

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
BOARD OF DIRECTORS

OPEN SESSION

Saturday, July 25, 2009

11:42 a.m.

Capitol Plaza Hotel
1717 S.W. Topeka Boulevard
Topeka, Kansas

BOARD MEMBERS PRESENT:

Frank B. Strickland, Chairman
Lillian R. BeVier, Vice Chairman
Herbert S. Garten
Thomas R. Meites
Thomas A. Fuentes
Michael D. McKay
Laurie Mikva
Sarah M. Singleton
Helaine M. Barnett, ex officio

STAFF AND PUBLIC PRESENT:

Karen M. Dozier, Executive Assistant to the President
Victor M. Fortuno, Vice President for Legal Affairs,
General Counsel, and Corporate Secretary
David L. Richardson, Treasurer and Comptroller, Office
of Financial and Administrative Services
Karen J. Sarjeant, Vice President for Programs and
Compliance
Charles Jeffress, Chief Administrative Officer
Ronald "Dutch" Merryman, Assistant Inspector General
for Audit, Office of the Inspector General
David Maddox, Assistant Inspector General for
Management and Evaluation, Office of the Inspector
General
Jeffrey E. Schanz, Inspector General
Thomas Hester, Associate Counsel, Office of the
Inspector General
John Constance, Director, Government Relations and
Public Affairs Office
Stephen Barr, Media Relations Director, Government
Relations and Public Affairs Office
Kathleen Connors, Executive Assistant, Government
Relations and Public Affairs Office
Marilyn Harp, Executive Director, Kansas Legal Services
James Murphy, Kansas Legal Services

Don Saunders, National Legal Aid and Defenders
Association (NLADA)
Linda Perle, Center for Law & Social Policy (CLASP)

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CLOSED SESSION

15. Briefing by the Inspector General
16. Consider and act on General Counsel's report on potential and pending litigation involving LSC
17. Consider and act on other business
18. Consider and act on motion to adjourn meeting

Motions: 5, 6, 24, 28, 30, 35, 37, 56, 57

1 PROCEEDINGS

2 (11:42 a.m.)

3 CHAIRMAN STRICKLAND: I will call to order the
4 meeting of the Legal Services Corporation for July 25,
5 2009.

6 The first item is the approval of the agenda.

7 Is there a motion to approve the agenda?

8 MOTION

9 MS. BeVIER: So move.

10 CHAIRMAN STRICKLAND: Second?

11 MR. GARTEN: Second.

12 CHAIRMAN STRICKLAND: Any discussion?

13 (No response.)

14 CHAIRMAN STRICKLAND: Those in favor please
15 say aye.

16 (A chorus of ayes.)

17 CHAIRMAN STRICKLAND: Opposed, nay.

18 (No response.)

19 CHAIRMAN STRICKLAND: The ayes have it and the
20 agenda is adopted.21 I'd like to take up items 2 and 3, the
22 approval of the minutes of the board's open session

1 meeting of April 25, 2009 and an open session of May
2 26, 2009 in one motion.

3 Is there a motion to approve those minutes?

4 M O T I O N

5 MR. GARTEN: So move.

6 CHAIRMAN STRICKLAND: Second?

7 MR. McKAY: Second.

8 CHAIRMAN STRICKLAND: Those in favor please
9 say aye.

10 (A chorus of ayes.)

11 CHAIRMAN STRICKLAND: Opposed, nay.

12 (No response.)

13 CHAIRMAN STRICKLAND: The ayes have it and the
14 minutes are approved.

15 The next item is the chairman's report, which
16 will be brief. First, I want to thank Marilyn Harp and
17 her entire staff and the board of directors for their
18 gracious hospitality here in Topeka. We've enjoyed our
19 visit very much. We thank you for being here today,
20 and please express our appreciation to all of your
21 colleagues for their hard work in arranging for our
22 visit.

1 The other thing I would say is I'm not sure,
2 and I guess no one on the board is sure, about when we
3 will no longer be the board. But I want to express to
4 all of you on the board and all of the LSC staff and
5 friends what a great personal privilege it has been for
6 me to serve with all of you.

7 I consider all of you my friends and I hope
8 that will continue. And if we have another meeting,
9 maybe I'll make this same presentation. But I did want
10 to note that for the record. Otherwise, it might be a
11 missed opportunity.

12 But that -- I usually ask Helaine if I've been
13 doing anything else that I need to report about. I
14 don't know that I have. I will conclude that I haven't
15 been doing anything that was worthy of reporting.

16 So I'll turn now to members' reports. Do any
17 members have reports? Yes, sir, Tom?

18 MR. FUENTES: Thank you very much, Mr.
19 Chairman.

20 I just want to express a little home town
21 pride. It was a lovely celebration last night that the
22 board participated in, and we certainly do indeed owe a

1 debt of thanks to our hosts here in Topeka for their
2 gracious hospitality.

3 It's been pointed out to me that it was indeed
4 35 years ago today, actually, on the 25th, that
5 President Richard Nixon signed the enabling legislation
6 that created this institution.

7 And it was only yesterday that I learned that,
8 indeed, he did it in my home county of Orange County,
9 California at the Western White House, Casa Pacifica.
10 Casa Pacifica, of course, in my youth was a place of
11 sharing of time with the late president. And it makes
12 it special to me.

13 I wish I would have joined this when I joined
14 the institution, that there was an Orange County,
15 indeed San Clemente, California link to the place of
16 his signing. It's been through the courtesy of -- John
17 Constance shared with me a copy of the president's
18 schedule of that day, and it's estimated, I understand,
19 from source at the Nixon Library, et cetera, that he
20 probably signed it at this time of the day, in the
21 morning.

22 So that's momentous, I think, to note

1 historically. And we're proud of that, and I just want
2 to share it. Thank you.

3 CHAIRMAN STRICKLAND: Thank you so much for
4 that report. You had told me about the transcript of
5 the president's calendar. I appreciate your outlining
6 that in more detail for the record. Very important.

7 Do any other members have reports?

8 (No response.)

9 CHAIRMAN STRICKLAND: All right. We'll turn
10 now to Helaine for the president's report.

11 MS. BARNETT: To you, Mr. Chairman. Much of
12 my report has been covered in the various committee
13 meetings. I'll just highlight a couple of
14 developments, and ask the reporter that my entire
15 record be part of the official transcript of this
16 meeting.

