



Watching the

CLOCK

Some client bills show attorneys killing, rather than filling, time.

By Judith Bronsther

Webster Hubbell told his wife in a phone call from prison that all lawyers overbill. He certainly could not mean that all 863,637 lawyers in this country overbill, could he? Having reviewed hundreds of millions of dollars of legal fees, I have found that most lawyers do not pass the auditor's tests of efficiency, reasonableness and cost-effectiveness.

Auditing legal bills has gained impetus in the turbulent legal market of the 1990s, as clients are becoming more informed purchasers of legal services. In fact, a recent study of the 1,000 largest U.S. corporations found that auditing legal bills was the third most prevalent method of controlling legal costs.

Clients often employ independent legal auditing firms because they lack the resources to perform in-house reviews or because they need an objective, third-party view of any billing discrepancies. These legal auditors are using sophisticated proprietary software to analyze legal bills in order to identify inefficient or inappropriate billing practices. However, even without an independent audit, a client can often identify problems merely by scrutinizing legal bills.

The following examples represent the more egregious types of overbilling:

■ Some lawyers like to lunch. A partner from a New York firm took his client out for a social lunch and ordered a bottle of 1949 Lafite Rothschild. He billed his client \$1,400 for his time, the lunch and the wine.

■ We all know that lawyers like to talk, but to themselves? One law firm billed for 628 meetings at which only one person was present.

■ Some firms employ overqualified people. For instance, a photocopy attendant turned out to have a law degree from Harvard and billed his time out at \$245 an hour, plus 25 cents a page.

■ Beware of the legal team that can't agree. One bill described 10 lawyers who spent 71 hours drafting and revising two different ver-

sions of the same brief.

■ Other lawyers have literary aspirations. One lawyer billed 32.8 hours for writing an article for the *American Lawyer*.

■ Watch out for rainmakers. One attorney billed two hours, at a rate of \$450 an hour, for speaking at a rainmaker lunch.

■ Some law firms are generous with on-the-job training. A summer associate in a firm with an outstanding reputation in bank lending transactions billed 135 hours for researching lender liability.

■ Who says that inflation can't be beat? One law firm increased its rates 10 times over a three-year period.

■ One firm had 314 people — 49 partners, 154 associates, 84 paralegals and 29 support personnel — billing time to a bankruptcy matter.

■ Some lawyers are time travelers and bill 32 hours in one day.

■ One firm billed \$1,610 for "after-hours administrative expenses," which turned out to be air conditioning.

■ Some law firms ought to go into the photocopying business, such as one law firm that billed over \$138,000 for photocopies, at 25 cents a page.

Although these instances are not typical, some firms use more subtle variations on these themes — attorneys who routinely bill 12-hour days, multiple attorneys who revise each other's briefs, "make-work" research projects designed to keep junior associates busy, vague billing descriptions and time sheets completed a long time after the work was done (requiring time reconstruction).

Legal fees are a big expense item in most clients' budgets, and lawyers should attempt to minimize them whenever possible. Or, at least, order a second-growth variety of Bordeaux wine at lunch — on the firm.

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