



## Safeguarding Today's Busy Law Firm: Trends, Tricks and Tips

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Julie D. Beavers | Lawyers Mutual NC | May 2022

What's on  
your mind?

Post pandemic??

Cyber Security | Wire Fraud | Data Breach

AI | Legal Tech Innovation | Job Security

Access to Justice | The Regulatory Sandbox

Employee Wellness | Ethics

# Life after a pandemic

How has COVID-19 changed the legal industry? What does it look like?

Short Answer: The coronavirus turbocharged a legal industry transformation. It propelled law into the digital age and reshaped its landscape. The entire legal ecosystem was affected—consumers, providers, the Academy, and the judicial system.

***COVID-19 Will Turbocharge Legal Industry Transformation***, Mark A. Cohen, March 24, 2020, Forbes.

# Clio COVID-19 Impact Research Briefing

May 4, 2020

(Then and  
Now)

## Research highlights consumer concerns:

- 49% of consumers agree they would put off a legal issue.
- 13% of consumers expect a coronavirus-related legal issue.
- 57% are worried about making a living over the next few months compared to 46% of consumers are very worried about making a living over the next few months.

## Research highlights lawyer concerns:

- Drastic deceleration in new matter creation – 30% decrease in the first 5 weeks of 2020, 40% decrease by mid-April.
- 77% of law firms agree day-to-day operations have been significantly impacted.
- 67% of legal professionals surveyed are much more worried about the success of their practice.
- 11% of firms surveyed have laid off staff, and 15% expect layoffs in the next 3 to 6 months.
- 24% of firms are strongly considering changing or broadening their area of legal specialization in the next few months.

**THEN IN 2021, THE BOUNCE BACK--REVENUE AND PROFITS UP!**

“Richard Susskind, addresses judicial modernization thoughtfully and thoroughly in his book, *Online Courts and the Future of Justice.* ”

“Susskind **questions whether courts are a service or a place and makes a forceful case that technology can help resolve the global access to justice crisis.** He advocates for “online judging,” where human judges—not artificial intelligence—decide cases, though not in the physical courtroom via oral argument. He also supports “extended courts,” a self-help, virtual form of the traditional court function whereby the parties are provided a range of tools to promote understanding of rights and obligations.”

“The inaccessibility, cost, formality, abstruse rules, and protracted processes of courts in their present guise is misaligned with life in the digital age. **The urgency of modernization is unprecedented.** Courts around the world have ground to a halt when demand for accessible, efficient, and widespread administration of justice is desperately needed.”

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# Access to Justice



*hello* divorce.

**COURTROOM5**

# Access to Justice

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EMERGING TECHNOLOGY TODAY  
IS LESS ABOUT YOUR DESKTOP  
AND INSTEAD ABOUT DELIVERY  
OF LEGAL SERVICES.

culture  
responsive  
lawyer client evolve productivity  
expertise leadership community  
trust business success  
advocacy wellness ai remote legaltech  
communication diversity innovation  
relationship modern socialmedia  
lawfirm loyalty inclusive  
efficiency technology  
hybrid justice