17 We're very pleased to have produced a 2008
18 annual report. I hope all members of the board
19 received a copy. We distributed it to 80 members of
20 Congress in hard copy, those that had oversight and
21 other responsibilities over LSC. And of course, it is
22 being distributed electronically to our entire updates

1 list.

2 With respect to competition, for 2010 we have
3 one area where we have two competing existing grantees
4 applying for the money, that is, migrant South
5 Carolina, both South Carolina, is applying for that
6 grant, as is Georgia Legal Services.

7 According to our regulations, we convene a
8 review panel. I get a recommendation from the review
9 panel, and I get a recommendation from LSC staff before
10 making the decisions, which will be made in December.

11 We have left over from the 2009 comparison
12 one, again, competing area in Wyoming where we have
13 Legal Services of Wyoming doing business as the interim
14 provider. And another provider, I am awaiting
15 recommendations from our review panel on that
16 competition, as well as the staff report. And then
17 hopefully we'll make a decision before the end of
18 August.

19 Our TIG competition for this year is well
20 underway. I probably will receive the final
21 recommendations from the staff before the end of this
22 month, and then decisions will be made soon thereafter.

1 There are three areas of concentration, as you may
2 remember. We asked particularly for grants that dealt
3 with board governance, we asked for grants that dealt
4 with the economic recession, and we asked for grants
5 that dealt with legal needs of veterans.

6 Our 2008 fact book should be issued before the
7 end of this month. We are collating the final
8 materials as a result of our Justice Gap report, and we
9 will have something for the board in the fall to
10 review.

11 And finally, I will also end on the note of
12 the 35th anniversary celebration, which is in fact
13 today, as Board Member Tom Fuentes pointed out. And I
14 would like to include in this record copies of the two
15 commemorations in both the House and the Senate, and
16 the presidential proclamation we received yesterday.

17 So we will provide those to our court reporter
18 so they can be officially a part of the record.

19 MS. SINGLETON: Can they be attached to our
20 minutes so that we can see them also?

21 MS. BARNETT: We were certainly going to
22 distribute them to not only all the board but to all

1 our executive directors as well.

2 MR. FUENTES: Helaine, may I suggest also
3 that -- John was kind to send me the original writings
4 by President Nixon calling for and commending the
5 establishment. And I wonder if -- I don't have a way
6 of actually sending these otherwise. But maybe if in
7 the package you could also enclose this historical
8 information.

9 MS. SINGLETON: Yes. I would like that very
10 much if you'd --

11 CHAIRMAN STRICKLAND: Would you also like to
12 have that made a part of the record, Tom, at the next
13 meeting?

14 MR. FUENTES: I think that would be very nice.
15 I think that would be very nice.

16 CHAIRMAN STRICKLAND: Let's do that. We'll is
17 the reporter accordingly to make those particular
18 memorial items part of the record of this meeting.

19 I want to amend my report, if I may. It was a
20 great pleasure to forward the 2008 annual report that
21 came by e-mail. I probably circulated that to about a
22 hundred people. And some of you are on my e-mail

1 lists, in case you got that from me. I was also
2 sending it to a larger audience, many of whom are not
3 lawyers and probably don't know anything about the
4 Legal Services Corporation or what it stands for. But
5 I thought it was important to get it to some people who
6 are not necessarily familiar with what we do.

7 I also -- I think it was a point of pride to
8 be able to say that the thing was produced and printed
9 in-house by the LSC staff. And I thought it was an
10 absolutely first-rate and professional job, and I
11 wanted to note that for the record.

12 MS. BARNETT: Thank you, Mr. Chairman.

13 CHAIRMAN STRICKLAND: All right. Inspector
14 general's report, please.

15 MR. SCHANZ: Well, first off, I'd like to echo
16 your commendations for the annual report, especially
17 the page that talked about the OIG. I thought that was
18 very, very well done.

19 (Laughter.)

20 MR. SCHANZ: I did want to go back a little
21 bit and talk about the contracting report that has
22 garnered so much attention. I received 100 percent

1 cooperation from the Corporation. It made the work
2 that much better, working cooperatively with the
3 auditee, in this case. And I think we have a product
4 that will help improve the Corporation, which is one of
5 the IG's functions.

6 With that said, I mentioned a little bit
7 earlier that we're anticipating starting an internal
8 audit of the TIG program. This is not new. It was
9 requested by Senator Grassley. But we had it on our
10 work plan well before we received anything from Senator
11 Grassley. But that will be our next internal audit.

12 I've already provided you with our anticipated
13 visits for the rest of the calendar year from an
14 external audit point of view.

15 There's a lot of work going on with the IG
16 community under the CIGIE, the Council of Inspectors
17 General for Integrity and Efficiency. And as issues
18 pop up there, I will let the board know.

19 The primary issue they're involved in right
20 now is the national procurement fraud task force, and
21 trying to find cross-cutting for all he I guess to be
22 able to take a look at. It's good to have a forum for

1 a small IG, such as LSC, with the big guys, the DODs
2 and my prior organization, DOJ.

3 We also have been working, and I didn't want
4 this to get lost in the shuffle, but we're pretty much
5 prepared for any board orientation. So we have just
6 about everything related to an IG electronically. We
7 can provide that at any point to any new board meeting.

8 We could use Laurie as a test trial, if we'd like to,
9 and just send it to her right away.

10 Mr. Maddox, who is to my immediate left, for
11 those of you who are listening and can't see, has put
12 together quite a compilation.

13 MS. SINGLETON: As opposed to those of us who
14 aren't listening.

15 MR. SCHANZ: Right. But you can see.

16 (Laughter.)

17 MR. SCHANZ: So we have that. We have met
18 with the people doing the GAO review of the
19 Corporation. They've asked us for quite a bit of
20 information also in a document request, and we've
21 provided all that to them.

22 But by and large, we've had very little

1 ongoing -- we respond to any sort of questions that
2 they have as far as IG work. But this appears -- their
3 objectives of this review appear to be focused, as was
4 discussed earlier by Mr. Constance, on OCE and OPP, and
5 a follow-up on the prior GAO recommendations.

6 So we haven't -- they've taken a look at our
7 individual grant audits. They've looked at everything
8 we have on the web where the Corporation referred eight
9 GAO -- or eight programs to us to review the follow-up
10 on GAO work. And all those are on our website.

11 Now, with all the heavy issues out of the way,
12 we do have a practical issue as it relates specifically
13 to the Office of the Inspector General. We developed a
14 seal, and in my interest of production and
15 professionalism, we developed a seal for the OIG.

