

OCALAS Waves

Fall 2016



Diamond Business Partners



The Tenant's Advantage

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President's Message Jessica Daugherty OC-ALA Chapter President 2016-2017

Welcome to OC-ALA's Fall Newsletter! Please click below to connect to our President's Message video.



Emerald Business Partner

<u>23</u>

Upcoming Events



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Submissions are being accepted through Innovation, creativity and originality November 28.

alanet.org/awards

Have you heard about **ALA's IDEA Awards?**

The **IDEA** Awards program is designed to recognize unique programs, services and events that improve the legal community and advance the business of law. There are no predetermined categories, and participants are encouraged to think outside the box. The award is open

ALA chapters

ALA committees

ALA regions

ALA members

Law firms

Business partners

How Does ALA Define Innovation?

A new practice (or a new approach to a traditional practice) that delivers great value and transformational impact through an innovative approach.

The initiatives can be complex and involved (requiring large amounts of resources and commitment by dozens of individuals) OR simple and easily implemented (with little or no cost or other resources). The main focus is on the IDEA involved

<u>Click here</u> for short video descriptions of last year's recipients.

Submission Criteria and Eligibility Guidelines

Submissions will be accepted through November 28, 2016, and will be reviewed by the IDEA Awards Committee. An entry form can be found here. Entries will be evaluated based on:

Results/success of the project Significance and long-term impact

We encourage you to consider submitting an IDEA to this program! Visit the ALA website here for more details.

Legal Management

The Digital Office Matter File: Holy Grail or Business Mandate?

Clients want their law firms to use technology to improve efficiency, and they want the security and governance of their information to meet today's business and cyber challenges. Attorneys want to manage a matter in a way that provides productivity and integrity.

A fully digital official matter file, controlled by the document management system (DMS), is crucial to meet these client and attorney objectives. But paper records are the boat anchor that keep this ship from sailing.

In a <u>2015 survey</u> of 197 firms, almost all of the firms said they want their DMS to maintain their official matter file, but 84 percent say they still rely on paper records to maintain an official matter file.

While this reliance on paper records to maintain an official matter file is common, it is becoming an unsustainable habit. Firms need to establish a digital official matter file in their DMS, and to know that all the matter file contents are there, accessible and properly secured. To do this firms must remove dependency on those disconnected, inefficient and risky paper records.

A fully digital official matter file, controlled by the document management system, is crucial to meet these client and attorney objectives.

MAKING THE SWITCH TO PAPERLESS

A December 2015 <u>Legaltech News</u> article proclaimed "going paperless" as the No. 1 trend to track for 2016. But going paperless seems farfetched for the 84 percent of firms who still use paper to some extent to manage a client's matter file. And in a legal industry where more than half of all attorneys still like to keep a paper file, a practical approach is required to achieve a complete digital file.

The key components of this practical approach are:

- 1. Set a goal and build a plan for a DMS-based, fully digital matter file for the firm. Declare that this is the official record. This is an ROI-based, multiyear project impacting workflows and culture, so it needs steadfast advocacy and support from the firm's leadership.
- 2. Implement a formal records retention and destruction policy, including a paper-to-digital policy. Importantly, because the majority of all filed and stored paper in a firm has been printed from a digitally stored version, the firm must control printouts and copies so that documents aren't repeatedly filed.
- 3. Establish a best practice platform to scan and capture incoming paper. Make a transition plan for the paper files in currently active matters. Tightly integrate scanning with the DMS, and enable productive, flexible workflows to get this job done. Build in automated quality controls and capture verification to

Digital Office, continued on page 4

Platinum Business Partners







Digital Office, continued from page 3

4. Devise workflows for that attorneys who prefer to work with paper can continue to use a paper file as a convenience, while ensuring all such paper documents are also filed digitally in the DMS.

One firm that has successfully made the transition to a fully digital matter file is Lindquist & Vennum, a 185-attorney firm based in Minneapolis. The firm's Chief Operating Officer (COO), Suzette Allaire, ran a multiyear project to address records policy, storage, destruction and an integrated scanning operation to establish a fully digital matter file.

"We found that while the attorneys do care about having paper files, what was ultimately most important was the file integrity — the format itself, whether digital or paper, was of much less significance," says Allaire. "This was great news, because we had determined the files' integrity would be increased with a digital migration. Paper dilutes integrity through duplication, poor access and other security and compliance risks — not to mention sloppy file-keeping."

