESG has led many multinational law firms to establish ESG-related practice groups that are multidisciplinary and global, drawing on lawyers with expertise in securities regulations, environmental law, corporate governance and compliance, and government investigations.

White-collar criminal and civil enforcement

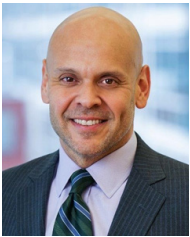
The Biden administration's Department of Justice recently announced a renewed effort to increase corporate criminal enforcement by expanding the tools and resources federal prosecutors have to investigate corporate criminal activity and punish corporate and individual offenders. This includes an emphasis on complete and thorough cooperation in exchange for

reduced penalties and the imposition of corporate monitorships when prosecutors believe that doing so is appropriate to curb corporate recidivism.

This follows SEC's repeated statements that it intends to take an aggressive regulatory, examination and enforcement approach that focuses on climate and ESG, financial institutions, market structure and regulation of other digital assets and technologies. This is a change from the previous administration's enforcement policies and will result in an increased demand for white-collar lawyers.

As we enter 2022, associates and partners who practice in these areas will see an increased demand for their services from law firms. Partners with portable business will always get attention, but we also expect to see increased hiring of senior-level government officials in these areas to take advantage of the expertise they have gained during their time in government. Additionally, associates with expertise in these areas will continue to be in high demand.

About the author



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