# Trends

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zoom

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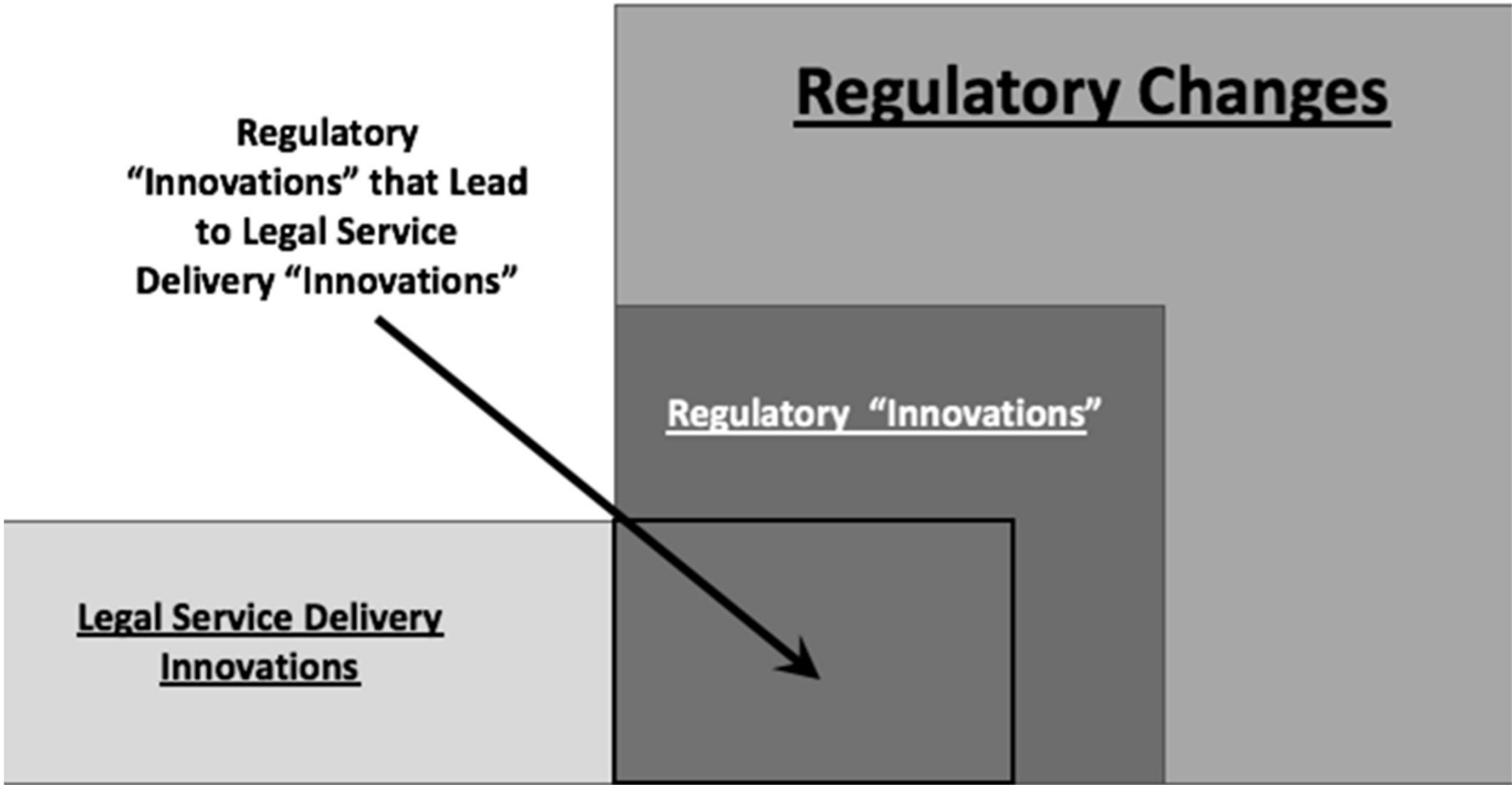
**WINNER!**



Exploring New  
Models of  
Legal Services  
Regulation

The Sand Box





# Leadership vs. Management

Management – checklist of “to do” lists, consulting with direct reports, resolving billing disputes with clients, refereeing office skirmishes.


Leadership – losing the ego, compassion, staying engaged with your team, managing communication within the law firm, setting boundaries, providing inspiration.

In recent years, law firm leaders have focused on leading their firms out of the global economic crisis and to adapt to a marketplace where the balance of power has moved in favor of clients.

Legal disruption is even more pronounced due to pandemic impact on business. Millennials will be the workplace majority among partner ranks, artificial intelligence and other digital tools will be even more commonplace.

Law firm leaders have weathered the disruption, moving their law firms forward while aligning practices to client needs.

Change management is a tool every lawyer leader must have in their toolkit.



**“Diversity is about embracing differences, and recognizing the amazing things that are possible when it’s woven into an organization’s culture”**

# Recruiting and Retention

Competition for talent has intensified

Invest in employees

Remote work options/Hybrid scheduling

Maintain values

Create a culture of belonging

Focus on wellness

Benefits over perks (parental leave rather than game rooms or gym)

Support from the top – leadership with employee's best interest in mind

Great Migration & Great Resignation

*LinkedIn Workforce Report, Dec 2021*



# Workplace Flexibility

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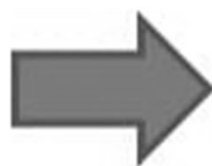
According to a Martindale-Avvo survey in May 2020, 50% of lawyers surveyed plan for their staff to continue to work remotely in some fashion when pandemic is over.

- Return to office
- Continue work from home
- Hybrid schedules
- Flexible hours
- Hoteling
- Co-working spaces
- Virtual workers
- Employee satisfaction
- Generational communication

# Shift in Wellness

From self-care to collective approach







# Lawyer Wellness

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In 2019, 28<sup>th</sup> Judicial District (Buncombe County) hosted a 6-week “Mindfulness Meditation for Building Resilience to Stress” program taught by Asheville lawyer and consulting, Laura Mahr of [Conscious Working Minds](#).

- 85% of lawyers who attended reported a reduction in their stress level at work or outside of work when the course was complete.
- 100% reported that they were practicing mindfulness tools during their workday at least 5-10 times a week, and many as often as 20-40 times a week.