Today the firm operates with an electronic Redweld managed by their DMS.

Another firm engaged in the establishment of a fully digital matter file is Los Angeles-based Anderson McPharlin & Conners LLP. Lynette Harris, the firm's Office Administrator, led the effort, culminating in a comprehensive project document that served as a how-to manual. As of last June, Anderson McPharlin is a "paper-less" law firm, and the digital file is the firm's official matter record. Attorneys are allowed to print convenience copies, but those files are identified as such and destroyed at the end of the matter in accordance with the firm's destruction guidelines.

"Overall, going paper-less has been a huge benefit to our firm, over and above the cost savings," says Harris. A fully digital matter file managed by the DMS provides an official file consistent with the standards of efficiency, security and governance necessary for competitive law firms. Paper-less may be a holy grail, but a digital official matter file is a business mandate for firms committed to meeting the demands of a modern legal practice.



ABOUT THE AUTHOR

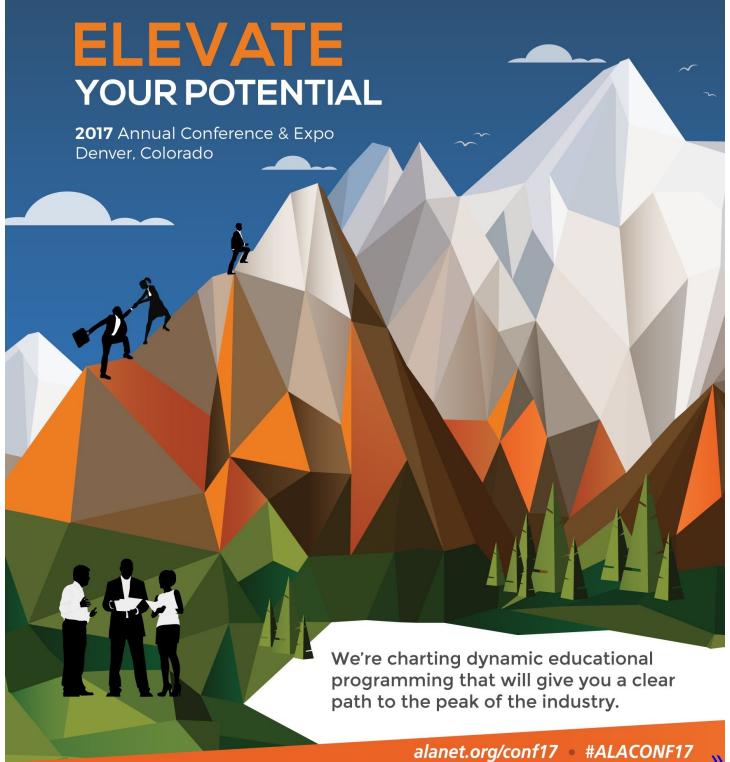
Steve Irons is the President of DocSolid, a market-leading provider of Paper2Digital solutions for the legal market. He has founded three document imaging ventures, holds nine patents and is a Magna Cum Laude graduate of Northern Arizona University.

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April 2–5 M Colorado Convention Center, Denver, Colorado



Administrator Spotlight

Erin Petruk of Walsworth - WFBM, LLP

MAIN RESPONSIBILITIES AT FIRM: As the Office Manager, I am in charge of all non-attorney staff. I am the keeper of timesheets, approver of vacation requests, and constant checker of the pulse of the office. I hire, fire, review, discipline, and reward. I maintain the I-9s and the personnel files. I handle disability and unemployment claims and ensure all paperwork is in order for leaves of absence. I'm the liaison with the building management and the point of contact for our vendors. I am the go-to for solving employee problems, whether they are personal or work-related. I maintain the employee handbook and memos. I plan and execute Staff Appreciation Week, the firm holiday party, and all other firm events throughout the year. I wear many hats, but it makes the job interesting! No two days are the same.

NUMBER OF YEARS AS LEGAL ADMINISTRATOR: Almost 3 months!

LEGAL EXPERIENCE (PRIOR AND CURRENT): Same as above, almost 3 months now. My prior job was the Payroll and Benefits Administrator for our firm, so it's nice to have that knowledge as well.

WHAT DO YOU LIKE BEST ABOUT BEING A LEGAL ADMINISTRATOR? The recruiting of employees. I love reading resumes and cover letters and interviewing applicants. There are so many kinds of people in the world and it's fun to find another piece to your ever-changing puzzle.

