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LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

MEETING OF THE  
BOARD OF DIRECTORS

OPEN SESSION

Saturday, July 29, 2006

11:28 a.m.

The Westin Hotel  
One West Exchange Street  
Providence, Rhode Island

BOARD MEMBERS PRESENT:

Frank Strickland, Chairman

Lillian R. BeVier, Vice Chairman

Jonann Chiles (via telephone)

Thomas A. Fuentes

Herbert S. Garten

David Hall

Michael McKay

Thomas R. Meites

Bernice Phillips

Sarah Singleton

Helaine M. Barnett, ex officio

1 STAFF AND PUBLIC PRESENT:

2

3 Victor M. Fortuno, Vice President for Legal Affairs,  
4 General Counsel and Corporate Secretary

4

5 David L. Richardson, Treasurer and Comptroller

5

6 Patricia D. Batie, Manager of Board Operations

6

7 Karen M. Dozier, Executive Assistant to the President

7

8 Mattie Condray, Senior Assistant General Counsel

8

9 Thomas Polgar, Director, Office of Government Relations  
10 and Public Affairs

9

10 Karen Sarjeant, Vice President for Programs and  
11 Compliance

11

12 Richard (Kirt) West, Inspector General

12

13 Laurie Tarantowicz, Assistant Inspector General and  
14 Legal Counsel

13

14 Joel Gallay, Special Assistant to the Inspector General

14

15 David Maddox, Assistant Inspector General for Resource  
16 Management

15

16 Ronald (Dutch) Merryman, Office of the Inspector  
17 General

16

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

17

18 Don Saunders, National Legal Aid and Defenders  
19 Association (NLADA)

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

2 CHAIRMAN STRICKLAND: Let me call to order the  
3 board of directors meeting of the Legal Services  
4 Corporation for July 29, 2006.

5 Before we approve the agenda, let me confirm  
6 that -- and ask for Jonann Chiles to sound off if  
7 you're present on the teleconference.

8 MS. CHILES: I am.

9 CHAIRMAN STRICKLAND: Well, Jonann, we  
10 congratulate you on your confirmation by the United  
11 States Senate and on your swearing in. And we welcome  
12 you to our board of directors.

13 MS. CHILES: Well, thank you very much. It's  
14 a pleasure to be a part of the board.

15 CHAIRMAN STRICKLAND: We look forward to  
16 seeing you in person at our next meeting.

17 MS. CHILES: Thank you.

18 CHAIRMAN STRICKLAND: Well, the first item is  
19 approval of the agenda. Is there any objection to the  
20 approval of the agenda by unanimous vote? Or let's  
21 consider then the agenda is approved unanimously.

22 MR. FUENTES: Mr. Chairman?

1                   CHAIRMAN STRICKLAND:  Yes?

2                   MR. FUENTES:  I would like to amend the agenda  
3                   just that at the adjournment, that the board might  
4                   adjourn in memory of Charles Jeffress' father, for the  
5                   record.

6                   CHAIRMAN STRICKLAND:  Fine.  Let's consider  
7                   the agenda amended to include that suggestion.  And if  
8                   between now and that time we could get his correct name  
9                   so we could include that in the record.

10                  We need to approve some minutes.  And before  
11                  we do that, we have -- I want to call to your attention  
12                  a slight typographical error in one of the minutes.  On  
13                  page 140 of your book, in the middle paragraph there,  
14                  the name of Senator Cochran is misspelled and should be  
15                  C-o-c-h-r-a-n.

16                  I don't know who does our minutes, but with  
17                  that correction, I would accept a motion to approve the  
18                  minutes of the board's meeting of April 29, 2006.

19   M O T I O N

20                  MR. FUENTES:  So moved.

21                  CHAIRMAN STRICKLAND:  Is there a second?

22                  MR. GARTEN:  Second.

1 CHAIRMAN STRICKLAND: Any discussion?

2 (No response.)

3 CHAIRMAN STRICKLAND: Those in favor, please

4 say aye.

5 (A chorus of ayes.)

6 CHAIRMAN STRICKLAND: Opposed, nay.

7 (No response.)

8 CHAIRMAN STRICKLAND: Those minutes are

9 approved.

