

# Great analysis: Standard Chartered's in-house lawyers a...

Published: January 15, 2026, 4:12 am

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There's a [stunning analysis](#) of the cause of Standard Chartered's woes in the FT this morning, by Frank Partnoy, a US professor of law. As he says:

*Among the most incriminating documents cited in the order are memoranda and emails from the bank's attorneys, who allegedly advised that wire instructions should not identify the names of Iranian clients because that would trigger scrutiny in New York. Legal and compliance officers were allegedly involved in a plan called Project Gazelle, which sought to build the bank's business with Iranian clients without exposing the New York branch "to the risk of a breach of sanctions".*

His allegation is a simple one: the banks in house lawyers set out to beat the sanctions and not comply with them. They did that, he says, in pursuit of profit, not ethics or compliance. And as he concludes:

*Lawyers are supposed to be the grown-ups at the party, professionals who guide their colleagues and tell them what they can and cannot do. They should be ombudsmen, not enablers. One lesson from recent scandals is that banks need reliably independent in-house counsel, with a strong moral backbone.*

Prof Perm Sikka coined the phrase "the pinstripe mafia" to describe the offshore lawyers, bankers and accountants who populate tax havens. Standard Chartered is appearing to show their spread is wider and more pernicious than that. The corruption of the professions - my own included - is at the heart of much of the degeneration, economic and ethical, in our societies over the last thirty years.