16 And it has not been used publicly yet. I did
17 want to present that the board, and I did want
18 Mr. Maddox here with me to explain how we came about
19 that.

20 Prior to distributing it, I was advised, and
21 of course I still am only here for one year so there's
22 all sorts of things that I haven't known about,

1 including a Resolution 99-007 that was adopted by a
2 board of directors -- I don't think it was this board
3 of directors -- that states, in relevant part -- that's
4 your cue, Dave.

5 MR. MADDOX: Okay. Well, I don't believe we
6 have a concern, but I wanted to provide this. On the
7 second page of the resolution, it states, "Be it
8 further resolved that this new logo shall be the
9 official logo of the Corporation and shall be the one
10 used by all components of the Corporation."

11 So we had to address that, and I will do that
12 in just a moment. But I wanted to let you know a
13 little bit about the considerations that went into the
14 development.

15 First, the idea of a separate OIG seal is
16 decades-old OIG community practice, to identify the
17 independent nature of the organization and the
18 statutory of the OIG symbolically. So this is one of
19 the reasons we wanted to pursue this.

20 We're also in the process of creating separate
21 credentials for OIG individuals on official business.
22 So we're producing those.

1 And being part of LSC, which is a D.C.
2 nonprofit corporation, it would not be suitable for the
3 LSC OIG to use any of the federal symbols which are
4 typical throughout the OIG community, credentials such
5 as the eagle or the great seal. So we've had to resort
6 to creating our own logo for use in credentials,
7 letterheads, envelopes, business cards.

8 We believe the design that we've created here
9 remains very faithful to the LSC logo while adding
10 something of its own. It clearly echoes the LSC
11 corporate logo. We've simply taken the LSC corporate
12 logo and wrapped it in a seal.

13 We've an additional sign of respect for the
14 legal services community, which is donated -- or
15 denoted by the scales of justice, which through our
16 research we found was the preeminent feature among the
17 grantee logos.

18 As you can see on the next page, there's
19 sample letterhead. And one of the things that we will
20 do with the use of this office logo is always present
21 it with the LSC -- in conjunction with the LSC
22 corporate logo. LSC, America's Partner in Equal

1 Justice, as you can see on our draft letterhead, is
2 down in the lower right-hand corner.

3 Very late in the development of this, we
4 discovered the resolution that Jeff had talked about.
5 It is of our belief that this does not create us a
6 problem because what we've created here is a
7 complementary office logo which goes along with the
8 corporate logo.

9 It represents the independence of the OIG, but
10 retains the LSC branding. It's very true to the
11 mission of the Corporation and the grant recipients.
12 And, as I said earlier, it will always be used in
13 conjunction with the others.

14 We feel that we've remained faithful to the
15 LSC logo while adding something of our own. But we
16 wanted to notify the board and see if there were any
17 concerns before we go forward at this stage.

18 CHAIRMAN STRICKLAND: Are there any concerns?

19 MR. GARTEN: From a -- I'm not in the
20 advertising business, but looking at it, the seal that
21 you propose, you're highlighting the Office of the
22 Inspector General, as opposed to the stationery, where

1 you're not doing the same thing. Legal Services
2 Corporation is highlighted.

3 I don't know. I think I need somebody to tell
4 me in the advertising business or public relations
5 business whether this is something that is detracting
6 from the importance of Legal Services Corporation, of
7 which the inspector general is one component.

8 MR. MADDUX: I am certainly not in the
9 advertising business. Mr. Gallay actually worked with
10 an outside consultant on the development of this, and
11 this is what they came up with. You know, we're
12 certainly open for any concerns.

13 MS. SINGLETON: I think this goes to the same
14 issue, maybe. If the font size of your logo, if it
15 were equal, I think it would not have the same impact
16 as what Herb identified.

17 And the only reason I think that might be good
18 is when you do look at your logo on the letterhead, you
19 really can't read the bottom part. And so I think
20 equal sized font, if it doesn't cost you an arm and a
21 leg to get it done.

22 MR. MADDUX: No. We can make that change.

1 CHAIRMAN STRICKLAND: Well, now that
2 everybody's into the advertising business here, let me
3 add my --

4 (Laughter.)

5 CHAIRMAN STRICKLAND: Is it possibly
6 inconsistent -- in the way that you display the logo,
7 the words across the top of it are Office of the
8 Inspector General and the bottom the Legal Services
9 Corporation; whereas the reverse in the text on the
10 letterhead, Legal Services Corporation comes first,
11 followed by the Office of the Inspector General.

12 Do you want to have those consistent? Give
13 that some thought. Do you understand my point?

14 MR. MADDOX: Yes. Yes. I think consistency
15 is the key.

16 CHAIRMAN STRICKLAND: And the same thing on
17 the font size. I agree with Sarah. But are you asking
18 for any action, or you just wanted our general
19 reaction?

20 MS. BeVIER: Frank?

21 MR. MEITES: I don't think he wanted that at
22 all.

1 MS. SINGLETON: Go away. This is fine.

2 (Laughter.)

3 MR. GARTEN: As I see it, you've got to deal
4 with the existing resolution.

5 MS. SINGLETON: I don't believe so. I think
6 this is -- I think David adequately addressed it.

7 MR. GARTEN: Well, how do you address,
8 "Further resolved, that the new logo shall be official
9 logo of the Corporation and shall be the one used by
10 all components of the Corporation"? So we've got to
11 amend this resolution.

12 CHAIRMAN STRICKLAND: And it is being
13 utilized. I mean, it's on the letterhead.

14 MS. SINGLETON: They are using it.

15 MR. SCHANZ: If I may make a recommendation,
16 since I brought this to the board, we didn't notice as
17 an action item. So I'd like to suggest that we just
18 send this to you to consider.

19 CHAIRMAN STRICKLAND: All right. That's fine.

20 MR. SCHANZ: Not to act and consider, but just
21 to let you know what the independent OIG is proposing
22 to do. And I would need, I think, by October a

1 resolution or something to revise, as Mr. Garten says,
2 so we have a trail, a decision trail.

3 CHAIRMAN STRICKLAND: All right. That sounds
4 good. Anything else from the IG?

5 MR. SCHANZ: No, sir.

6 CHAIRMAN STRICKLAND: Any questions for the
7 IG?

8 MR. MCKAY: Would you consider an evergreen
9 tree as part of your seal?

10 MR. SCHANZ: Only if I open up a Denver
11 office.

12 MR. FUENTES: I think we ought to run it up
13 the flagpole and see who salutes.

14 (Laughter.)