10 Next would be approval of the minutes of the  
11 board's telephonic meeting of May 22, 2006.

12 M O T I O N

13 MR. FUENTES: Move to approve.

14 CHAIRMAN STRICKLAND: Is there a second?

15 MR. GARTEN: Second.

16 CHAIRMAN STRICKLAND: Any discussion?

17 (No response.)

18 CHAIRMAN STRICKLAND: Those in favor, please

19 say aye.

20 (A chorus of ayes.)

21 CHAIRMAN STRICKLAND: Those opposed, nay.

22 (No response.)

1                   CHAIRMAN STRICKLAND: Those minutes are  
2 approved.

3                   And finally, on minutes, we need to approve  
4 the minutes of the executive session of the board's  
5 meeting of April 29, 2006.

6   M O T I O N

7                   MR. FUENTES: Move to approve.

8                   CHAIRMAN STRICKLAND: Is there a second?

9                   MR. GARTEN: Second.

10                  CHAIRMAN STRICKLAND: Any discussion?

11                  (No response.)

12                  CHAIRMAN STRICKLAND: Those in favor, please  
13 say aye.

14                  (A chorus of ayes.)

15                  CHAIRMAN STRICKLAND: Those opposed, nay.

16                  (No response.)

17                  CHAIRMAN STRICKLAND: And those minutes are  
18 approved.

19                  We'll now move to the chairman's report. a  
20 couple of items. First, I want to note for the record  
21 of this meeting -- I'm going to come back to that item.

22                  But I will begin by reporting to you that



1 the -- you've already heard that Lillian and I traveled  
2 to Washington on June 20. And the purpose of our  
3 meeting or our travel was to meet with Kirt and Helaine  
4 individually. And then in larger discussion, we asked  
5 Kirt to assemble his management team, and we met with  
6 that group, Kirt and that group. We did the same thing  
7 with Helaine. We had a meeting with her individually  
8 and then with her management team. And then finally,  
9 we had a meeting of all those people during the noon  
10 hour.

11 And as you've heard in some of the discussion  
12 at other committee meetings, we think that was a  
13 productive exercise. And there have been some  
14 good -- there's some positive steps that have occurred  
15 as a result of that.

16 For example -- well, Kirt and Helaine were  
17 already having a regular meeting. There are now, as I  
18 understand it -- correct me if I'm wrong -- but there  
19 are meetings with others. I know Dutch and Joel from  
20 the IG staff, and perhaps Laurie as well, are meeting  
21 with their counterparts on the management side on a  
22 regular basis. And I'm informed that those have been

1 productive meetings, and we hope those will continue to  
2 be productive.

3           And as you heard during -- I don't know  
4 whether you've heard this or not, but Lillian and I are  
5 planning another visit, a date yet undetermined, to  
6 have a repeat of our June meeting to keep that ball  
7 moving down the field.

8           And while we were in Washington on June 20, we  
9 had a positive meeting with Senator Specter. And he is  
10 a very quick-witted individual. You've got to be on  
11 your toes when you have a meeting with Senator Specter.  
12 And previously, I was in Washington in May, according  
13 to my notes, and on that occasion we had a meeting with  
14 Congressman Wolfe and Senator Shelby. Mr. Wolfe is  
15 from Virginia and Senator Shelby is the senior Senator  
16 from Alabama. Those were also good meetings.

17           And I hope you have received a letter, a copy  
18 of a letter, from the American Bar Association.  
19 President Barnett, Inspector General West, and I  
20 recently received a letter from Michael Greco,  
21 president of the American Bar Association, about an  
22 investigation of an LSC grantee being conducted by the

1       OIG.

2                   I had the letter distributed to all of you. I  
3       don't know whether it's had time to arrive or whether  
4       you've had a chance to review it. I invite you to  
5       share with me before our next meeting how you would  
6       like to proceed with addressing the concerns expressed  
7       by the ABA in that letter.

8                   And in the interim, we have sent a very brief  
9       reply to Mr. Greco, which I will read.

10                   "Dear President Greco: We acknowledge receipt  
11       of and thank you for your letter of July 19, 2006  
12       regarding the information sought from California Rural  
13       Legal Assistance by the LSC Office of Inspector  
14       General. We have distributed copies of your letter to  
15       everyone on our board of directors. Following our  
16       review of this matter, we will contact you." And that  
17       letter is signed -- Helaine and I both signed that  
18       letter to Mr. Greco.

