

LEGAL MANAGEMENT

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5 Takeaways from a File-Sharing Survey

By James Paterson

Just how secure are client documents when shared electronically? That's one concern LexisNexis sought to raise in a recent survey, aptly titled *File Sharing in the Legal Industry*.

The survey explored law firm perceptions and behaviors around sharing confidential client information electronically. The study proved to be surprising in some aspects and more predictable in others, and overall it offers some interesting findings.



5 FILE-SHARING INSIGHTS

1. EMAIL IS A PERVASIVE MEANS OF ELECTRONIC FILE-SHARING.

The survey found that 73 percent of attorneys believe file-sharing is becoming more important to their profession than in past years. What's more, 89 percent of law firms reported using email as their primary way to collaborate with clients. The ease of use and speed of email, for clients and attorneys alike, is likely the driving force, even though it may not be the most secure mechanism.

2. BIG RISKS ARE PRESENT, AND LAW FIRMS KNOW IT.

More than 81 percent of law firms said if privileged information accidentally got into the wrong hands, it could spell disaster for their firms. However, just 22 percent of firms reported using encryption to protect confidential emails. This indicates that a large majority of firms are sending unencrypted emails, despite being keenly aware that security risks do exist.

3. CONFIDENTIALITY STATEMENTS ABOUND.

When asked what precautions law firms take to guard their clients' private documents over email, 77 percent said they use a confidentiality statement at the bottom of the email as their first line of protection. Just 21 percent said they encrypt client emails, while only 13 percent use passwords to protect documents. This data shows that confidentiality statements give most firms a sense of confidence. However, security experts warn this could be a false sense of security. Even though confidentiality statements may protect a law firm, they do little to protect clients.

4. FIRMS FREQUENT FREE FILE-SHARING SITES.

More than half of law firms said they use free file-sharing websites to send privileged client documents. In addition, 38.5 percent of attorneys said they believe their employees are using free file-sharing websites for work purposes without the firm's knowledge. These findings indicate there is a disconnect between employees and their firms about which file-sharing services are acceptable to use for work purposes.

5. SMALLER FIRMS ARE MORE VULNERABLE TO BREACHES.

Larger firms use file-sharing protection more often than their smaller counterparts; 60 percent of firms of 100 or more employees use encrypted email. In contrast, only 28 percent of firms with one to two attorneys offer the same level of protection. Additionally, more than half of firms with 100 attorneys or more offer enterprise-grade file-sharing services versus just 10.8 percent of firms with one to two attorneys. Naturally, larger firms with more financial resources are able to offer more robust IT security.

There are several ways small firms can better protect confidential client information. One of the best ways is by investing in enterprise-grade file-sharing services. Unlike free consumer file-sharing sites, these sites are pretty good at preventing unwanted intrusions. Previously, these services were cost-prohibitive and, as a result, usually only available to larger firms. But now there are many options from which to choose. Some sites are designed with security features specifically for attorneys.

Another way small firms can better protect themselves is by setting up company policies about what sites are suitable to use for work purposes and which ones are not. It is better to provide a service to staff that's been vetted, rather than risk someone using a free tool in a pinch.

As technology evolves, law firms need to educate themselves about the risks and do their best to try to mitigate those risks whenever possible.

While there's never a 100 percent guarantee that a file-sharing breach won't happen, security experts agree: Those firms who are best prepared to go into battle will win the war.

ABOUT THE AUTHOR

James Paterson is senior director of Product Management for the LexisNexis [software division](#). He currently serves as leader of a global product management team responsible for a portfolio of LexisNexis software products, including InterAction, Time Matters, PCLaw and Juris, plus the exciting new LexisOne Business Management System, that help law firms and other professional services organizations manage their business more effectively.