International firm Seyfarth Shaw partnered with the National Association of Women Attorneys to offer online mindfulness training with [Jeena Cho](#) (lawyer, author and mindfulness instructor). 968 lawyers participated, 46 joined a study to measure the impact of the training.

- Attorneys measured 28% decrease in depression, 29% decrease in anxiety, and 32% decrease in stress.
- Average time per day devoted to mindfulness – 8 minutes.
- [Mindful Pause: 6 Minutes to Better Lawyering — Jeena Cho](#) | See Vimeo for video clips for grounding practices and other helpful info.

Jenna Cho, Laura Mahr and other wellness consultants are now regulars on the CLE circuit in NC!

# Tricks



# Tricks

Verizon 2020

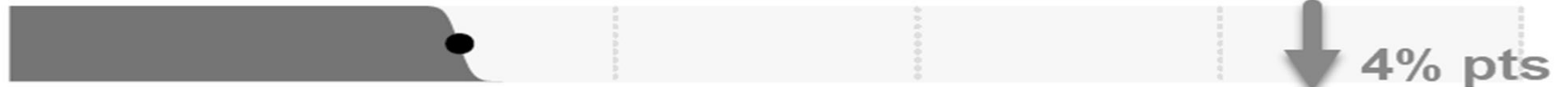
70% perpetrated by External actors



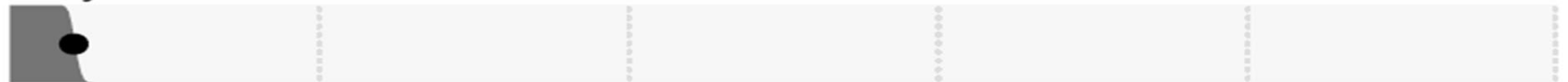
Organized criminal groups were behind 55% of breaches



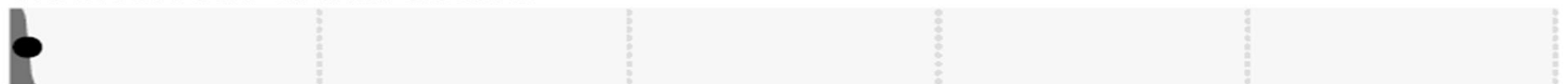
30% involved internal actors



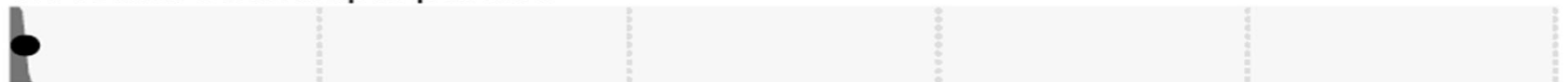
Only 4% of breaches had four or more attacker actions



1% involved Partner actors



1% featured multiple parties



0%

20%

40%

60%

80%

100%

# CLIO 2020 Legal Trends Report

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5

of co  
legal  
remo  
do it

26%

SAY THAT LAWYERS WHO  
AREN'T ABLE TO REPRESENT  
THEIR CLIENTS REMOTELY  
ARE NOT GOOD LAWYERS.



VIRTUALLY IN THE FUTURE.



# Overwhelming? What can I do?

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Stop. Breathe. Think.

- Many threats prey on emotional reactions.

Start with the basics.

- What data do you have? Where is it?
- Who has access? (who needs it?)
- Review security settings & update settings.
- Strong passwords/passphrases (+ MFA).

Create and test policies.

Training for everyone.

# Physical Network Controls

Access rights on “need to access” basis.

- Files/info.
- Admin rights to workstations.

Removable media drive access?

MAC address filtering / known device policy.

Screen timeout / lock policies.



# Wireless Network

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## Official network:

- Complex password.
- Restricted to official & approved devices.
- Password is not shared.

## Guest Wi-Fi:

- Strong password (rotated).
- Personal, guest, unofficial devices.
- Separated from your official network.