WHAT DO YOU LIKE LEAST ABOUT BEING A LEGAL ADMINISTRATOR? As a manager, I am more privy to all of the bad news happening in the office, whether it's an illness, car accident, death in the family, etc. Bad news is difficult to hear, and I didn't realize how much goes on until I became the one people come to with their news.

WHAT IS THE HARDEST SITUATION YOU HAVE HAD TO DEAL WITH? The transition from an employee to a manager has had its challenges since there's so much to learn and so many details to keep track of. I am still working on learning all of the ever-changing laws.

WHAT IS THE STRANGEST OR FUNNIEST THING YOU HAVE HAD TO DO AS AN

ADMINISTRATOR: Recently, a secretary called me over to look at the empty cubicle next to her. She told me that no one has ever sat at that desk, but that things are starting to accumulate...first, it was a *Wizard of Oz* mug, then some salt and pepper shakers, then a phone charger. Then it got really weird and partially used rolls of toilet paper started amassing (6 of them, to be exact). What topped it all off was the addition of a rubber rat. I had to get the building management involved and have IT install a security camera there, but I'm still trying to uncover this mystery. It's nice to get out of the legal and paperwork aspects of the position sometimes to play detective!

Administrator Spotlight, continued on page 7

Administrator Spotlight, continued from page 6

GREATEST CHALLENGE AS AN ADMINISTRATOR: Making everyone happy all of the time. Staffing issues, new hires and terminations, and difficult employees make it tough to please everyone, so it's all about compromise and finding a happy medium.

HOW DID YOU GET INTO THE LEGAL FIELD? When I was hired by my firm three years ago to be the Payroll and Benefits Administrator, I wasn't initially looking to get into the legal field. I went to school for HR, so I had the background, but I didn't get a chance to really start learning about law until I became the Office Manager.

DETAILS ABOUT YOUR FAMILY: I am engaged to a wonderful man and am very lucky to be marrying him in May 2017. Most of my family is out here in Southern California and we are really looking forward to seeing everyone soon for the holidays.

PERSON YOU MOST ADMIRE AND WHY: I have always admired my grandmother. She has had so many hardships in her life—she lost her brother when she was a teenager, she has been a widow for over 30 years, she has had to deal with a lot of drama with her 4 children and 10 grandchildren—and she never once has let anything get her down. She is a lover of life and great role model and I am very lucky to still have her around.

FAVORITE PAST TIME OUTSIDE OF THE OFFICE: My fiancé and I travel as often as we can. In the two years we've been together, we've traveled all over CA and to Oregon, Colorado, Hawaii, and Nevada. I pride myself on finding obscure places, and we most recently went to Palm Springs for a night and then explored East Jesus, Slab City, and Salvation Mountain beyond the Salton Sea. Very unique and interesting places.

HOBBIES: I love going to concerts (I saw *Mumford and Sons* for the 5th time a couple of weeks ago), I love trying new recipes with my fiancé (who is always my sous-chef), and we try to catch a movie every chance we get. I also love to throw a good party and am currently planning a Halloween bash and my grandmother's surprise 80th birthday celebration, along with my wedding, of course.



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Gold Business Partners







The Value of Business Partner Relationships

One of the most valuable benefits of OC-ALA membership is the opportunity to establish relationships with experts in the various areas of goods and services required for the operation and management of today's successful law firms and law-related organizations. Within the OC-ALA chapter and the greater ALA organization such experts are referred to as Business Partners. OC-ALA members and Business Partners form business relationships over time. During that time both sides of the relationship get to know the other with respect to the particular needs of individual law firms or law-related organizations and the particular resources of Business Partners.

The value of Business Partner relationships is displayed in the high level of service and commitment offered by Business Partners to OC-ALA members and their firms. An example of such service and commitment is the time involved for an insurance-specialty Business Partner to educate an OC-ALA member on the various intricacies involved in evaluating Lawyers Professional Liability (LPL) insurance policies. With such education an OC-ALA member can understand the often minute differences between policies offered by competing carriers and can then make well-informed decisions on behalf of their firms. Another example of the value of Business Partner relationships is when it comes time to obtain or renew a real estate lease. Having a relationship with a broker that is familiar with a particular firm can save time by allowing a targeted approach based on the broker's knowledge of the firm. An established relationship with a Business Partner allows OC-ALA members the opportunity of having "someone to call" when a need is urgent or otherwise requires special attention. Business Partner relationships established and maintained over time offer tremendous extra value to OC-ALA members.