19                   So that's as far as we've gone with it. And  
20       as I said, we've submitted that letter to the entire  
21       board and we solicit your comments and advice as to how  
22       we should respond further and if we should respond

1 further.

2 MR. MEITES: Let me -- a question about that.

3 CHAIRMAN STRICKLAND: Yes, sir.

4 MR. MEITES: Did you read the ABA's letter as  
5 tasking us with the responsibility for the OIG  
6 investigation or, rather, simply informing us that  
7 something is happening and the ABA doesn't like it?

8 Because I think there's a real difference in  
9 what our reply would be if we, LSC, are thought by the  
10 ABA to be taking action that infringes on the  
11 attorney-client privilege, as contrasted with whether  
12 you read the letter as just the ABA is merely informing  
13 us, LSC, that the inspector general perhaps is doing  
14 that.

15 If it's the latter, the response of LSC would  
16 be different, I would think, than if it's the former.  
17 Or perhaps this is a distinction that is in my mind  
18 only and that we are responsible for the OIG's conduct.

19 CHAIRMAN STRICKLAND: I took the letter to be  
20 the latter of those two alternatives you just  
21 suggested. And I don't think I'm prepared at this  
22 minute to give a more detailed comment on the letter.

1           MR. MEITES: I just wanted to put that on the  
2 table because I was -- I found the letter somewhat  
3 ambiguous as to that point.

4           CHAIRMAN STRICKLAND: Mr. Garten.

5           MR. GARTEN: Yeah. I read the attachments  
6 that came with the letter, and it seems to me that we  
7 have sought a legal opinion on this some time in the  
8 past as to the confidentiality of these records. And  
9 I'm wondering if I'm just thinking of something else,  
10 or whether it exists.

11           CHAIRMAN STRICKLAND: I have a recollection of  
12 that, but not the specifics of it, that is, that we may  
13 have seen an opinion on that subject.

14           MR. GARTEN: Yeah. So I would suggest that we  
15 ask for an update on that, or if it doesn't exist, that  
16 we get an opinion. And I think it's something that  
17 requires the determination and discussion of the board.

18           And let's remember that the ABA has been our  
19 principal supporter, and we should do everything  
20 possible to respond, as you've done, which I think is  
21 fine, and to come to a resolution of the matter, to see  
22 whether their legal position is appropriate or not.

1           And my recollection of the attachments were,  
2           and possibly the letter, was that there are many  
3           different ways for the IG to obtain this information  
4           other than to get the specific client information, and  
5           we ought to look into that.

6           And I think it has been addressed previously.  
7           If it wasn't here, it was somewhere else, either in the  
8           ABA or at the Maryland State Legal Services  
9           Corporation.

10           CHAIRMAN STRICKLAND: Well, we do want to  
11           examine the letter thoroughly. And that's why we wrote  
12           only a short reply acknowledging receipt and  
13           indicating --

14           MR. GARTEN: And we ought to get an opinion,  
15           or an update of the opinion, if it does exist.

16           CHAIRMAN STRICKLAND: I think the inspector  
17           general has a comment.

18           MR. WEST: Yes, I do. Kirt West, inspector  
19           general. I have a letter that I've already prepared  
20           that has been sent to the ABA president, and I have a  
21           copy for each of the board members. And hopefully, it  
22           will clarify some things.

1           And the most important thing is: At no time  
2 have we ever asked for anything that would impinge upon  
3 the attorney-client relationship. And I'm quoting from  
4 the letter that we sent to the grantee program that  
5 we -- when we made the initial request.

6           And so I just want to clarify that for the  
7 record. I hold the attorney-client privilege as a  
8 sacrosanct thing, and would not go after anything  
9 covered by that.

10           With respect -- and I'll let the letter speak  
11 for itself. But I think as the board's considering how  
12 it wants to respond, I think that my letter may assist  
13 you in that respect.

14           CHAIRMAN STRICKLAND: Beyond that, I don't  
15 know whether it's appropriate to ask this question in  
16 an open session. But do you intend in a closed session  
17 later today to -- part of this meeting -- to give us  
18 any kind of update on the pending CRLA investigation?