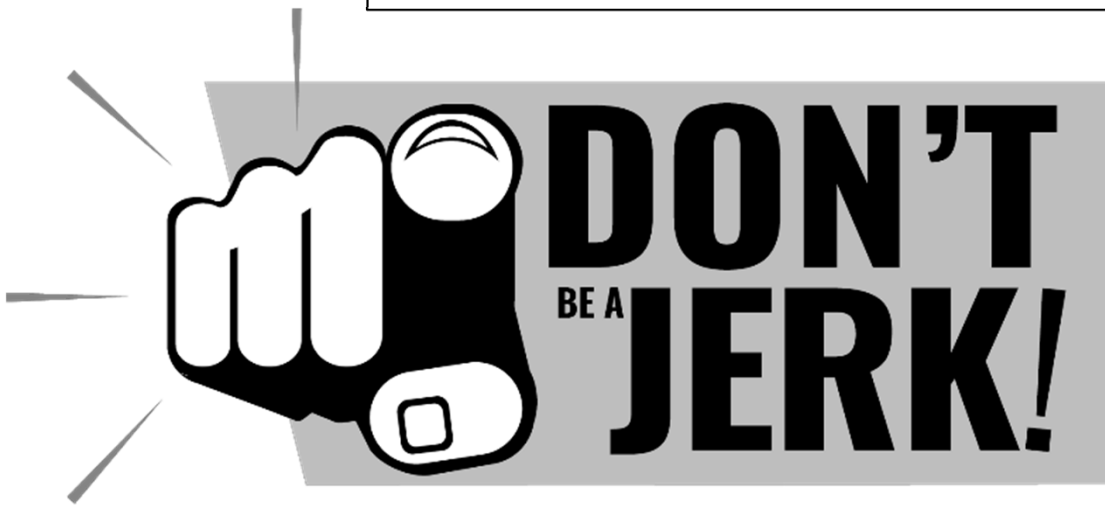




# Remote Conferencing

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Poor Jennifer! This Woman Accidentally Took Her Zoom Meeting to the Bathroom



**Researchers found and bought more than 500,000 Zoom passwords on the dark web for less than a cent each**

# Video Conferencing

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## Do:

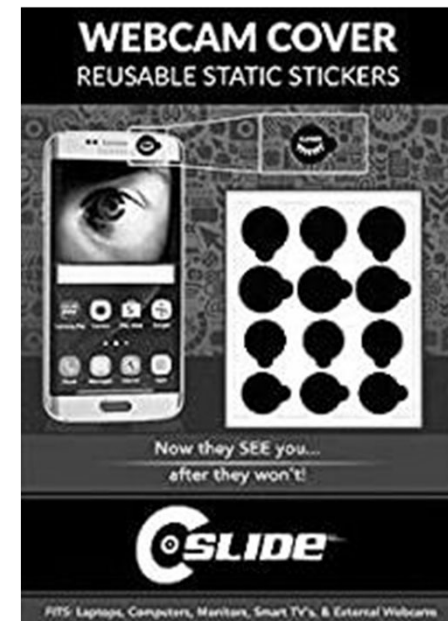
- Your research.
  - Free vs. paid, where hosted, security track record.
- Enable security settings.
  - Meeting IDs, passwords, lobby, MFA, annotations.
- Use virtual backgrounds.

## Don't:

- Leave audio/video on/allowed when not in use.
- Allow anyone to Share Screen (turn off feature).
- Discuss confidential info unless secure.
- Know: who is listening, who in the room, is it recording?



# Webcam Covers



# Alexa, What's Privacy?

"Smart" devices  
are listening—and  
so are humans



# Smart Home Devices and the IOT

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# Password Security

## Passwords

- Minimum 12 characters (16+ is better)
- No whole words
- Alphabet soup
- @, \$, 3, ! are no better than a, s, e, i
- Quarterly updates

Example: nWsibupcsbOoaAmnd:4USC

- “no Warrants shall issue, but upon probable cause, supported by Oath or affirmation”

# Passphrase Security

## Passphrase:

- Minimum 30 characters (more is better).
- Not found in songs/literature/etc.
- Alphabet soup still a good idea.
- Only change if compromised.

## Example:

Onmydaughter's14thbirthdayshegotare  
dbike&lovedit

(48 characters)

IgloosrideRabbits4Santa'swhimsy

(31 characters)

# Password Vault

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**LastPass**...