Below are specific examples of Business Partner relationship value delivered to various OC-ALA members:

- A Business Partner picked up furniture at one member's office and moved it to a second member's office. Simultaneously, the Business Partner picked up furniture from a third member's office and delivered it to the second member's office, all without skipping a beat or missing a deadline. It would be difficult to imagine a non-Business Partner handling such a project so seamlessly and so cost-efficiently.
- The same Business Partner saved the day for a different OC-ALA member by giving the member an opportunity to look at unwanted furniture at another firm after sending photos and descriptions of the furniture to her (it turned out to be exactly what her firm wanted) and then picking up and delivering the replacement furniture to her, and taking the unwanted furniture to the dump, at no cost.

Value of Business Partners, continued on page 9

Value of Business Partners, continued from page 8

- A Business Partner called an OC-ALA member to say "Hi" and catch up. The member had just been informed that a new partner would be arriving at her firm and would need a new secretary to be hired. The member asked the search firm for a secretary with a particular skill set. Coincidentally, the search firm had just interviewed a candidate with the needed skill set. Interviews were set and a placement was made. If the Business Partner hadn't called or if the member hadn't taken the call the member would have spent a lot more time trying to find the right candidate.
- An OC-ALA member was called on by her firm to set up a new office in another state, from scratch with little advance notice. The member called on the Business Partners affiliated with the ALA chapter of her new office and succeeded in setting up the new office practically overnight thanks to the assistance offered via the established relationships with the local ALA chapter Business Partners.

These are only a few examples of the resources available to OC-ALA members from OC-ALA Business Partners. Opportunities to get to know Business Partners and listen to how they can help, immediately or in the future, are opportunities to establish relationships that could be lifesavers down the road.

Thank you to our Business Partners!

Legal Staffing Group

Sponsored the New Member Scholarship for ALA's Regional Legal Management Conference

Robert Half Legal

Sponsored the Chapter Leadership Conference Evening Reception

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Human Resources

Pay Equality: Law, Litigation, and the Gathering of Pay Data

By Fisher & Phillips LLP

Pay equity issues are hot. President Obama has made pay equity one of the hallmarks of his administration by signing the Lilly Ledbetter Fair Pay Act, establishing the National Equal Pay Task Force, and championing the fight for all employees to receive equal pay for equal work, regardless of sex. States throughout the country have followed suit, enacting sweeping pay equity legislation in the past few years.

In the courts, collective actions under the Equal Pay Act are on the rise, with female employees joining together to assert claims that they are paid less than their male counterparts and raising claims of pay disparity. Today's news headlines highlight pending collective actions filed against a variety of employers—including law firms, pharmaceutical companies, and financial services firms and the exponential damage awards sought. These lawsuits will only become more frequent, and the damages demanded even greater, as data analysis of pay by gender becomes public through the Equal Employment Opportunity Commission's (EEOC) updated EEO-1 reporting form which will be required by employers with more than 100 employees.

What can employers do today to remedy unlawful pay disparity and protect themselves from future litigation and EEOC enforcement actions?

Background on the Equal Pay Act (EPA)

The EPA requires that men and women in the same workplace be compensated with equal pay for equal work. Employers must be able to explain disparities based upon legitimate factors other than gender such as merit, qualifications, skills, education, etc. A pay equity analysis is more complicated than simply comparing job titles and salaries. Instead, employers must look at job duties and determine if employees are tasked with "substantially equal" duties Employers must also keep in mind that equal pay encompasses far more than an employee's base salary. Total compensation is examined for pay equality, including overtime pay, bonuses, stock options, profit sharing and bonus plans, life insurance, vacation and holiday pay, cleaning or gasoline allowances, hotel accommodations, reimbursement for travel expenses, and medical benefits.

The law permits employees to file a collective action "on behalf of himself or themselves and other employees similarly situated" to allege a claim of unlawful pay disparity. The certification process

for a collective action under the EPA is the same two-step process for collective actions under the Fair Labor Standards Act (FLSA). During the past decade the number of collective actions under the FLSA have grown exponentially and collective actions under the EPA have the same potential to spawn time-consuming and costly litigation.

Employers who violate the EPA are liable in the amount of the pay differential during the two years preceding the action (three years if the violation is willful), plus liquidated damages in an equal amount. Additionally, employers will be responsible for covering the employee's attorney's fees and costs of the action. In the collective action context, where all "similarly situated" employees can be provided notice and have the ability to opt-in and make claims of pay disparity, potential damages awards are staggering.