19           MR. WEST: I really was not because  
20 of -- we're still having discussions with CRLA  
21 that -- we had a discussion with them last week  
22 regarding our document request and anticipating other

1 discussion with -- I believe this coming Wednesday.

2 And until that discussion is had, it would be somewhat  
3 premature to discuss, you know, because things are so  
4 tentative.

5 I do want to assure the board that -- and I  
6 assured this in the letter, that when we make the  
7 request for documents, that we give careful  
8 consideration to what we're asking, the scope of the  
9 request, whether it's necessary for us to complete our  
10 investigation. And we made -- I made that  
11 consideration before making this request, and the  
12 request is consistent with the authority granted to the  
13 Corporation and the inspector general by Congress in  
14 1996.

15 CHAIRMAN STRICKLAND: Without necessarily  
16 infringing on the pending investigation, is it possible  
17 that the result of your discussions with crla, the  
18 letter from the ABA could become moot?

19 MR. WEST: It is possible. I don't want  
20 to -- I can't hazard a guess right now because they're  
21 having to get back to us regarding a position they're  
22 going to take. And they were -- they did not indicate



1 one way or the other what they were going to do. They  
2 were seeking their advice of their own counsel.

3 CHAIRMAN STRICKLAND: All right. Does any  
4 board member have a question for Mr. West?

5 MR. WEST: So let me distribute a copy of the  
6 letter.

7 CHAIRMAN STRICKLAND: Yes. Please do that.

8 The other thing I want to cover in the  
9 chairman's report is I want to recognize on the record  
10 the hospitality extended to the LSC board and staff by  
11 Walter Stone, the chairman of the board of Rhode Island  
12 Legal Services, and the entire board of that  
13 organization, for that matter, as well as the executive  
14 director, Robert Barge, and his staff.

15 We had an outstanding visit to their  
16 facilities. And we also enjoyed -- and we learned a  
17 lot. We also enjoyed their hospitality at the  
18 reception last night at the museum at the Rhode Island  
19 School of Design.

20 And I just wanted to acknowledge that on the  
21 record, as well as our appreciation for the presence of  
22 Chief Justice Frank Williams of the Supreme Court of

1 Rhode Island as our luncheon keynote speaker on Friday.

2 That concludes the chairman's report, and I  
3 will now entertain any reports of individual members of  
4 the board.

5 Mike McKay.

6 MR. MCKAY: Mr. Chairman, since our last  
7 meeting, I had the privilege of traveling to Clallam  
8 County, which is in the northwest corner of Washington  
9 state on the Olympic Peninsula. I was invited to be  
10 their speaker at their annual fundraising luncheon.

11 It was attended by local members of the bar,  
12 the bench, and a state Supreme Court justice was in the  
13 audience. For the record, she was running for  
14 reelection and probably had to get around; I don't  
15 think I was the draw.

16 But I'm happy to report that they were able to  
17 raise some significant funds for that event. And it  
18 was just a lot of fun to go out a fair distance from  
19 Seattle and see a very active pro bono program -- and,  
20 by the way, with very active involvement from the local  
21 bar. I can't tell you the percent, but it was well  
22 above 25 percent, which is the percentage here in Rhode

1 Island, which is very significant participation.

2 Thank you.

3 CHAIRMAN STRICKLAND: Thanks. Are there any  
4 other member reports?

5 MR. GARTEN: Just further about the ABA's  
6 support, I had an experience receiving Julie Strandly,  
7 who is in charge of ABA Today and who is at the  
8 Washington office of the ABA, e-mailed the executive  
9 director of the state bar and me to personally contact  
10 Senator Mikulski's office and to support the  
11 legislation.

12 And I presume that this was done all over the  
13 country. We both made the calls, and then we also  
14 received a response from Julie telling us how important  
15 Senator Mikulski, who's the Ranking Member of the  
16 Senate Appropriations Committee, how important her  
17 support was.

18 I mention this to again stress how important  
19 ABA support is for Legal Services and how important  
20 it's been through the years. So that I'm very pleased  
21 that you responded immediately to Mr. Greco's letter,  
22 and I'm certain that I will be seeing him. I'll be

1 going to Hawaii, and be seeing him and other members of  
2 the board, who are always so supportive of Legal  
3 Services and will be attending the SCLAID meeting that  
4 will be taking place in Hawaii.

