



MALPRACTICE ALERT!

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Ohio Bar Liability
Insurance Company

PRACTICE MANAGEMENT TIPS

The annual meeting of NABRICO (National Association of Bar Related Insurance Companies) was held recently. Several suggestions were presented regarding practice management that may be worth considering in your practice.

Network Security

The Asgard Group of Fort Lauderdale, Florida specializes in computer network security. The major focus of their presentation was the increased risk firms are encountering to network security when they employ new "wireless" network systems. The ability for hackers to exploit such a system is very great, as they demonstrated at the session.

A laptop computer can be purchased with a wireless network card, and a transmitter which plugs-in to a system wall plug. The computer then can be tied to the network and moved around the office, without the impediment a cable hooked-up to the computer. The problem is that "hackers" can literally drive around an area, run scans for these "wireless" portals, "impersonate" the laptop computer, and then gain access to information on the system. Major breaches of security have been found in banks, CPA firms, and law firms, all institutions where privacy of information is of utmost importance. What makes this technology even more appealing to hackers is the extreme difficulty in tracing the illegal activity. Unlike security attacks over the web, attacks

through a wireless system or portal leave few, if any, electronic "footprints" to be traced.

The damage a wireless intrusion can do is no different than an attack over the web. Data, documents and other information can be stolen, viruses transmitted into the system, even unauthorized alteration of a company or firm's website can be easily accomplished. This list is only an example of the damage that can be done. Hackers have been known to use a firm's file server to store information for use on the web, without the firm realizing that there has been an intrusion. The firm discovered the problem when it investigated why the entire system began to operate more slowly than expected.

There are several levels of security that can and should be employed to prevent a wireless network intrusion, but none are immune from attack by an experienced hacker. The greatest level of security employs the use of more than one file-server, so the usual reason for considering wireless technology other than convenience, cost savings, is reduced or eliminated.

Our advice to lawyers and law firms at this time is to avoid the use of wireless network entirely, or employ them only when the greatest levels of security precautions have been implemented.

"A" versus "D" Clients

Another session featured Dustin Cole, President of Attorneys Master Class, and former

Director of Forum Programs for Atticus, a leading practice development organization for attorneys.

Mr. Cole assists lawyer and firms in developing their practice. One common thread that he has seen in small firms is the time spent on legal matters for the so-called “D” clients, rather than using that time to market and foster better relationships with “A” clients. When lawyers tend to practice “Threshold Law” (when someone crosses the threshold, they become a client), then they are likely to become frustrated with the practice.

An “A” client is the client that you work well with, has clearly definable legal issues, pays bills promptly and usually without much question, accepts advice willingly, and refers other clients to you. A “D” client (one that presumably got through your initial client-screening process somehow) is one that often has very questionable legal issues or goals, pays bills with delay at best, and usually with some question, believes they know more than you do, and is not a source of referral business. Mr. Cole suggested that lawyers are much better off in the long term by eliminating the “D” clients when possible. Although there may be a short-term loss of some revenue, the time no longer spent on D-client matters can be spent fostering A-client relationships, which in turn should lead to a more rewarding and enjoyable practice.

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PRIVACY UPDATE

ABA vs. FTC, Round Two

In April 2002, the Federal Trade Commission advised the American Bar Association that it could not or would not exempt lawyers from compliance with the Gramm-Leach-Bliley Act, after the ABA made a request for such an exemption. The ABA has now sued the FTC in U.S. District court for the District of Columbia. The ABA contends that the FTC’s regulation regarding lawyers and compliance with the Gramm-Leach-Bliley Act is neither warranted by the Act itself, or by existing privacy protection of client matters in all 50 states and the District of Columbia. In short, lawyers should not be deemed “financial institutions” as defined in the Act.

The Complaint further alleges that small law firms and solo practitioners will have difficulty complying with the Act, and it will only serve to increase costs to lawyers and clients. Compliance with the Act will possibly confuse some clients, who already understand that matters discussed with their lawyer are privileged.

A copy of the Complaint can be found at www.abanet.org/poladv/glbfactsheet/complaint.pdf.