State Pay Equity Laws

California, Massachusetts, Maryland, and New York are at the forefront of passing pay equity legislation at the state level. These states' statutes largely mimic the language of the EPA and prohibit gender-based pay inequality. These state laws also restrict the right of employers to prohibit employees from inquiring about, discussing, or disclosing their wages, or those of others.

- California: The California Fair Pay Act requires that employers provide the same pay to employees engaged in "substantially similar work."
- Massachusetts: The Massachusetts Equal Pay Act, effective July 1, 2018, prohibits differences in pay for "comparable work," which is defined as "substantially similar" work. The Act also prohibits employers from inquiring about a prospective employee's salary history. Notably, the Act provides for an "affirmative defense" for employers who complete a "self-evaluation of its pay practices in good faith" and can demonstrate that reasonable progress has been made towards eliminating wage differentials based on gender for completing work.
- Maryland: The Equal Pay for Equal Work Act requires that employers pay employees the same amount if they "perform work of a comparable character" in the same county of the state. Maryland's law not only prohibits pay discrimination, but also prohibits employers from providing less favorable employment opportunities because of sex or gender identity.
- New York: The Achieve Pay Equity Law requires the same compensation for "equal" rather than "substantially similar" work, provided that the comparators work in the same geographic region.

The damages available to plaintiffs under these state laws are comparable to those available under the EPA, and in some circumstances more generous. A successful plaintiff in action under California, Massachusetts, Maryland, or New York's pay equity law is entitled to damages of wages and interest, plus an equal amount as liquidated damages, and attorney's fees. In New York, a willful violation of the Achieve Pay Equity Law will result in up to 300% of wages due to the plaintiff. In addition to legislating against unlawful pay disputes, these state laws prohibit retaliation.

The New EEO-1 Report

What's more, the EEOC's broad extension of employers' obligations to include pay ranges on the EEO-1 report has the potential to wreak havoc in an already challenging and litigious environment.

The EEOC collects workforce data from all employers with 100 or more employees through an annual EEO-1 report. The EEO-1 report traditionally collects data about gender and race/ethnicity of employees by job groupings. While the data is confidential, the aggregated data is made available to the public.

On September 29, 2016, the EEOC announced that it approved a new EEO-1 form, which will require employers to provide salary and pay information. The EEOC's goal in gathering this additional data is to identify businesses that may have pay gaps, and then target those employers who are discriminating on the account of gender through enforcement actions. The data will encompass more than 63 million workers nationwide and be shared with other federal government agencies (such as the Department of Labor and Office of Federal Contract Compliance Programs).

The deadline for employers to submit the new EEO-1 report is March 31, 2018. However, most employers are unaware that they will be required to report pay data on their EEO-1 reports beginning with January 1, 2017 payroll data. What this means is that employers have a limited window of opportunity to analyze their pay practices and correct any unlawful pay disparity before the pay data is disclosed to the EEOC.

TOP 5 IMMEDIATE ACTION ITEMS FOR EMPLOYERS

The clock is ticking on employers' ability to analyze their pay practices, correct pay disparity issues before employee salary information must be reported to the EEOC, and adopt key prophylactic measures to prepare for a potential onslaught of litigation. Below are the steps employers should take today in order to be prepared.

Welcome New Business Partners

A warm Orange County welcome to our newest Business Partner!





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Attention Business Partners!

Did you know about the ALA Business Partner Center? Take a look <u>here</u> for everything to you want to know about ALA's Business Partner program.



Welcome New Members

OC-ALA is proud to welcome and acknowledge its newest members. We're honored to have you as part of the Chapter and look forward to working with you.