5 CHAIRMAN STRICKLAND: Thank you, sir.

6 Tom, did you have --

7 MR. FUENTES: Mr. Chairman, I would just like  
8 to convey the greetings of our former colleague,  
9 Ambassador Rob Dieter, with whom I've had the pleasure  
10 of being in contact in recent times.

11 A group from our community traveled to Belize,  
12 a group of youngsters from our community, to play  
13 soccer there. And Ambassador Dieter and Gwyneth  
14 greeted them, received them warmly. It was the  
15 highlight of those youngsters' visit to Belize.

16 In the back and forth of arrangements for  
17 that, Rob and I had the opportunity to catch up  
18 considerably. And he asked very specifically that I  
19 convey to all of you his hearty greetings.

20 CHAIRMAN STRICKLAND: Thank you very much.

21 Sarah.

22 MS. SINGLETON: I wanted to report to the

1 board on two developments in New Mexico because I think  
2 they do implicate the work that LSC does.

3 The Supreme Court had adopted a pro bono plan,  
4 which is going to require local judicial districts to  
5 adopt local -- or create local access to justice  
6 committees, which are going to work with pro bono  
7 efforts. And the state bar foundation has just hired a  
8 new pro bono coordinator, who is to work with these  
9 local district court committees.

10 And I think that she will be working very  
11 heavily with our two funded providers in New Mexico.  
12 And I would like to make available to her, if it's okay  
13 with the chair and the rest of the board, the  
14 transcripts from our Provisions Committee where we've  
15 discussed various pro bono ideas, including the one  
16 that we had yesterday about law schools, so that she  
17 has that thinking that's gone on at those what I  
18 thought were very informing committee hearings. That's  
19 one thing I wanted to ask the chair about.

20 CHAIRMAN STRICKLAND: I have no objection to  
21 that. Does any board member have any objection to  
22 providing those transcripts?

1 MS. BARNETT: I was going to suggest that we  
2 have done highlights from them. And it might be more  
3 useful to --

4 MS. SINGLETON: That would be great.

5 MS. BARNETT: -- and easier to convey to her  
6 the highlights from the January, the April, and we'll  
7 be doing the same one for this one, rather than the  
8 actual transcript.

9 MS. SINGLETON: That would be great. I'm sure  
10 she'd appreciate any help she can get.

11 The second thing was that as I reported to the  
12 Provisions Committee earlier in the year, I was the  
13 chair of the SCLAID task force that revised the  
14 standards for providing legal services. And in that  
15 capacity, I was asked to give a training program at the  
16 statewide legal services training, which took place in  
17 New Mexico.

18 Many of the attendees were from New Mexico  
19 Legal Aid, which is the largest grantee in New Mexico.  
20 And as part of my presentation, they jumped all over me  
21 because they said that the -- many of the conditions of  
22 their grant were inconsistent with the standards that

1 SCLAID adopted.

2 In particular, they have been told that they  
3 have to accept any case that comes through the door.  
4 They have to close these cases quickly. The only thing  
5 that counts is numbers. And as related to me, if that  
6 is the way the conditions they have been given have  
7 been interpreted, they are in violation of those  
8 standards and they are in violation of our state plan  
9 that the state justice community adopted.

10 So I wanted to call that attention and that  
11 reaction to the attention of particularly Karen  
12 Sarjeant because you have some very unhappy campers.  
13 And in my opinion, at least, they are justified in  
14 their discontent.

15 CHAIRMAN STRICKLAND: I don't think I'm  
16 prepared to comment on that intelligently. But I would  
17 like -- or at all, for that matter, without asking the  
18 help of others, perhaps at the appropriate point on the  
19 agenda. If you're ready to help us on that right now,  
20 Karen, that will be fine.

21 MS. SARJEANT: Karen Sarjeant, vice president  
22 of programs and performance.

1           We would be more than happy to have a  
2 conversation with the New Mexico recipient to make sure  
3 that there is clarity about our expectations and what  
4 the grant assurances require them to do.

5           Let me just say very clearly, we have never  
6 given the -- and the grant assurances do not say only  
7 numbers. And we'd be happy to talk with them about  
8 what the expectations are around delivery in an  
9 integrated delivery system for their program.

