

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE BOARD OF DIRECTORS
OPEN SESSION

Tuesday, November 23, 2010

11:30 a.m.

Legal Services Corporation
3333 K Street, N.W.
Washington, D.C. 20007

BOARD MEMBERS PRESENT:

John G. Levi, Chairman
Martha L. Minow, Vice Chairman
Sharon L. Browne
Robert J. Grey, Jr.
Charles N.W. Keckler
Harry J.F. Korrell, III
Laurie Mikva
The Reverend Joseph Pius Pietrzyk, O.P.
Julie A. Reiskin
Gloria Valencia-Weber
Victor M. Fortuno, Interim President and General
Counsel (ex officio)

STAFF PRESENT AT THE CORPORATION'S OFFICES:

Kathleen Connors, Executive Assistant to the President
Patricia Batie, Acting Corporate Secretary and FOIA
Officer, Office of Legal Affairs

John Constance, Director, Office of Government
Relations and Public Affairs

Janet LaBella, Director, Office of Program Performance
Willie Abrams, Program Counsel III, Office of Program
Performance

Danilo A. Cardona, Director, Office of Compliance
and Enforcement

William P. Sulik, Program Counsel III, Office of
Compliance and Enforcement

Laurie Tarantowicz, Assistant Inspector General and
Legal Counsel, Office of the Inspector General

Joel Gallay, Special Counsel to the Inspector General,
Office of the Inspector General

Ronald "Dutch" Merryman, Assistant Inspector General
for Audit, Office of the Inspector General

Don Saunders, National Legal Aid and Defenders
Association (NLADA) (via telephone)

Linda Perle, Center for Law & Social Policy (CLASP)
(via telephone)

C O N T E N T S

OPEN SESSION	PAGE
1. Approval of agenda	4
2. Approval of minutes of the Board's open session meeting of October 19, 2010	4
3. Consider and act on Board of Directors' proposed comments on the Inspector General's Semiannual Report to Congress for the period of April 1, 2010 through September 30, 2010	6
4. Public comment	13
5. Consider and act on whether to authorize an executive session of the Board to address items listed below under Closed Session	13
CLOSED SESSION	
6. Approval of minutes of the Board's closed session meeting of November 5, 2010	
7. Briefing on Management's plans for addressing reported problems at one of LSC's grantees	
8. Briefing on status of Management's response to the Inspector General's audit report regarding the Technology Initiative Grants ("TIG") program	
9. Consider and act on other business	
10. Consider and act on motion to adjourn meeting	

Motions: 4, 5, 13, 14

1 P R O C E E D I N G S

2 (11:30 a.m.)

3 CHAIRMAN LEVI: This is a duly noticed meeting
4 in the Federal Register. The first part of the meeting
5 will be the open session, and then there will be a
6 closed session.

7 Can I have a motion to approve the agenda?

8 M O T I O N

9 MS. REISKIN: So moved. This is Julie
10 Reiskin. So moved.

11 CHAIRMAN LEVI: Second?

12 MS. MIKVA: Laurie Mikva. Second.

13 CHAIRMAN LEVI: All in favor?

14 (A chorus of ayes.)

15 CHAIRMAN LEVI: Then there's -- the minutes of
16 the last open session, which was held in Louisville,
17 were enclosed. Is there any question or issue with
18 them? Otherwise, can we have a motion to approve them?

19 MS. REISKIN: I have a small issue. This is
20 Julie Reiskin. When the guests from Alabama,
21 Louisiana -- it says that they were discussing the
22 problems of lost wages, lost profits, and all of that.

1 They also discussed, I thought, extensively difficulty
2 clients were having with the process that was set out
3 by BP, with the claims process. And I don't know if
4 that should be in the minutes or not. I kind of
5 thought it should be, but if other people don't agree,
6 that's fine. That's just how I felt.

7 CHAIRMAN LEVI: No. I think you're right
8 about that.

9 PROFESSOR VALENCIA-WEBER: Hi. This is Gloria
10 Valencia-Weber joining.

11 CHAIRMAN LEVI: Good. We could certainly add
12 a clause there, Vic, couldn't we?

13 PRESIDENT FORTUNO: Yes.

14 CHAIRMAN LEVI: Just at the end.

15 PRESIDENT FORTUNO: We'll amend the minutes to
16 so reflect.

17 CHAIRMAN LEVI: So that's a -- what you're
18 doing, Julie, is you're moving to approve the minutes
19 with a short amendment there?