15 CHAIRMAN STRICKLAND: All right. The next
16 item -- the next item is consider and act on the report
17 of the Provision for the Delivery of Legal Services
18 Committee. Sarah, do you have that report?

19 MS. SINGLETON: Yes, I do. And I'm going to
20 make it very brief. If I could pull it up here; it
21 seems to have gone away.

22 We had a report from Kansas Legal Services

1 about a computer program that enables them to
2 facilitate meetings. And it was interesting and
3 informative. And those of you who missed it, I'm
4 sorry.

5 The staff updated us on the private attorney
6 involvement action plan, including the recent meeting
7 of its advisory committee. And they promised us a
8 report, almost final report, by the October board
9 meeting.

10 We also got a staff report on the continuation
11 of the Herbert S. Garten Loan Repayment Assistance
12 Program.

13 M O T I O N

14 MS. SINGLETON: After listening to the
15 recommendations from management, from NLADA, and from
16 the ABA SCLAID, we are recommending to the board, and I
17 will make this a motion, that we continue funding the
18 Herbert S. Garten Loan Repayment Assistance Program in
19 fiscal year 2010 if there are appropriations; and that
20 we include a request for funding in our fiscal year
21 2011 budget request that we send to Congress. That my
22 motion.

1 The reason why the committee made that
2 recommendation was so that we could see what happens
3 with the other programs that are out there that have
4 yet to be funded or implemented. We think we should
5 continue on with it until we have a better idea of
6 what's going.

7 CHAIRMAN STRICKLAND: All right. Is there a
8 second to that motion?

9 MR. MEITES: I second it.

10 CHAIRMAN STRICKLAND: Moved and seconded. Is
11 there any discussion?

12 (No response.)

13 CHAIRMAN STRICKLAND: All those in favor of
14 the motion please say aye.

15 (A chorus of ayes.)

16 CHAIRMAN STRICKLAND: Those opposed, nay.

17 (No response.)

18 CHAIRMAN STRICKLAND: The motion is adopted.

19 MS. SINGLETON: Our other business was tabled
20 so that we could act more like the ops and regs
21 committee.

22 (Laughter.)

1 MS. SINGLETON: And that's my report.

2 CHAIRMAN STRICKLAND: I think all of us
3 recognize the ops and regs committee as a role model
4 for all committees.

5 MR. MEITES: I'm not going to respond to that.

6 CHAIRMAN STRICKLAND: All right. Next is
7 consider and act on the report of the Finance
8 Committee. Mr. McKay.

9 MR. MCKAY: Thank you, Mr. Chairman. The
10 highlight of our committee meeting was the announcement
11 that Laurie Mikva was joining us, happy news indeed.
12 And she participated as a member of our committee.

13 We addressed again the issue of the movement
14 of the LRAP funds, reprogramming versus transfer. We
15 heard -- received a good report from our general
16 counsel and Mr. Constance that general counsel and GAO
17 had one set of legal advice and that congressional
18 staff attorneys had a different, conflicting legal
19 advice. And we were, as our general counsel indicated,
20 between a rock and a hard place.

21 But regardless, he had concluded that the
22 transfer -- the movement of funds; I'm not going to

1 call it a transfer or a reprogramming -- but the
2 movement of funds that we had taken from that line item
3 to meet personnel expenses, the movement of those funds
4 back would be appropriate under the circumstances.

5 We did everything that we could to make sure
6 that we complied with the law as we understood it, in
7 spite of other advice that we've received. And so we
8 felt comfortable with that, and that will be addressed
9 in a subsequent motion.

10 We then considered revisions to a consolidated
11 operating budget for fiscal year 2009, including
12 internal budgetary adjustments. We heard from Mr.
13 Richardson and Mr. Jeffress.

14 And we did discuss, spent a little time
15 discussing, an issue that was brought to our attention
16 by our auditor, and that was whether or not certain
17 individuals are being properly treated as -- the
18 question was, we're treating them as independent
19 contractors. Should they instead be temporary
20 employees?

21 This issue continues to be investigated, and
22 we will address it again at our September committee

1 meeting. But having addressed that issue as well as
2 other financial issues, we then discussed and voted
3 upon and approved, and I hereby move, the adoption of
4 Resolution 2009-005.

5 You should have a new copy in front of you
6 because it includes some changes that we made.

7 Director Singleton came up with some good language, and
8 I invite your attention to the three "Resolved" clauses
9 on page 2.

10 The first one being prepared by Sarah
11 authorizes management to accept a grant from the State
12 Justice Institute, which will be used to increase the
13 technology initiatives budget line and the consolidated
14 operating budget for the purpose of providing
15 technology initiative grants.

16 This resolution also resolves that the board
17 approve management's reprogramming of the \$500,000 from
18 MGO to LRAP.

19 M O T I O N

20 MR. McKAY: And then the final resolution
21 resolves that we adopt the consolidated operating
22 budget that's set forth in our board book and that we

1 discussed at our committee meeting. And so that's my
2 motion.

3 CHAIRMAN STRICKLAND: All right. Thank you.
4 Is there a second?

5 MS. SINGLETON: Second.

6 CHAIRMAN STRICKLAND: All right. Any
7 discussion on the motion?

8 (No response.)

9 CHAIRMAN STRICKLAND: Hearing none, let's
10 proceed to a vote. All those in favor, please say aye.

11 (A chorus of ayes.)

12 CHAIRMAN STRICKLAND: Opposed, nay.

13 (No response.)

14 CHAIRMAN STRICKLAND: The ayes have it, and
15 the resolution is adopted.

16 MR. MCKAY: Thank you, Mr. Chairman.

17 We then discussed the financial reports for
18 the first nine months of fiscal year 2009. We heard
19 from Mr. Richardson and Mr. Jeffress. The good news,
20 that we're well within budget. And after some
21 questions, we moved on to the next topic of the agenda,
22 and the one that received considerable discussion. And

1 that was a proposed 2009 pay increase.

2 We heard very good, solid arguments from both
3 sides. We discussed the economic crisis that our
4 country is facing, and certainly local governments and
5 other governmental entities. We also heard the concern
6 about recruitment and retention of staff.

7 And after a very close vote, we agreed to
8 recommend to the board the adoption of Resolution
9 2009-005B, which you should have in front of you. And
10 the Resolved clause states that the board approves an
11 adjustment to increase employees' locality pay in the
12 amount of 4 percent.