10           MS. SINGLETON: I'd be happy to talk with you,  
11 too.

12           MS. SARJEANT: I'd love to talk to you.

13           CHAIRMAN STRICKLAND: Okay. Anything else,  
14 Sarah?

15           MS. SINGLETON: No. Thank you.

16           CHAIRMAN STRICKLAND: Thank you for bringing  
17 that to our attention.

18           Do any other members have reports?

19           MR. MEITES: I do.

20           CHAIRMAN STRICKLAND: Yes, sir.

21           MR. MEITES: This is an informational report.  
22 The Illinois Supreme Court -- we do not have a



1 mandatory bar membership in Illinois, but we have a  
2 yearly dues requirement. The Illinois Supreme Court  
3 has announced that starting in 2007, the form that it  
4 will send, will have sent, to all attorneys in  
5 Illinois, in addition to asking if the information is  
6 correct, will also require that the -- as a condition  
7 of continued registration that the attorney report how  
8 many hours in the past year that attorney spent on pro  
9 bono activity. The Supreme Court has announced that a  
10 zero is acceptable. No answer is not acceptable.

11 As far as I know, and people know more about  
12 this than I do, there is as yet no plans for what the  
13 Illinois Supreme Court plans to do with this  
14 information. If in fact the answers are truthful, I  
15 think it will be a revelation. More to come.

16 MR. GARTEN: May I ask a question?

17 CHAIRMAN STRICKLAND: Yes, sir.

18 MR. GARTEN: Do they have a question, have you  
19 contributed any funds to any --

20 MR. MEITES: No.

21 MR. GARTEN: They don't? In Maryland they do.

22 CHAIRMAN STRICKLAND: Well, in Georgia we have

1 a mandatory bar, but that's not a question that we're  
2 asked on an annual basis.

3 Anything else from board members? As an  
4 amendment to the chairman's report, I'd like to add it  
5 is my understanding that the annual meeting of the ABA  
6 next month will be the occasion of the end of the term  
7 of Bill Whitehurst as chairman of the SCLAID committee.  
8 And I couldn't let it pass, or that event pass, without  
9 acknowledging publicly.

10 I think I speak for the entire board -- I hope  
11 I do -- in expressing our appreciation to Bill  
12 Whitehurst for the vital role he's played as chair of  
13 SCLAID and the support he's given to this board during  
14 his term of office as chair of SCLAID.

15 He's certainly become a good friend, and has  
16 extended warm hospitality to me when I visited Austin  
17 for the first time. That was probably the clue, or I  
18 should have interpreted that as a clue. When I told  
19 Bill that was going to be my first visit to Austin, he  
20 took the ball and ran with it. And I now know a lot  
21 about Austin that I didn't previously know.

22 But seriously, I think Bill has been a

1       tremendous chairman of SCLAID and has been very  
2       supportive of LSC and our work. And I wanted to  
3       acknowledge that. And I would accept statements from  
4       any other board members who may want to add to my  
5       comments.

6                MS. SINGLETON: Mr. Chair, I certainly echo  
7       your comments. And I'm wondering whether we could have  
8       your permission at the SCLAID meeting to convey them to  
9       that full committee. Both Herb and I will be there,  
10      and probably Helaine will be also.

11               CHAIRMAN STRICKLAND: Please do exactly that.

12               MS. BARNETT: I could do that in my update on  
13      LSC.

14               MS. SINGLETON: Okay. Okay.

15               CHAIRMAN STRICKLAND: Yes, sir.

16               MR. GARTEN: As a follow-up to the advice we  
17      got about acknowledgments and rewards, would it be  
18      possible to get some kind of certificate or form that  
19      we could -- that would be appropriate that we  
20      could -- could be made available to him and presented?

21               CHAIRMAN STRICKLAND: I suppose we could  
22      consider during the noon hour trying to adopt a

1 resolution. Is that -- off the record.

2 (A brief recess was taken.)

3 CHAIRMAN STRICKLAND: All right. Why don't  
4 you convey the discussion we had on the record, those  
5 of you who will be at the SCLAID meeting.

6 MS. SINGLETON: Okay.

7 CHAIRMAN STRICKLAND: And we'll leave it at  
8 that.

9 All right. The next item is the president's  
10 report. If you're ready, President Barnett, we're --

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

12 I'm pleased to have the opportunity to share  
13 with the board a number of recent developments at LSC,  
14 to provide an update on the status of several  
15 initiatives, and my activities since the last board  
16 meeting the end of April.

