

## Law firms send case work overseas to boost efficiency

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Law firms are outsourcing some of the work on their cases to other countries, joining a growing national trend of trying to cut costs by using a labor force paid at a lower rate than American workers.

"Clients are entitled to get these things done in an efficient way," said Jim Shea, managing partner of Venable LLP, one of the Washington area's biggest law firms.

His firm has used Indian companies to draft patent applications for Venable clients. The foreign companies also have done "coding" of legal documents in which they index and annotate them before transferring them to computer software.

The Indian firms can do legal work for about \$40 an hour, compared with \$120 an hour charged by many U.S. law firms.

Mr. Shea said the quality of work does not suffer from using foreign workers because it is reviewed by U.S. lawyers.

"We apply the legal experience and expertise we're required to apply," he said.

Other Washington law firms that occasionally outsource legal work include Arnold & Porter LLP and Howrey LLP.

Although most of Howrey's outsourcing is done in the United States, some of its contractors have partnerships with companies overseas.

The work is limited to coding and electronic data processing, said Brian Conlon, Howrey's chief information officer.

About 695,000 lawyers and 200,000 paralegals were employed in the United States in 2002, according to the U.S. Bureau of Labor Statistics.

About 1,300 Indian workers provide services for U.S. lawyers, generating about \$52 million in revenue, according to Evalueserve, a business and legal research firm with more than 800 employees in India.

By 2015, their billings to U.S. firms would increase to \$970 million at the current growth rate.

Alok Aggarwal, Evalueserve's chief executive officer, said the kind of "grunt work" done by his company avoids any privacy problems for law firm clients.

"Of course, many U.S. lawyers have expressed their reservations about Evalueserve doing legal research for them, and this concern is often related to confidentiality aspects and quality of deliverables," Mr. Aggarwal said. "However, once we do a few pilot projects with them, we have been able to overcome their reservations."

In addition to patent drafting and coding, the company writes simple contracts, leases and legal memoranda.

Growth of work outsourced to India would make up 2 percent of new legal jobs in the United States in the next 10 years at the current rate, according to Evalueserve.

Major corporations that outsource legal work include United Technologies Corp., Oracle Corp. and Bayer AG, whose officials did not return calls and e-mails for comment.

More than 3 million U.S. jobs have been outsourced to other countries in the past four years, according to the U.S. government. More than 13 million are forecast to move offshore

in the next 10 years.

Many of the jobs have been concentrated in manufacturing and information technology, and Internet connectivity and Indian economic policy have made the country friendly to foreign business.

"It's only in the last year and a half or two this has started to gain the focus and attention of law firms," said Liam Brown, chief executive officer of Integreon, a New York outsourcing company for professional services founded seven years ago.

Of the company's nearly 1,000 employees, about 950 work in India. Its clients include some of the largest investment banks and law firms with offices in the Washington area.

He said outsourcing of legal work is unlikely to move beyond support services to include advice or representation of clients.

"That is core to what a law firm does," Mr. Brown said.

American Bar Association officials say they know law firms outsource work to foreign countries, but they have not seen problems arise from it.

"We have not either endorsed it or opposed it," said Nancy Slonim, the association's deputy director for policy communications.