**1Password**

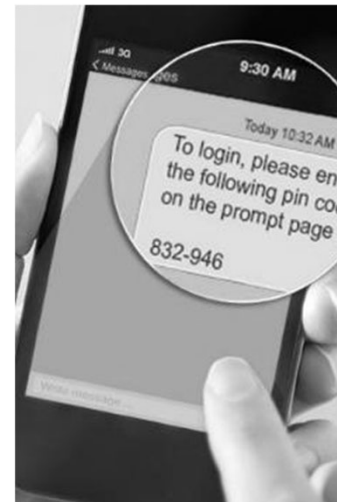
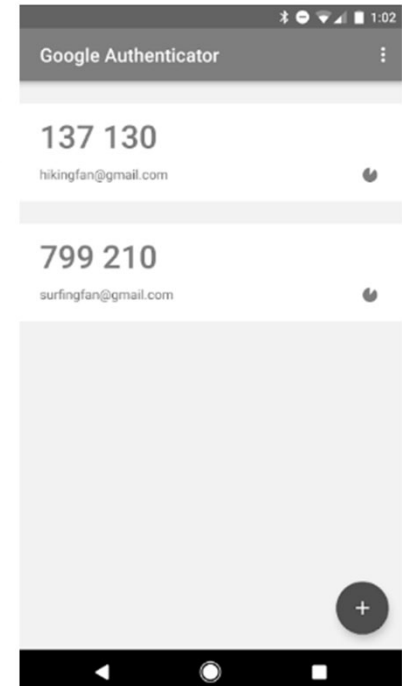
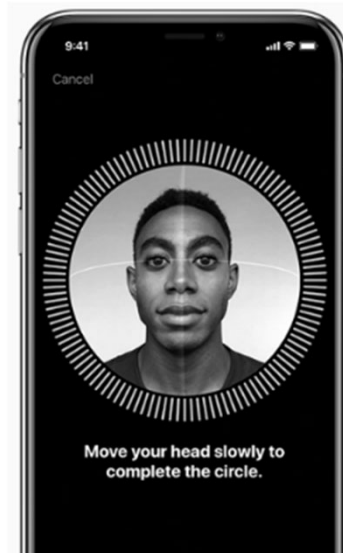
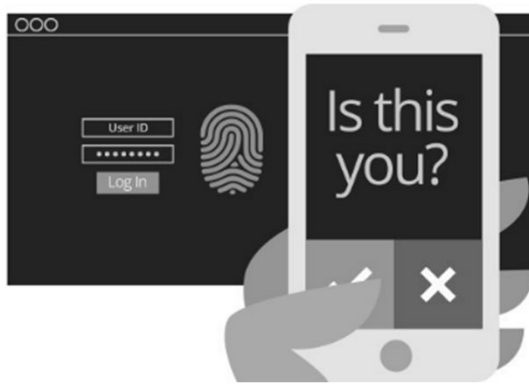
 **dashlane**

 **keeper**

And Many More!



# MFA



# Phishing For Credentials

Beware of any link that asks you to log in.

- Does it make sense?
- Is it the correct login service?
- Does the login screen look right?

Type it yourself.

- Malicious links are getting harder to detect.

Call and verify.

- Contact information independently verified.

Examples: payroll/benefits, file shares, documents for signature, banking, etc.

# Cas

**From:** CEO  
**Sent:** Thursday, July 11, 2019 7:43 AM  
**To:** you  
**Subject:** Re:

Kindly confirm you are on it?

Re: Re

Thanks

DM

On Thu, Jul 11, 2019 at 7:33 AM CEO wrote:

I need Google Play gift cards to send out to some client. The client requested for Google Play gift cards, will need 5 qty of \$100 worth Google Play gift cards. Note that \$100 x 5 qty of Google Play gift cards is needed. You should Scratch-off the back code and email a clear picture of all the codes if you can get the physical card at the store because am sending it out to a client. How long can this take ?

Do you

Thank

Daniel

Thanks.

On Thu, Jul 11, 2019 at 7:30 AM you wrote:

What do you want me to get? I'll be leaving the house around 8

Re: Re

On Jul 11, 2019, at 7:11 AM, CEO wrote:

I'm in a meeting and i will not be able to talk to you on phone, I will need you to run an errand for me at the store close to you. This is really urgent and important. Do let me know if you can?

DM

To

Thanks.

On Thu, Jul 11, 2019 at 7:09 AM you wrote:

Be there by 8:15

Do you

Thank

Daniel

> On Jul 11, 2019, at 6:33 AM, CEO wrote:

>

> When will you get to office ?

> kindly let me know I need your help

> on something very important.

>

> Thanks.

# New Phishing: Calendar Injection

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Most calendars automatically add invites.

Also possible to add without getting notice.

Appointment contains a conference link.

- This is the phishing part!

Clicking the link “acts” like a legitimate meeting app would act.

Now the “bad guys” have access to your computer.



# Ransomware: Case Study

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Mecklenburg County (December 2017)

Davidson County (Feb 2018)

Orange County (March 2019)

[Click here](#)

NC State Bar (August 2019)

Cherokee Tribal Courts (December 2019)

# Remote Access

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Public Wi-Fi is just that – public

