

CAUSES OF BUSINESS DISASTERS

DATA LOSS OR DATA DISCLOSURE

As we've learned in recent years, disasters can appear from nowhere. We must [be prepared](#). It's vital for firm employees to know what can happen and [what to do in those circumstances](#). Here's a list of things we need to protect against.

The loss of data or access to data can stop a firm in its tracks. Further, disclosing confidential client data can result in malpractice actions and may shut down a firm. There are many reasons why data loss or disclosure occurs:

- Human error
- Hardware failure - flaw or defect
- Fire or natural disaster
- Temperature
- Virus - ransomware - malware
- Synchronization issues
- Criminal Acts of Others. Law firms are often the target of hackers

"Hackers broke into the computer networks at some of the country's most prestigious law firms, and federal investigators are exploring whether they stole confidential information for the purpose of insider trading, according to people familiar with the matter. The firms include Cravath Swaine & Moore LLP and Weil Gotshal & Manges LLP, which represent Wall Street banks and Fortune 500 companies in everything from lawsuits to multibillion-dollar merger negotiations. Other law firms also were breached, the people said, and hackers, in postings on the Internet, are threatening to attack more."¹

- Malicious acts of employees. The most prominent example of this is probably the Panama Papers.

"An attorney spokesman for the law firm of Mossack and Fonseca, the source of the Panama Papers documents, has stated that eight former employees are under investigation by government prosecutors, in an effort to identify who stole more than 11 million documents, which name tax cheats and corrupt officials, from its corporate files. The names of the former employees have not been made public."

NATURAL DISASTERS

Such disasters include tornados, hurricanes, floods, earthquakes, and mudslides. These events may result in constructive eviction from your office space and, often, data loss.

FIRE

The cause may or may not be a "natural" disaster, but the effects are devastating. The water used to extinguish the fire often causes more damage than the fire itself. Of course, this frequently results in data loss and certainly eviction from your office.

¹ "Hackers Breach Law Firms, Including Cravath and Weil Gotshal," by Nicole Hong and Robin Sidel, *The Wall Street Journal*, March 29, 2016, <http://tinyurl.com/jbzow32>.

POWER FAILURE

Of course, lots of things could cause this. The most damaging situation is when you lose power for over a day. Of course, you can't get work done at the office and probably can't access data stored there instead of data center-based cloud storage. In that case, what do you do? As our weather patterns grow more severe for whatever reason, power failure is becoming a more significant issue.

INTERNET FAILURE

Lawyers need internet access for email, to conduct research, for access to programs and data hosted with cloud-based providers or on remote servers, and for phone service, if they have a VoIP phone system. Losing that access for any extended period could easily constitute a disaster and partially or entirely shut down a law firm's ability to work normally.

DEATH, DISABILITY, OR DEPARTURE OF PRINCIPAL OR KEY EMPLOYEE

The death or disability of a principal can be devastating, especially if the firm lacks a business succession plan. A firm can also grind to a halt if a key administrative person leaves or dies, no one documented what that person did, and no one remaining knows how to handle those tasks. Finally, if a critical lawyer departs and takes all the knowledge regarding a particular practice area (and clients) with them, it can create a severe problem. All these damaging vacancies are far more common than you may think.

THEFT

We have seen cases where thieves break into a law office and [take the computers, server, and backups](#).