13 M O T I O N

14 MR. MCKAY: And I so move the adoption of the
15 resolution.

16 CHAIRMAN STRICKLAND: Is there a second?

17 MS. SINGLETON: Second.

18 CHAIRMAN STRICKLAND: It's been seconded. Is
19 there any discussion on the reason?

20 MR. MEITES: I just have one thing.

21 CHAIRMAN STRICKLAND: Yes, sir?

22 MR. MEITES: I did not understand what

1 locality pay was. And since -- I thought maybe it
2 would be helpful. I thought locality pay was an
3 attempt to rank cities where federal employment occurs
4 against each other so that Yankton, North Dakota was
5 zero and -- that's not it at all.

6 It turns out it is looking at the prevailing
7 pay rates in the city versus the federal pay rate in an
8 attempt to equalize. Now that I understand it, I think
9 that it -- since we required our employees to
10 essentially live in the Washington area since they have
11 to be able to get to work during the day, I now
12 understand that the comparison to Washington is versus
13 other employment opportunities in Washington rather
14 than a hypothetical scale, which is what I thought it
15 was.

16 Having clarified that for me, if no one else
17 was confused, I'm sorry I wasted your time. But I now
18 understand better why it's important that we adjust our
19 compensation to meet the local conditions.

20 CHAIRMAN STRICKLAND: Thank you, sir.

21 Any further discussion on the resolution?

22 MR. FUENTES: Mr. Chairman, I just want to

1 make clear for the record, because we're not going to
2 have a roll call, that I will be casting a no vote. I
3 believe that this comes to us under the guise of this
4 thing called locality pay. It is a pay raise plain and
5 simple.

6 This is a poverty organization. This is an
7 organization that has colleagues across this country
8 who are not paid so well. And I cannot in conscience
9 go back to my community and say that I went and gave a
10 pay raise to employees in Washington, D.C. I will cast
11 a no vote.

12 CHAIRMAN STRICKLAND: Thank you, sir.

13 Are there any other comments?

14 (No response.)

15 CHAIRMAN STRICKLAND: All right. Those in
16 favor of the resolution, please signify by saying aye.

17 (A chorus of ayes.)

18 CHAIRMAN STRICKLAND: Opposed, nay.

19 MS. BeVIER: Nay.

20 MR. FUENTES: Nay.

21 CHAIRMAN STRICKLAND: In case the record is
22 not clear -- would you like the nay vote noted?

1 MR. FUENTES: Please.

2 CHAIRMAN STRICKLAND: Mr. Reporter, would you
3 note that those voting nay were Directors Fuentes and
4 BeVier.

5 Anything further, Mr. McKay?

6 MR. MCKAY: Thank you, yes. We received a
7 very good report from Mr. Constance concerning the
8 fiscal year 2010 appropriations process. I'd like to
9 briefly summarize because they are important
10 developments.

11 On June 18th, the House passed the CGAS bill,
12 which included a \$440 million budget for LSC. And this
13 is a \$50 million increase over 2009. And I do want to
14 invite to the board's attention or remind the board
15 that this bill lifted the restriction on the ability of
16 LSC-funded programs to collect attorney's fees.

17 Later that month, on June 25th, the Senate
18 Appropriations Committee approved and reported to the
19 full Senate their CGAS bill, which will increase our
20 2010 appropriations to \$400 million, a \$10 million
21 increase.

22 Now, that Senate bill includes not only the

1 lifting of the restriction on the budget to collect
2 attorney's fees, but it also lifts the restrictions on
3 the use of non-federal funds except in litigation
4 involving abortion and cases involving prisoners.

5 So we're waiting for Senate action. We're
6 hoping that the Senate would vote prior to the August
7 recess, which begins on August 7th. But the considered
8 judgment from Mr. Constance and others is that this is
9 not likely to happen with the health insurance vote
10 delay. And so that continues to be monitored.

11 And, of course, given the difference between
12 the House bill and what will likely be the Senate bill,
13 this will clearly require a conference committee
14 reconciliation. That's a brief summary of Mr.
15 Constance's report, which -- and we do think him for
16 keeping us in the loop between meetings because a lot
17 of this was not news to us. But it's very helpful to
18 get the current summary that we received at our
19 committee meeting.

20 We then considered and acted on a temporary
21 operating budget for fiscal year 2010, recognizing that
22 there's always that possibility we will not have a

1 budget by October 1, the beginning of our next fiscal
2 year.

3 M O T I O N

4 MR. McKAY: And so I would like to propose the
5 adoption of the resolution that is found at page 50 of
6 the board book, Resolution 2009-006, which proposes the
7 adoption of a temporary operating budget that is at the
8 same level of our current 2009 motion. And that's my
9 motion.

10 CHAIRMAN STRICKLAND: Is there a second?

11 MS. SINGLETON: Second.

12 CHAIRMAN STRICKLAND: Any discussion on the
13 resolution?

14 (No response.)

15 CHAIRMAN STRICKLAND: All those in favor,
16 please say aye.

17 (A chorus of ayes.)

18 CHAIRMAN STRICKLAND: Those opposed, nay.

19 (No response.)

20 CHAIRMAN STRICKLAND: The ayes have it and
21 that resolution is adopted.

22 MR. McKAY: We then needed to set a date for

1 our September 2009 Finance Committee meeting to
2 consider the 2009, fiscal year 2009, budget request.
3 In the course of our discussion of this issue
4 concerning treatment of individuals, whether they be
5 individual contractors or temporary employees, we
6 decided to add that to our agenda as well.

7 We determined that we will be meeting on
8 September 21st in Washington, D.C. beginning 10:00 a.m.
9 East Coast time. And I don't believe that requires
10 action by the board, but we wanted to report to you our
11 plans to do that.

12 And that ends my report.

13 CHAIRMAN STRICKLAND: Thank you, sir.

14 The next item is consider and act on the
15 report of the operations and regulations committee.
16 Mr. Meites.

17 MR. MEITES: Thank you, Mr. Chairman. We did
18 not have a quorum at our meeting, so we could not make
19 any formal -- we did not act to approve any formal
20 recommendations.

21 However, we did consider and review with Ms.
22 Sarjeant the proposed grant assurances for 2010, and

1 learned from her that the only change was in the very
2 last paragraph, which involves notification
3 requirements imposed on our grantees in the case of
4 knowledge of fraud or other wrongdoing.