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Happy Anniversary - 4th Quarter 2016

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Sharon Tamani	21 Years	Sheri Clifton, CLM	21 Years	Shannon Avery	27 Years
Nancy Simas	20 Years	Steve Holub	13 Years	Janet Rossman	25 Years
Tamara Wandelt	11 Years	Shannon Barker, MBA	6 Years	Janel Ozar, SPHR-CA	15 Years
Trudy Levindofske	9 Years	Karen Kubani	8 Years	Connie Jedrzejewski	12 Years
Wendy Rice-Isaacs, CLM	4 Years	Renee Duran	5 Years	Janet Proudfoot, CLM	12 Years
Lisa Waligorski	1 Year	Elsa Robinson	5 Years	Janelle McPoland, CLM	6 Years
Brandi Lopez	1 Year	Michael Shuff	3 Years	Kathryn Joy	5 Years
Patricia Grenner	1 Year	Joanne Mahaffey	3 Years	Sheila Carter	1 Year
		Christine Schmitthammer	1 Year		
		Kelly Hess	1 Year		

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Association of Legal Administrators

ALA DIVERSITY & INCLUSION SCORECARD FOR LAW OFFICE ADMINISTRATORS

A ROAD MAP TO CHANGE

From: ALA Committee on Diversity & Inclusion

One of the essential skills of leadership is the ability to create an environment in which everyone who wants to succeed has the opportunity to do so. And in today's environment, businesses that fail to actively work to advance the principles of diversity and inclusion risk undermining the health and success of the organization itself. Clients and vendors demand it, and attracting top talent requires it. Beyond race, gender and physical ability, the promise of diversity and inclusion encompasses a much broader and more complex vision of acceptance and appreciation of the differences between us on so many levels, including cultural, socioeconomic, political beliefs, sexual orientation, and more.

To realize your organization's diversity and inclusion goals as well as the Association's broader goal of creating a more diverse and inclusive profession, we have identified 54 best practices for law office administrators and placed them into seven categories: 1) formal firm leadership; 2) firm culture; 3) firm policies and workplace inclusion; 4) professional development; 5) organizational diversity and inclusion competency; 6) community involvement; and 7) supplier diversity. In each of these areas, administrators have the ability to find and eliminate organizational barriers that limit diverse and female attorneys' opportunities to succeed.

Review each best practice within each category, and identify those your law firm currently performs, as well as those that still can be pursued. Examples are provided, where available, for each best practice to show how it can be incorporated into the Firm's operations.

Please direct questions, comments and feedback on this tool to diversity@alanet.org. Learn more about ALA's Committee on Diversity & Inclusion, and find current diversity-related resources and articles, at www.alanet.org/diversity.

CLICK HERE TO START SCORECARD



1. Conduct an Internal Audit

To proactively combat EEOC enforcement actions and limit future EPA litigation, it is vital for employers to conduct a privileged audit of their pay practices, preferably before January 1, 2017, the beginning of the reporting period for the new EEO-1 report. An audit will provide employers with an understanding of their pay practices and the opportunity to correct pay disparities among their male and female employees before the information is released to the EEOC and, eventually, the public.

The audit should begin with a review of the job duties of employees and the employer's compensation practices and policies. Pay data should then be analyzed to determine whether pay inequity exists among employees with substantially equal duties. For any statistically significant disparities, further analysis should be conducted to determine whether the pay difference is based on lawful factors (such as a seniority system, merit system, or other non-gendered reason) or if steps must be taken to remedy the pay inequity.

It is strongly recommended that the internal audit be conducted by an attorney so that the attorneyclient privilege shields the results and analysis of the audit from the public, including potential plaintiffs.

In addition to helping employers remedy potential EPA violations, another benefit of an internal audit is that evidence that an employer conducted an audit and made a reasonable effort to correct any unjustified pay inequity may provide a legal defense to an EPA claim.

2. Update Data Collection Systems

Now is also a good time for employers to evaluate their data collection systems to determine whether they are able to gather the pay data needed for the new EEO-1 report. The current EEO-1 report merely requires the employer to identify the number of employees in each of 10 job categories who are male or female, and the number of male or female employees who identify with one of seven racial groups. In contrast, the new EEO-1 report consists of 3,360 data points, which, in addition to the information collected in the prior report, will divide each of the 10 job categories into 12 pay bands.

Technology is the key to completing the new EEO-1 report in the most efficient and cost-effective means possible. In the coming year, employers across the country will need to invest in system upgrades or entirely new systems to more efficiently collect and report data on employee pay, gender, and race in the form required for the EEO-1 report. A computer system designed to work in tandem with the EEO-1 report will relieve the burdens of the new reporting requirements immensely and will enable employers to proactively analyze their pay data to anticipate (and correct) pay disparity issues before they spawn costly litigation.

3. Review Compensation Policies and HR Forms

Compensation policies should be reviewed to ensure that, moving forward, pay inequality does not persist among individuals with substantially equal job duties. Pay setting decisions should be carefully documented and reviewed to assure that the organization can justify pay disparities based upon legitimate factors other than gender (e.g. merit, seniority, geography, and education). Importantly, when hiring a new employee, the employee's prior salary should not be a determinative factor as that salary may incorporate a gender bias.

