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## Al in the Law Office: Understanding the Risks



Prepared by Aaron M. Barham of the New York City-based law firm of Furman Kornfeld & Brennan LLP

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### Al in the Law Office: Understanding the Risks



rtificial intelligence (AI) tools have exploded into public view over the past year, capturing the interest of many professionals—attorneys included—due to their speed, accessibility, and apparent ability to streamline legal tasks. From drafting motions and clauses to summarizing dense documents, the appeal to busy practitioners, especially in high-volume practice areas, is undeniable.

However, lawyers must proceed carefully. The risks associated with using AI tools are not limited to technical errors—they also present significant ethical challenges, reputational risks, and exposure to malpractice liability. This article does not advocate the use of AI; rather, it underscores the extreme caution attorneys must exercise before even considering its use.

#### Why Lawyers Might Be Tempted by AI

Generative AI tools can instantly produce draft documents and summaries that appear competent at first glance. For attorneys facing tight deadlines or heavy workloads, these tools may seem attractive, providing not just help with routine tasks, but also the appearance of sophisticated legal drafting and analysis without the time investment and human attention to detail such work demands.

But appearances can be deceiving. AI does not understand or interpret the law; it merely mimics legal language and structures based on patterns found in data. Lawyers must recognize that AI-generated outputs are predictive, not analytical, and mistaking prediction for analysis can lead to serious consequences, from flawed legal analysis to reputational harm and potential malpractice risk.

#### The Risks: Beyond Hallucinated Cases

High-profile incidents of attrorneys being sanctioned for submitting AI-generated briefs with non-existent cases have been widely publicized. While these cases highlight the embarrassing and severe consequences of relying uncritically on AI, they represent only the most visible risks.

The deeper and potentially more damaging risks include:

- **Propagation of Errors:** An AI-generated mistake—such as a misinterpreted statute or flawed legal analysis—can serve as the foundation for further drafting, embedding itself into additional sections of a document or future client work. Once accepted, these errors can quietly spread, compounding over time and undermining the integrity of legal advice or filings.
- Loss of Legal Judgment: Overreliance on AI, particularly among junior attorneys and law students, can erode critical legal skills such as issue-spotting, factual analysis, strategic thinking, and contextual interpretation of the law.
- Confidentiality Breaches: Uploading sensitive or privileged client information into AI tools, especially cloud-based platforms with unclear data-handling practices, may constitute serious ethical violations.
- Transactional Mistakes: Lawyers outside litigation estate planners, transactional attorneys, or compliance specialists—may inadvertently introduce outdated,

jurisdictionally incorrect, or otherwise flawed terms into client documents due to AI-generated content.

These risks expose lawyers to malpractice, client harm, and reputational damage—often before the underlying errors are even detected.

#### **Essential Risk Management Considerations**

For law firms that are evaluating AI—or merely monitoring its evolution—several fundamental risk management steps must be considered:

- Independent Verification: Any AI-generated content must be independently verified. Lawyers cannot assume accuracy or completeness without thorough human review.
- Confidentiality and Privacy: Firms must understand exactly how and where client data is stored and processed. Until clear safeguards are in place, confidential client information should never be submitted to AI tools.
- Maintain Human Judgment: AI should never replace legal judgment. These tools do not possess human reasoning, ethical insight, or understanding of client nuances.
- Supervision and Policy Controls: Firms choosing to explore AI must have robust internal policies outlining who can use such tools, under what circumstances, and with what oversight. However, if a firm lacks either the technical acumen or bandwidth to rigorously enforce

these controls, the prudent course is to avoid AI altogether.

 Ethical Developments: While current Rules of Professional Conduct may not explicitly address AI, they likely soon will. Lawyers should expect future guidance clarifying ethical duties such as competence, confidentiality, and supervision in the context of AI use, and should proactively monitor these developments.

#### **Conclusion: Exercise Extreme Caution**

Despite their apparent convenience, AI tools introduce substantial and largely uncharted risks into legal practice. Until regulations, ethics guidelines, and industry standards fully address these risks—and until the reliability and transparency of AI systems dramatically improve—most law firms will find that the best risk management strategy is restraint. Simply put, the safest approach may be to avoid AI altogether.

Even with safeguards, human nature tends toward convenience. Under time pressure or heavy workloads, lawyers may skip critical checks or lean too heavily on AI-generated output—choosing the path of least resistance rather than the harder work of thoughtful, detailed analysis. Over time, this not only increases the risk of unchecked errors but also erodes the judgment and reasoning skills that are essential to sound legal practice.

he practice of law remains a fundamentally human endeavor built upon judgment, care, and ethical responsibility. These qualities should not be outsourced to artificial intelligence.

This article was prepared by Aaron M. Barham of the New York City-based law firm of Furman Kornfeld & Brennan LLP. Aaron is part of a team of over 40 lawyers and paralegals devoted to the defense of attorneys and other professionals in malpractice and disciplinary matters, as well as the defense of construction and personal-injury accidents. For more information about the above topic or the author, please visit www.fkblaw.com.

We trust that the above article was useful and thought-provoking; however, please note that it is intended as a general guide and opinion only, not a complete analysis of the issues addressed, and readers should always seek specific legal guidance on particular matters.

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