5 M O T I O N

6 MR. MEITES: If this is proper, I will in my
7 personal capacity move that the board approve the 2010
8 grant assurances.

9 CHAIRMAN STRICKLAND: As far as I know, that's
10 in order. Mr. Fortunio, can you advise us on that? Did
11 you understand what we just were undertaking?

12 MR. FORTUNIO: Yes. That is, because of lack
13 of a quorum, the committee didn't take any formal
14 action.

15 CHAIRMAN STRICKLAND: But Mr. Meites is making
16 a motion in his personal capacity to bring that
17 forward.

18 MR. FORTUNIO: I think it's fine.

19 CHAIRMAN STRICKLAND: All right. Is there a
20 second to that motion?

21 MS. MIKVA: Second.

22 CHAIRMAN STRICKLAND: Any discussion?

1 MR. FUENTES: Mr. Chairman?

2 CHAIRMAN STRICKLAND: Yes, sir?

3 MR. FUENTES: Not that it necessarily affects
4 your recommendation, Tom, and I'm sure that's a fine
5 way to do it. And I wasn't at your meeting, so I
6 apologize.

7 But when that issue occurs, I think it
8 appropriate under Robert's to declare the committee
9 functioning as a committee of the whole, and then go
10 ahead and take actions, voting on whatever -- with
11 whatever numbers you have there. And then you can
12 bring that recommendation or that action, but declaring
13 it's just a recommendation from the committee acting as
14 a committee of the whole, not with a wealth management.

15 Am I not correct, Vic?

16 MR. FORTUNO: I believe so. But I'm not sure
17 whether our bylaws conflict on that point. And if so,
18 then our bylaws would govern. But I think that under
19 Robert's rules, I think that's correct. I'd have to
20 check the specific point, though, how that conforms to
21 our bylaws.

22 MR. FUENTES: I think it might be helpful for

1 us to have you look into that for the future. It just
2 might resolve these kinds of things. Then you can
3 bring a vote to us for information purposes.

4 MR. MEITES: That would be helpful. Thank
5 you.

6 CHAIRMAN STRICKLAND: Hold it.

7 MR. MEITES: I'm sorry. Oh, we do have to
8 vote.

9 CHAIRMAN STRICKLAND: Yes. We need to proceed
10 on the vote on the motion.

11 Any further discussion on Mr. Meites' motion?

12 (No response.)

13 CHAIRMAN STRICKLAND: All right. Let's
14 proceed to a vote on the motion. All those in favor,
15 please say aye.

16 (A chorus of ayes.)

17 CHAIRMAN STRICKLAND: Opposed, nay.

18 (No response.)

19 CHAIRMAN STRICKLAND: The ayes have it and the
20 motion is adopted.

21 MR. MEITES: The next item was a report from
22 Ms. Sarjeant as a follow-up on our January 30th

1 presentation on grantee boards governance and
2 oversight. She reviewed with us a fascinating survey
3 that has gone out to approximately 300 executive
4 directors and board chairs, surveying a wide range of
5 practices of our boards.

6 The results are now in or coming in and being
7 tabulated. And I think that they will provide us and
8 our successors a source of information, invaluable
9 information, which will lead the board and the staff to
10 be able to inform our grantees of best practices,
11 perhaps make recommendations to amend our regulations,
12 and, overall, give us some sense of how our grantees'
13 boards actually do their business.

14 In conjunction with that, we decided to defer
15 any further consideration of our regulations regarding
16 audit committees, since that one of the
17 items -- financial controls and oversight -- that is
18 part of the survey. And we hope to have the staff's
19 report on the survey and be able to consider both the
20 survey and any further action on the audit committee
21 issue at our October meeting.

22 Then we had a report from Vic about the

1 Freedom of Information Act function. And I can report
2 that the staff is now 100 percent caught up, which is a
3 signal achievement for which we thank Vic.

4 We then had a staff report from both staff and
5 a report from the OIG on visits and oversight in 2009.

6 We heard from Ms. Sarjeant, who provides a list of all
7 their planned visits, of how the various grantees are
8 selected for visits, the allocation of resources to the
9 visits, an explanation of the different kinds of
10 visits, and an overview on how both OCE and OPP does
11 its work.

12 I personally can report that I found the
13 report very reassuring: that both of those staffs are
14 in the field and are working with our grantees to both
15 monitor and improve their performance, which is, I
16 think, what their principal function is.

17 Of course, OCE has the additional function of
18 oversight. And from what I've heard, I can report to
19 the board in at least my view that OCE and the
20 inspector general are now working towards working
21 together. And I can report, at least from our
22 experience on the board, that I think the process is

1 now much more effective than it has been in the past.

2 It is not a matter of duplication or any kind
3 of -- in my view, a turf issue. It is now that
4 whichever one gets there first will bring the other one
5 in as appropriate, which is, I think, exactly what we
6 would hope to see.

7 Finally, we had a staff report on the IPAs'
8 competence to perform the internal controls function.
9 Mr. Schanz told us that a survey has gone out to the
10 IPAs to get some idea of both their competence to do
11 this kind of work and an estimate of the cost to our
12 grantees.

13 We were reassured to hear that actually, our
14 existing guidelines as to how this works should be done
15 so that our IPAs should be able to do it in fact the
16 conclusion is reached that it is practical, given the
17 work that our grantees do, their resources, and the
18 burden.

19 This is a very difficult issue because
20 Congress, in its mid-90s legislation, did put this
21 burden out there. And we want to make sure that it is
22 doable. If it's not doable, for some reason, we think

1 we should tell Congress it's not doable. If it is
2 doable, with expense, we have to find the money to have
3 it done. And in order to reach any of those
4 recommendations, our committee is developing more
5 information.

6 That is what our committee did.

7 CHAIRMAN STRICKLAND: Thank you, sir.

8 Any questions for Mr. Meites?

9 (No response.)

10 CHAIRMAN STRICKLAND: Next is consider and act
11 on the report of the Audit Committee. Mr. Garten.

12 MR. GARTEN: Yes. I'll make as brief a report
13 as I can. We did have a spirited meeting. There were
14 two main topics. One dealt with the 2008 annual audit
15 report, pointing out a question with regard to
16 classification of certain work as to whether they
17 should be considered as consultants or, in lieu
18 thereof, as temporary employees, with the legal and tax
19 consequences that would follow from any such
20 determination.

21 The company or Corporation has a longstanding
22 practice with respect to the classification. And it

1 was decided to obtain outside counsel, which we'll
2 follow through, a firm with great experience in labor
3 and tax matters.