Pineapples

Require use of a VPN

Mobile hotspot instead of Wi-Fi



## Public Service Announcement

FEDERAL BUREAU OF INVESTIGATION

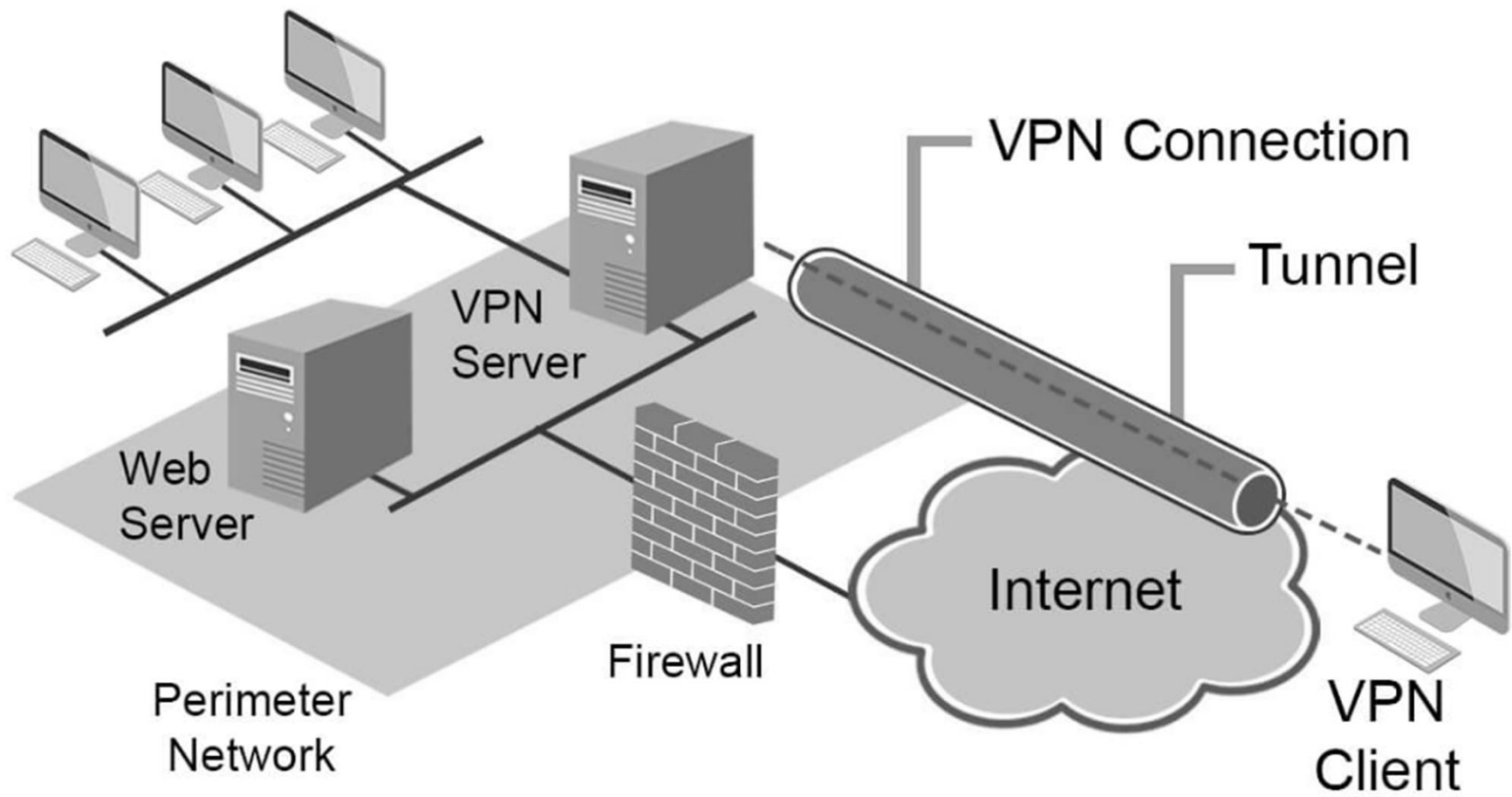


October 06, 2020

Alert Number  
I-100620-PSA

**A COVID 19-Driven Increase in Telework from  
Hotels Could Pose a Cyber Security Risk for  
Guests**

# Virtual Private Network (VPN)



# Wire Fraud: A Warning

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Special alerts were also published in The Disciplinary Department section of the State Bar *Journal's* Fall 2019 and Winter 2019 issues. Unfortunately, although North Carolina lawyers have now received two additional years of notice and education on this issue, the State Bar continues to receive reports of lawyers who failed to take adequate precautions to prevent wire fraud scams. ACCORDINGLY, THE GRIEVANCE COMMITTEE IS PROVIDING NOTICE THAT LAWYERS WHO FAIL TO TAKE ADEQUATE PRECAUTIONS TO PROTECT AGAINST WIRE FRAUD SCAMS CAN EXPECT IMPOSITION OF MORE SERIOUS PROFESSIONAL DISCIPLINE.

“Thus, it is logical to conclude that lawyers whose entrusted funds are stolen due to wire fraud will no longer be treated as victims in the grievance process...”

*The North Carolina State Bar Journal*  
(Spring 2022 – pp. 28-29).

