

## ABA Gives Thumbs Up To Legal Outsourcing

*By: Leslie White*

The American Bar Association has waded into the debate over legal outsourcing with an ethics opinion blessing the outsourcing trend as “a salutary one for our globalized economy.” In short, the ABA gives thumbs up to legal outsourcing. A growing number of legal process outsourcing (LPO) companies have sprouted up in recent years to offer the services of lawyers abroad to handle the most labor-intensive aspects of U.S. legal matters, especially document review in large-scale litigation. India has been the most popular destination for legal outsourcing because it has a common-law system and English is widely spoken.

Companies operating there have hailed the advisory by the ABA's ethics committee as a major step forward for their nascent industry. "Several of us were waiting for this," said Ram Vasudevan, the chief executive officer of New York-based Quislex, which has 170 lawyers in Hyderabad, India. "This lays out the framework for how to do this."

Law firms have been outsourcing a variety of legal work to outside providers for some time. Given that they are trying to keep cost low, most of the work that involve tasks that are repetitive or time consuming are now outsourced. The most common outsourcing situations occur when where the project requires more hours to perform than the firm can handle or the cost of doing it in-house is simply too high.

What type of outsourcing is generally practiced? Several bankruptcy and immigration lawyers engage the services of paralegals in India to prepare the forms required to process their cases. Another common practice is for civil litigators to outsource records review and e-discovery compliance. Personal injury firms in class action lawsuits are also known to outsource the collection of data, the classification of claims, sending notices, and distribution of client payments. Last but not least, many transactional lawyers outsource the initial drafts of contracts and due diligence work. This is a trend that is growing and likely to continue.