4 The factual status is in part confusing.
5 There are many variables. The firm will have to
6 consider going into some heavy fact-finding and receive
7 input with respect to these individual workers.

8 The question was raised as to whether it was
9 necessary to come up with any quantifiable amount that
10 would be reflected as a contingent liability on the
11 interim statements.

12 And the final conclusion was that that would
13 be not appropriate at this time, that it was clear from
14 the 2008 annual audit report and reports that have
15 followed to the board that this contingent liability,
16 if any, is out there and is being dealt with.

17 A report from the law firm acting as our
18 consultant is due momentarily, as I understand it. And
19 I will await that before moving forward on what action,
20 if any, and what negotiations, if any, should be made
21 with the appropriate taxing authorities.

22 After that discussion, Mr. Meites brought up

1 the issue that he wanted to make certain that the
2 selection process of awarding these consultant
3 contracts was being maintained. And management advise
4 us as to what the procedures were, and I think that we
5 were generally satisfied with the manner in which that
6 was taking place.

7 The second matter that was taken up by the
8 committee was the selection of the outside auditors.
9 And Mr. Schanz and Dutch Merryman reported to us on the
10 status of that. There was invitations, request for
11 proposals, sent out to approximately 23 different
12 accounting firms. Eight bids were received. Seven
13 were deemed qualified.

14 And they were down to -- we have chosen the
15 final three most qualified. And there are indications
16 that they had chosen the one of the three, and that
17 reference checks were being made, and a conclusion
18 would be made by the end of this month as to who would
19 be awarded the contract.

20 The audit committee has worked very well with
21 the Office of the Inspector General. I want to
22 compliment both Jeff and Dutch on the manner in which

1 they proceeded and cooperated with us.

2 In connection with the request for proposal,
3 our committee had made certain recommendations, some of
4 them of a legal nature as to what could be incorporated
5 in future requests for proposals. And all of the
6 suggestions were adopted in a revised RFP that would be
7 utilized in the future, subject, of course, to any
8 changes that might occur between now and then.

9 There were questions raised by some of these
10 firms that submitted bids. And I understand that
11 responses were made public and available to each of the
12 people that had bid, I assume the eight bids that have
13 been received. And although I haven't seen it, it
14 sounds to me like it worked out very well and that it
15 was a very healthy bidding process.

16 So we will await the final selection, and I
17 understand that will be very soon. Is that right,
18 Jeff?

19 MR. SCHANZ: That is correct, Mr. Chairman.

20 MR. GARTEN: Jeff, would you like to add
21 anything to that?

22 MR. SCHANZ: Working with the audit committee,

1 they wanted a more visible and transparent selection
2 process. We've provided them how we went about doing
3 it. It seemed to pass muster with the audit committee.
4 They've been engaged with us step by step.

5 What we did is we used the Commerce Business
6 Daily for advertising this year. So we expanded our
7 reach of -- last year we only had three bids. This
8 year we had eight qualifying bids, of which seven were
9 found to be technically appropriate.

10 We've engaged the audit committee with those.
11 And during the discussion at the audit committee,
12 they've requested that we provide -- we, the OIG,
13 provide -- a number one recommendation for the CPA firm
14 to conduct the 2009 audit statements for the
15 Corporation.

16 MS. SINGLETON: Is it necessarily a different
17 auditor?

18 MR. SCHANZ: I don't think I can divulge that
19 yet.

20 MR. MEITES: No. She's asking do we have to
21 switch auditors every year.

22 MR. SCHANZ: No, we do not.

1 MS. SINGLETON: Oh, well, actually I was
2 asking more because I don't -- the way it was said, it
3 sounded as though the decision had been made to switch
4 auditors. And I was just asking if that was the case.

5 MR. MEITES: At our committee, we did not go
6 into the identity of the person who's been selected.
7 We were going to wait until they had made our
8 recommendation.

9 MS. SINGLETON: Okay.

10 MR. SCHANZ: Right.

11 CHAIRMAN STRICKLAND: Anything else, Mr.
12 Garten?

13 MR. SCHANZ: I will follow up on what Sarah
14 indicates, though, because it is a good business
15 practice, not only for the Corporation but for our 137
16 grantees, to occasionally -- and maybe you can argue
17 what "occasionally" means -- but to occasionally switch
18 CPA firms.

19 MR. FUENTES: Mr. Chairman?

20 CHAIRMAN STRICKLAND: Yes, sir?

21 MR. FUENTES: First I want to commend the
22 audit committee for their efforts, particularly on this

1 issue of the proper status of hiring in terms of
2 employees versus part-time, a consulting basis, et
3 cetera.

4 I'm wondering, though, about timing on this.
5 As it happens now, the audit committee is going to
6 receive input, and they'll probably bring it to our
7 next general meeting of the board. Is that right?

8 MS. SINGLETON: I would think that we would
9 meet with counsel or speak with counsel, and they would
10 have certain recommendations. And in lieu of waiting
11 for the next board meeting, I think it would make sense
12 to move promptly on this matter.

13 MR. FUENTES: You might have a -- you might
14 have a --

15 MR. GARTEN: And I think our counsel would so
16 advise us. At least, I expect that they will.

17 MR. FUENTES: All right. So that poses the
18 possibility of maybe a special meeting or your getting
19 some information.

20 I know that the Finance Committee, and I don't
21 want -- as a member of the Finance Committee and not a
22 member of the Audit Committee, I don't want to appear

1 to be stepping on toes at the Audit Committee -- but it
2 seems to me that if that information was forthcoming
3 before we meet in the month of September, that there is
4 the possibility of implications and consequences that
5 would be worthy of the consideration of the Finance
6 Committee in looking at our forthcoming budget.

7 So I would like to raise the suggestion that
8 if the audit committee comes to something of
9 substantive information, that the request on the part
10 of the Finance Committee is to share that with us so
11 that we can take that into our deliberations in our
12 September meeting, if you get something, so that we're
13 not waiting or that we go -- we prepare our report to
14 the general board blindly, not aware of this, to the
15 next general meeting of the board.

16 Am I clear?

17 MR. GARTEN: Yes. You're very clear, and that
18 would be my intent.

19 CHAIRMAN STRICKLAND: Thank you. Anything
20 else, Herb?

21 MR. GARTEN: That concludes my report.

22 CHAIRMAN STRICKLAND: Okay. Thank you very

1 much.