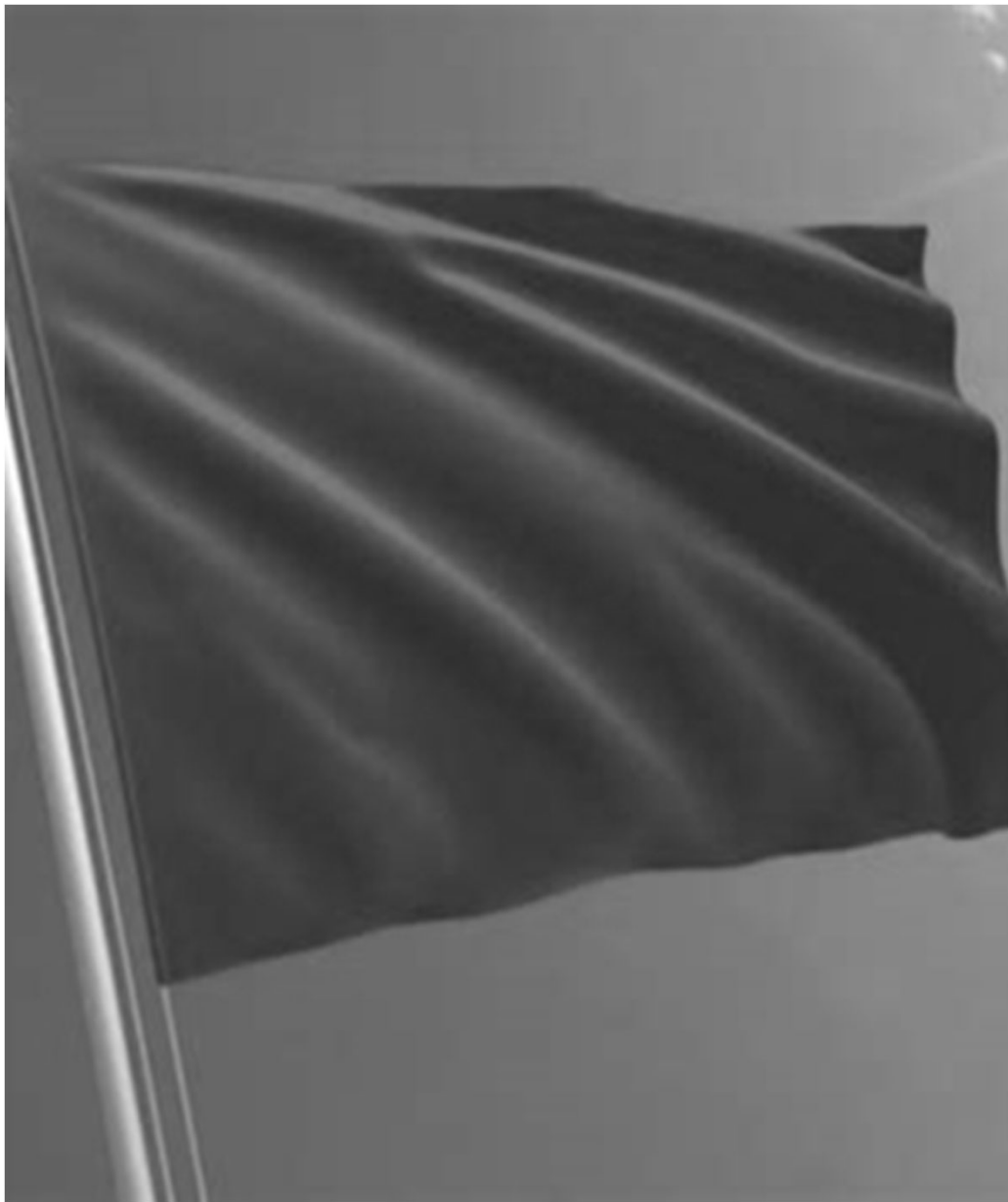
*The North Carolina State Bar Journal* (Fall 2021 – p. 24).



# Best Practices: Wiring

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1. EVERY wire request should be verified, preferably in person. (Original notarized instructions!)
2. Do not accept changes in wiring instructions.
3. Be very suspicious of wiring instructions attached to free email services.
4. Faxed wiring instructions are not immune from fraud.
5. Real Estate Attorneys should not be using free email accounts.
6. Be very suspicious of accounts not in the name of the Seller or for non-local banks.
7. Do NOT send wires overseas.
8. Regularly change passwords.
9. Confirm transmission of wires.
10. Educate your clients.
  - Signed engagement letter.
  - Warning about wire fraud.
  - Provide bank name and partial account number.
  - Instruct to call you to verify prior to wiring.



