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## Looking for Top Law Firms' Compliance Programs

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*Note: This story has been updated with comment from DLA Piper.*

In light of our recent [looks at corporate compliance programs](#), CorpCounsel.com thought it would be enlightening to check out how top law firms handle compliance issues. But what it found was that either many firms don't have formal compliance programs, or else they don't want to share how they do it.

These are firms that certainly know what goes into a strong compliance program—implementing corporate compliance regimes is one of the services they provide. But many of them turn very quiet when asked about their own compliance efforts. "That surprises me," said Kenneth Young, a veteran employment lawyer in Charlotte who now co-heads Young Mayden, a legal research and consulting firm. "They [top firms] can't look like they're not on top of it. It's definitely a compliance world and it's here to stay."

Young, a member of the American Bar Association's law practice management section, said he has worked with law firms across the country. "Candidly, I'm not seeing a lot of [formal compliance efforts]," he said.

And it's not like law firms haven't had any compliance problems—e.g., lawyers charged with insider stock trading for using or leaking confidential client information, attorneys losing their mobile phones or laptops containing crucial data, or firms facing [class action law suits for discrimination](#).

Then there's [DLA Piper's clash with a client](#) over unpaid legal bills. It ended in a confidential settlement in mid-April, but not before the client accused Piper in court of padding its bills. And not before some embarrassing Piper emails got made public.

Such high-profile cases "should be a wake-up call to law firms that robust compliance and ethics programs are as critical to their business as to their clients," said Donna Boehme, a compliance consultant who writes the [Compliance Strategist column](#) for CorpCounsel.com.

Boehme also thinks law firms are missing a key chance to toot their own horns. "It seems to me that a law firm that could boast of a robust approach to compliance and ethics would find that a significant competitive advantage," she noted.

One compliance attorney who advises corporations, and who asked not to be named, said most law firms are not set up to enforce their own compliance. "There are no hotlines or compliance officers or other types of mechanisms" like the ones that corporations are advised to employ, he said.

The lawyer suggested that compliance is a piece that accounting firms have gotten right, while law firms have morphed into full-service, global companies without making compliance a priority. "But the services are similar, and the risks are the same sort of risks," he noted. "It's crazy."

CorpCounsel.com did find one law firm, the Law Office of Joe Pezzuto in Las Vegas, that advertised for a chief compliance officer. Pezzuto's firm is a collection agency that has been accused of harassment and other compliance violations. But neither Pezzuto nor his firm returned messages for comment.

Then there's the Clear Law Institute in Arlington, which serves as external ethics and compliance officer for small to mid-size

businesses. Does it have any law firm clients? "No," a spokesman said, "and I don't know why."

The top five law firms by revenue in the [Am Law 100](#) also were not much help. Consider:

Kirkland & Ellis wasn't able to get back to us with comment in time for this story.

Baker & McKenzie general counsel Peter Engstrom handed off to spokesman Kevin Blasko, who said tersely, "Thank you for thinking of us, but we are not going to provide commentary for your story."

Latham & Watkins chief operating officer LeeAnn Black also handed off to spokesman, Frank Pizzurro, who said, "Latham will pass on discussing the compliance topic, but thanks for the outreach."

DLA Piper spokesman Josh Epstein said the firm has a number of in-house lawyers and senior administrative staff who are charged with "ensuring our lawyers and staff understand and comply with applicable laws, regulations, and internal policies, including those prohibiting retaliation, as well as policies to address risk management issues, and data privacy and billing protocols, among others." He said those efforts fall predominantly under the office of the general counsel, which is led by partner William Campbell and includes partner Elisha King.

Epstein added that the general counsel's office "also has important oversight from the firm's co-managing partner, Stasia Kelly," who formerly was a GC at several public companies, most recently at the American Insurance Group Inc. In addition, other members of senior firm leadership assume oversight for policies directly within their area of responsibility, he said.

Lawrence Spiegel, partner and general counsel at Skadden, Arps, Slate, Meagher & Flom in New York, gave a statement, while declining to answer questions about Skadden's program.

Spiegel said, "Skadden prides itself on strong compliance controls and safeguards in order to ensure our clients remain well protected. We understand that in a world of constantly evolving risks, our compliance function needs to be flexible and responsive in order to remain most effective."

Pamela Bresnahan, an attorney who represents law firms in malpractice cases nationwide, said larger law firms rely on their general counsel or a designated risk management counsel to handle such issues. Firms smaller than 60 or so usually have a liaison person who works with a risk management counsel at the insurance carrier, added Bresnahan, of Vorys, Sater, Seymour and Pease in Washington, D.C.

Young, the legal consultant, agreed, saying most law firms "do have someone now solely to make sure they stay out of trouble, usually a general counsel." He added it's a relatively new phenomenon and an evolving business model.

When it comes to compliance, Young said, "My guess is most firms are saying to their general counsel, 'Here is some more stuff I want you to do.' Law firms are a lot like church: If you do one good job, they give you three more."

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