2 Next, then, is consider and act on the report
3 of the Governance and Performance Review Committee.

4 MS. BeVIER: Thank you, Mr. Chairman.

5 MR. MEITES: There was talk of box lunch.

6 CHAIRMAN STRICKLAND: Oh, yes. I'm sorry.

7 The box lunches are available in the back of the room.

8 Any time anybody wants one, please step up and get it.

9 That includes board members.

10 MR. MEITES: Thank you, sir.

11 MS. BeVIER: I think I'll wait on that.

12 The Governance and Performance Review
13 Committee spent a considerable amount of time on one
14 particular issue having to do with the ability of the
15 Corporation to hold confidential, substantive reviews
16 of the president and the inspector general pursuant to
17 the laws and regulations that govern us.

18 We have received conflicting advice from the
19 general counsel and from the Office of the Inspector
20 General, and we have been wrestling with this problem,
21 trying to hold these substantive reviews, in confidence
22 in order to have them be more meaningful. We've been

1 wrestling with this problem for quite a long time.

2 I believe that it's fair to say that the
3 committee made it clear to the general counsel and to
4 the inspector general that we need from them -- even if
5 their advice is conflicting, we need from them a way to
6 solve this problem substantively and to help us to
7 identify ways to proceed that will permit us to hold
8 meetings in -- only performance review committee
9 meetings of the president and perhaps of the inspector
10 general in confidence, so that we can engage in
11 meaningful, substantive review of the performance of
12 those two very important officers, which the board
13 hires and the board has the authority to fire. And
14 thus we feel like we need to have the ability to
15 evaluate and talk with them about what they are going
16 to do.

17 There was a motion that was made to amend the
18 Sunshine Act regulations as they apply to the
19 Governance and Performance Review Committee. That
20 motion got a second, but we ended up by tabling that
21 motion and sending this back to general counsel and the
22 Office of the Inspector General in hopes that we can

1 finally begin to get answers to our difficulties that
2 will be helpful to us, at least that will be clear.

3 So that is what we did with that issue.
4 Because we decided to send this back to general counsel
5 and the inspector general, we also decided that we are
6 not going to engage in a full-blown review of the
7 inspector general, which had been scheduled for
8 October.

9 Instead, we will meet with the inspector
10 general. He will report to us on the progress of his
11 work plan. He will bring us up to date on his general
12 efforts in terms of the organization of his office, and
13 he will talk to us a bit about his semiannual report.
14 And then we will resolve, hopefully -- and that will be
15 at the October meeting.

16 And hopefully, what will happen then is that
17 we will get this issue about open or closed discussions
18 about the performance of both the inspector general and
19 the president -- we will have a means of resolving that
20 issue at the October meeting, and thus be able to
21 proceed in January with the review of the inspector
22 general.

1 We received a staff report on the list of
2 transition materials for the new board members. The
3 list is extensive. We had considerable praise for the
4 efforts of staff in putting the list together. There
5 was one addition that was suggested, the Friends of
6 LSC, that that be included in the transition materials
7 that will be available to the new members of the board
8 and that will be made available to them on the web.

9 We had a staff report on the proposed format
10 and agenda of orientation meetings for new board
11 members. This particular issue is one that is a little
12 tricky in terms of planning since we do not know when
13 the new board members are going to be confirmed. We
14 don't know when they're going to be nominated. We
15 don't know when they're going to be confirmed, whether
16 singly, in batches, or as a whole.

17 And so nevertheless, planning is proceeding at
18 the staff level. And the one thing that does seem
19 pretty clear is that this board stands prepared to help
20 in the transition in any way we can so that the new can
21 have some idea of what we think some of the issues and
22 problems that they are going to be facing will be.

1 We then raised -- the issue was then raised
2 about the procedure for oversight of LSC officers'
3 compensation. We have a recommendation from GAO about
4 the -- our committees engaging in considerably more
5 oversight of the pay of members of the staff, not just
6 the officers but of general employees of LSC.

7 And we asked staff to go back and work that
8 through a little bit more explicitly and thoroughly
9 with the GAO to find out just exactly what it is that
10 they had in mind for us to do, and to identify for us
11 some options about how to proceed to meet what GAO
12 thinks is appropriate along the lines of overseeing the
13 officers' and employees' compensation for LSC. So that
14 item will reappear, we trust, also in October.

15 And that concludes my report.

16 CHAIRMAN STRICKLAND: All right. Any
17 questions for Lillian?

18 (No response.)

19 CHAIRMAN STRICKLAND: Thank you very much.

20 We're now at the stage on the agenda where we
21 take public comment if there is any. Is there any
22 public comment today?

1 (No response.)

2 CHAIRMAN STRICKLAND: We now to move into a
3 closed session. I'm sorry that this may result in a
4 little bit of shakeup for people who may be having
5 lunch in the room, and I apologize for the logistics on
6 that.

7 But the board needs to consider and act on
8 whether to authorize an executive session of the board
9 to address items listed in the closed session portion
10 of the agenda. Is there a motion to that effect?

11 M O T I O N

12 MR. MEITES: So move.

13 CHAIRMAN STRICKLAND: A second?

14 MR. FUENTES: Second.

15 CHAIRMAN STRICKLAND: Any discussion?

16 (No response.)

17 CHAIRMAN STRICKLAND: Those in favor, please
18 say aye.

19 (A chorus of ayes.)

20 CHAIRMAN STRICKLAND: Opposed, nay.

21 (No response.)

22 CHAIRMAN STRICKLAND: The ayes have it, and we

1 will now convene a closed session. And I think we
2 would ask for all persons to leave the room except the
3 LSC executive team and those persons that the inspector
4 general may wish to remain in the meeting.

5 (Whereupon, at 12:43 p.m., the open session of
6 the board was adjourned to closed session.)

7 (On the Record at 1:19 p.m.)

8 CHAIRMAN STRICKLAND: We are back in open
9 session.

10 And we'll consider and act on a motion to
11 adjourn the meeting. Is there such a motion?

12 M O T I O N

13 MS. SINGLETON: So move.

14 CHAIRMAN STRICKLAND: Second?

15 MR. McKAY: Second.

16 CHAIRMAN STRICKLAND: All in favor aye?

17 (A chorus of ayes.)

18 CHAIRMAN STRICKLAND: We're adjourned. Thank
19 you very much.

20 (Whereupon, at 1:20 p.m., the meeting of the
21 board was adjourned.)

22 * * * * *