# Certified Check Fraud: Red Flags

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Client is from another country / Contacts firm by email

- “Dear Attorney” / “...in your state”

Representation typically involves collection of money and is desperate to get money quickly

Email received from an individual and not a company email account

Debt or obligation is resolved too quickly/easily

Lawyer gets large fee out vs. work involved

Certified check comes from P.O. Box that does not match company's address

Requests a wire transfer as soon as the money arrives



**THAT'S WHERE I SAW THE CLE  
PRESENTERS**

**THEY TOLD ME TO BURN THINGS**



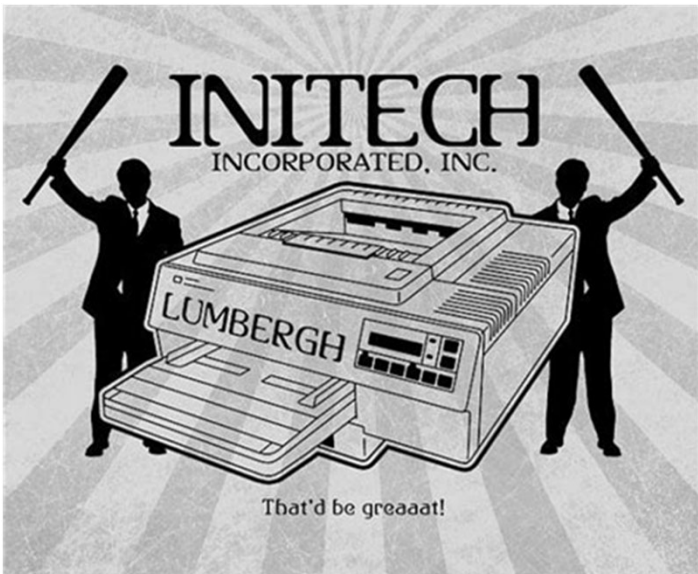
# Why Destroy Data?

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## Time & Money

- Office space, security, etc.
- Off-site storage
- Database and backup costs (+ retrieval fees)
- Employee time
  - KPMG calculates employees spend 30 minutes everyday searching through documents
  - Usually, value of time > value of thing

More records = higher data breach costs



# Don't Forget The Computers

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Tips

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# 5 - Encryption of Data

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## Enable Encryption.

- All Laptops.
- All Mobile Devices.
- All Removable Media.
- All Backups.



# 4 – Keep It Current

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Update & Patch regularly.

- Don't find yourself like Equifax!

Budget for lifecycle replacement.

Do not use past End of Life.

- Mobile phones.
- iOS/Windows/Linux versions.
- Servers.
- Routers.
- Printers.
- Etc.



# 3 - Policies

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Document major business functions.

- Deposits & Disbursements.
- Office Equipment Disposal.
- Cybersecurity.
- Incident Response.
- Business Continuity.

Test Annually!

# 2 - Password Security

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## Passwords:

- Minimum 12 characters (16+ is better).
  - No whole words.
  - Alphabet soup.
  - @, \$, 3, ! are no better than a, s, e, i.
- Quarterly updates.

## Passphrase:

- Minimum 30 characters (more is better).
  - Not found in songs/literature/etc.
  - Alphabet soup still a good idea.
- Only change if compromised.

# 1 - Employee Training

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At least quarterly.

Lunch & Learn.

Outsourced at-your-own-pace.

Repetition is key to reducing risk.

Friendly phishing + education.

Reward good behavior + “safe space”.

Education with positive reinforcement!



# Ethics Rules: NC

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## NCRPC 1.1 – Competence [comment 8]

- Benefits/risks of relevant technology

## NCRPC 1.6 – Confidentiality

- Reasonable measures to prevent unauthorized disclosure/access

## NCRPC 1.6 Comments:

- Comment 19 – Reasonable efforts to prevent access
- Comment 20 – Reasonable precautions in transmitting information

# Instructive Opinions: NC

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NC RPC 215 (1995) – Unsecure communications

NC 2006 FEO 10 – HIPAA

NC 2009 FEO 1 – Metadata

NC 2011 FEO 6 – SaaS

NC 2014 FEO 5 – Advising clients - social media

NC 2015 FEO 6 – 3<sup>rd</sup> party theft of funds

NC 2020 FEO 5 – Avoiding wire fraud

NC 2021 FEO 2 – Avoiding check fraud

NC 2021 FEO 6 – Departing Lawyer's Email Acct

# Instructive Opinions: ABA

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## ABA Formal Opinion 477R (2017) – “Reasonable”

- Balancing test for preventative measures
- 7 things attorneys should be doing

## ABA Formal Opinion 483 (2018) – Lawyer’s Obligations After an Electronic Data Breach or Cyberattack

- Duty to detect
- Duty to stop & mitigate
- Current client v. Former client
- But see also any state/federal laws



# Stay Connected

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LAWYERS  
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NORTH CAROLINA