Employee handbooks should be revised to delete policies that prohibit employees from discussing pay-related issues. Likewise, employers should be cognizant of state laws, such as the Massachusetts Equal Pay Act, that ban inquiries relating to salary history, and will require changes to Employment Applicants and interview questions.

Training on the requirements of pay equity is essential. It is important that all management level employees and human resources staff who are responsible for determining and monitoring employee compensation have a complete understanding of pay equality and the mandates of the EPA and applicable state law. This will ensure a path of ongoing compliance and eradicate unlawful pay disparity within the organization.

4. Budget for the Costs of Reporting and EPA Compliance

It is important for employers to understand how the new EEO-1 reporting requirements and the need to correct any pay inequity will affect their 2017 budget. The EEOC has acknowledged that its new EEO-1 report will be costly for employers, estimating that it will cost employers \$50 million a year to comply. Non-government sources have opined that this is an extremely low estimate, and that the cost will be far greater, exceeding several hundred million dollars.

Consideration must be given to the cost of updating technology systems for the collection of data for EEO-1 reports, the costs of completing the EEO-1 reports, and the costs associated with conducting an internal audit of pay practices.

Employers must be mindful that if the audit reveals an unlawful pay disparity, measures must be taken to increase the pay afforded to women employees. Employers are prohibited from decreasing a male employee's salary or compensation package to rectify the pay inequity.

5. Prepare for When the Data Go Public

One of the biggest concerns with the enhanced salary reporting is that the data ultimately will be made public. The EEOC indicated that it will publish industry-specific reports based on the aggregate data it compiles from the March 2018 EEO-1 reports. This will allow everyone, including employees, to see in detail what categories of employees earn on average.

Pay Equity, continued on page 22

Once the data goes public, both existing and potential plaintiffs will have a plethora of pay data at their fingertips to support their lawsuits for violations of the EPA. This is most troubling in the collective action arena, where the number of litigants and potential damages is unbounded. Additionally, the EEOC will use the data as evidence of an employer's noncompliance with the EPA and to support its efforts in an enforcement action.

These reports also lead to privacy concerns about the EEOC's ability to maintain the confidentiality of the employer in producing the aggregate pay data. Specific employers or employees may be identifiable if only a few individuals appear in a particular job category or pay band.

The best way to prepare is to get ahead of the game and conduct an internal privileged pay audit, discussed above. This will provide employers with the opportunity to remedy any unlawful pay inequity *before* the data reporting period and allow for the publicly available data to reflect the organization's commitment to equal pay.

Conclusion

Pay equality legislation is here and litigation is on the rise. Employers who are well prepared for new governmental mandates will be in the best position to comply with the law and defend lawsuits alleging unlawful pay disparity in the workforce.

Article reprinted with permission by the author. Kathleen McLeod Caminiti, Esq. is a Partner and Sarah Wieselthier, Esq. is an Associate at the law firm of Fisher & Phillips LLP.



OC-ALA's Upcoming Calendar of Events

www.OrangeCountyALA.org

Wednesday, November 16, 2016—Business Partner Appreciation Event—Yacht ICON, Newport Beach

Tuesday, December 6, 2016—Law Firm Leaders Holiday Luncheon, Costa Mesa

Thursday, December 8, 2016—Executive Board Holiday Luncheon, Location TBA

Thursday, January 12, 2017—Board Meeting, Irvine

Thursday, January 19, 2017— Networking Event "Painting Experience", Costa Mesa

Wednesday, January 25, 2017—General Meeting, Costa Mesa

Saturday, January 28—April 1, 2017—<u>Legal Secretary Course Begins</u>—Entire Course or Individual Classes are Available! See www.orangecountyala.org for details.

SAVE THE DATE NOW FOR THESE UPCOMING EVENTS!

Thursday, February 9, 2017—Board Meeting, Irvine

Friday, February 10, 2017—ACES, Irvine

Monday, February 13, 2017—Past Presidents/Charter Members Council Meeting, Location TBA

Wednesday, February 22, 2017—General Meeting, Irvine

Tuesday, March 7, 2017—Law Firm Leadership Forum, Location TBA

Thursday, March 23, 2017—Members' Dinner, Location TBA

To register for an event, click on the link. To view the calendar in its entirety, click here.