20 M O T I O N

21 MS. REISKIN: Yes.

22 DEAN MINOW: Do you want a second?

1 CHAIRMAN LEVI: Yes.

2 DEAN MINOW: Second. Martha Minow.

3 CHAIRMAN LEVI: All in favor?

4 (A chorus of ayes.)

5 CHAIRMAN LEVI: All right. Now item 3. I
6 believe we turn to you, Vic, for this. And could you
7 tell us a little bit about the draft response and the
8 report?

9 PRESIDENT FORTUNO: Actually, the proposed
10 response was prepared largely by John Constance. So if
11 John's on the line, I'll let him go ahead and do the
12 introduction. Otherwise I'll go ahead and take it
13 over. John?

14 MR. CONSTANCE: I am on the line, Vic. This
15 is John Constance, director of government relations and
16 public affairs. Can you hear me?

17 CHAIRMAN LEVI: Yes.

18 MR. CONSTANCE: Okay. First of all, let me
19 acknowledge the able assistance here of Joel Gallay and
20 Dutch Merryman, who were very good about assisting and
21 providing input to the draft that you have before you
22 today.

1 This is a management transmittal that is
2 required by law that goes with the semiannual report to
3 Congress. We use it as such, and it transmits the
4 semiannual report to the Hill with such comments as
5 management cares to add. So that's really the
6 structure, for those of you who have not been through
7 this before. That's the structure of what you have
8 before you today.

9 As to this particular draft, we have also
10 added something that makes us really fully compliant
11 with the law now. It was something that the IG had
12 brought to our attention. It's on page 2 of the draft
13 that you have before you, the second full paragraph,
14 which provides reporting on the questioned costs, and
15 the fact that those questioned costs that were still on
16 the books during the last reporting period, management
17 is reporting that LSC has either collected or not been
18 charged for those questioned costs. So that's a new
19 addition to this particular draft.

20 We will certainly open the floor, I would
21 assume, Mr. Chairman, to any amendments, corrections,
22 or questions. Happy to respond.

1 CHAIRMAN LEVI: Any questions or comments for
2 John as to the letter, the draft letter that we all
3 received?

4 MS. REISKIN: This is the November 10th, is
5 the most recent --

6 CHAIRMAN LEVI: I guess that's --

7 MR. CONSTANCE: That would be correct.

8 PRESIDENT FORTUNO: No. Actually, what we're
9 looking at here is draft number 5 dated 11/23/2010, and
10 the time was 10:35.

11 CHAIRMAN LEVI: Is this draft number 5?

12 MR. CONSTANCE: What I would say is this, Vic.
13 The Board only received one draft. And in terms of
14 what they received in an e-mail last week that you
15 received, Julie, is the draft that is before us today.

16 MS. REISKIN: I thought it's a good letter.
17 Very clear.

18 CHAIRMAN LEVI: Well, I have to sign it, so I
19 want to make sure everybody feels good about it.

20 PROFESSOR VALENCIA-WEBER: This is Gloria.
21 Can I ask, once we approve the draft, what is the next
22 step?

1 CHAIRMAN LEVI: I sign it and it goes to Tom
2 Harkin.

3 MR. CONSTANCE: That's correct. It's
4 distributed to the Hill, to the chairman, to the
5 ranking member, and we do a pretty wide distribution.
6 That's the required pathway of the letter. But we do a
7 wide distribution of it on the Hill, as certainly does
8 the IG with the semiannual report itself.

9 FATHER PIUS: Vic, just one question. Sorry,
10 I got distracted for a second.

11 In terms of the -- regarding the audits, the
12 first bullet point, there was Board action on that as
13 well. Is that going to be reflected in the draft
14 letter?

15 CHAIRMAN LEVI: Well, the Board action -- the
16 report is as of September 30th. I don't know -- is
17 this like an audit letter that lawyers do that's
18 updated as of the time of the letter?

19 PRESIDENT FORTUNO: No. This is supposed to
20 cover a specific period, a six-month period, a
21 semiannual report. And while we can note things that
22 have occurred since the close of the reporting period,

1 I think that we should point out that while it's
2 something that occurred immediately following the close
3 of the period, that it was outside of the reporting
4 period.

5 So we can note it if it's desired. But the
6 focus here is on the six-month period ending, what is
7 it, September 30th.

8 CHAIRMAN LEVI: Well, don't we make -- if you
9 go to page 2, in that big paragraph there, the
10 semiannual -- that starts semiannual report, the last
11 sentence certainly could cover -- I thought it was
12 meant to, in a way. But if we want to add a few words
13 there, Father Pius, I suppose we could.

14 FATHER PIUS: Oh, I was looking really at the
15 bullet points. We tend to in these bullet points
16 mention when we've actions subsequent to the reporting
17 period. And I know we had a specific Board action on
18 the issue of the temporary employees, and I was
19 wondering, for the sake of consistency, whether that
20 should be included.

21 I mean, it'll be mentioned in the next
22 semiannual report, so I'm not that concerned. But --

1 CHAIRMAN LEVI: On the temporary employees?

2 FATHER PIUS: Yes.

3 PROFESSOR VALENCIA-WEBER: This is Gloria. I
4 see what Father Pius is raising because if you look at
5 the bullet points that follow, they do include action
6 taken after the end of the reporting period.

7 PRESIDENT FORTUNO: We can amend it, revise it
8 to include a reference to the matter being taken up by
9 the Board in closed session at I guess it was the
10 Louisville meeting, and that we're proceeding with
11 corrective steps. I wouldn't get too specific, but I
12 think that clearly noting that the matter has been
13 taken up by the Board and that we're proceeding with
14 resolution of this isn't inappropriate.

15 I think we would just note that it's outside
16 the reporting period, but relevant and close enough to
17 the end of the reporting period that we thought it
18 significant to note.

19 CHAIRMAN LEVI: Well, I see their question
20 because you've got like the second bullet point,
21 you -- and in the fourth bullet point, we talk about
22 things that happen on October 27th. So that's outside

1 the reporting period, too.

2 MR. CONSTANCE: Well, I mean, it should be
3 noted everything including this transmittal is outside
4 the reporting period. So I guess anything that we can
5 amend or update along those lines would be fine. We'll
6 just need the exact -- the language or the words. And
7 Vic, if you can provide us that, that would be great.

8 PRESIDENT FORTUNO: Sure. Do you want to do
9 that now or simply submit something to the chairman
10 once we have the sense of the Board? I think it's
11 fairly straightforward. I think that my understanding
12 is that what we are being asked about is
13 including -- just adding some additional language that
14 would note that on -- and what was the date of the
15 Louisville meeting closed session? Was that October
16 19th?

17 CHAIRMAN LEVI: Yes.

18 PRESIDENT FORTUNO: On October 19th, this
19 matter was reviewed with the board of directors, and
20 management is proceeding with appropriate corrective
21 measures.

22 CHAIRMAN LEVI: I think that sounds great.

1 FATHER PIUS: I think that's fine.

2 PRESIDENT FORTUNO: I think that, on its face,
3 makes it clear that it's outside the reporting period.

4 DEAN MINOW: I think that's a good solution.

5 PRESIDENT FORTUNO: Okay.

6 CHAIRMAN LEVI: Anything else on this report,
7 or the letter?

8 (No response.)

9 CHAIRMAN LEVI: Do I then hear a motion
10 to -- do we approve the letter? Is that what we do?

11 PRESIDENT FORTUNO: Yes.

12 CHAIRMAN LEVI: Okay. Can I have a motion to
13 approve the report (sic), as amended?

14 M O T I O N

15 FATHER PIUS: So move. This is Father Pius.

16 PROFESSOR VALENCIA-WEBER: I'll second. This
17 is Gloria. I'm sorry, I have a cold.

18 CHAIRMAN LEVI: All in favor?

19 (A chorus of ayes.)

20 CHAIRMAN LEVI: Any opposition?

21 (No response.)

22 CHAIRMAN LEVI: Thank you, everybody.

1 Public comment?

2 MR. SAUNDERS: No, sir.

3 PRESIDENT FORTUNO: We will now put this on
4 letterhead and arrange for the chairman's signature to
5 be affixed, and then we will see to the delivery of
6 this report along with the IG's SAR as one package
7 delivered to the appropriate committees and
8 subcommittees of Congress.

9 CHAIRMAN LEVI: Sounds good to me.

10 So now we have to consider and act on whether
11 to authorize an executive session of the Board to
12 address the items listed below in the closed session.
13 And if I hear a motion and we approve it, then we all
14 have to hang up and redial into the closed number.

15 M O T I O N

16 DEAN MINOW: So moved. Martha Minow.

17 MS. REISKIN: Where is that number? I cannot
18 find it.

19 CHAIRMAN LEVI: On the same page as the other
20 number. It's just next to it.

21 So moved. Second?

22 MS. REISKIN: Second.

1 CHAIRMAN LEVI: All in favor?

2 (A chorus of ayes.)

3 CHAIRMAN LEVI: All right. See you in a
4 second.

5 (Whereupon, at 11:43 a.m., the Board adjourned
6 to executive session.)

7 * * * * *

8

9

10

11

12

13

14

15

16

17

18

19

20

21