17 With regard to our appropriations update, I'm  
18 pleased to be able to report that we have had a  
19 successful year to date in pursuing an increased  
20 appropriation for fiscal year 2007. As you recall, we  
21 released the report, "Documenting the Justice Gap in  
22 America," last October, and it became a key basis for

1 LSC's request that Congress increase LSC's budget by  
2 about 20 percent to \$411 million.

3           Although the House Appropriations Committee  
4 originally recommended a reduction of over 12 million,  
5 the full House of Representatives, on a 237 to 185 vote  
6 on June 28th, set our appropriation at 338.9 million.  
7 Then just over two weeks ago, on July 13th, the Senate  
8 Appropriations Committee adopted an amendment  
9 overturning its subcommittee recommendation to level  
10 fund LSC, and set the appropriation at 358.5 million, a  
11 10 percent increase over fiscal year 2006.

12           We expect the full Senate to consider the  
13 Commerce-Justice-Science appropriations after Labor  
14 Day, and hopefully to adopt the 358.5 million figure as  
15 it did last year. The final figure will be determined  
16 by the House-Senate conference committee some time in  
17 the fall.

18           The leadership of Representative David Obey in  
19 the House and Senators Tom Harkin and Pete Domenici in  
20 the Senate Appropriations Committee were critical to  
21 these developments. I'm pleased to report that we had  
22 strong bipartisan support in both the House and the

1 Senate committee.

2 In fact, before the Senate Appropriations  
3 Committee members decided to adopt the amendment by  
4 voice vote, nearly half the committee's Republicans,  
5 including Committee Chairman Thad Cochran of  
6 Mississippi, had indicated their support of the  
7 Harkin-Domenici amendment.

8 I would like to thank both the NLADA and the  
9 American Bar Association for their work on LSC's behalf  
10 at the local and state level.

11 Finally, it is worth noting that information  
12 from the Justice Gap report and the unable-to-serve  
13 study were frequently cited to in the discussions  
14 leading up to these recent votes. The unable-to-serve  
15 results were mentioned in congressional debate by  
16 Senator Harkin, Representative Mollohan, and  
17 Representative Bobby Scott, who cited specifically to  
18 the report.

19 Letters to the two appropriations committees  
20 in support of increased LSC funding, signed by 54  
21 Senators and 163 House members, both mentioned  
22 "Documenting the Justice Gap," as did the

1 NLADA-organized letter to Congress signed by the  
2 general counsels of about 60 corporations.

3           Speaking of the Justice Gap report, we also  
4 received a request by and granted permission to Thomson  
5 Gale, a division of the Thomson Corporation, which  
6 includes all of West Publishing, to reprint excerpts  
7 from our report, "Documenting the Justice Gap in  
8 America," in their upcoming publication entitled,  
9 "Social Issues Primary Sources Collection: Social  
10 Policy." This publication is one volume in their  
11 multi-volume series of primary source documents  
12 focusing on leading social issues of the 19th, 20th,  
13 and 21st Centuries.

14           We continue to have all-staff meetings every  
15 three months. On May 2nd, we held an all-staff meeting  
16 to provide an update on board activities at its April  
17 meeting and on recent developments. As with past  
18 meetings, I asked several individual members of the  
19 staff to report on the status of our quality  
20 initiatives.

21           As part of the meeting, we also presented LSC  
22 service awards to 16 staff members to celebrate the

1 contribution of colleagues who have committed so much  
2 of their lives to LSC and recognize their commitment as  
3 they reached various significant milestone  
4 years -- nine of whom had five years of service to LSC,  
5 one had ten years of service, one had 15 years of  
6 service, four had 20 years of service, and one had 25  
7 years of service.

8 Now I'd like to focus on LSC's initiatives and  
9 the focus on our quality agenda. As you know, LSC  
10 issued revised LSC performance criteria in April  
11 reflecting changes in the legal services delivery  
12 environment since 1993, including the growth of state  
13 justice communities, expanded use of technology,  
14 increasing demand for services, changing demographics,  
15 and congressional restrictions.

16 The performance criteria are the centerpiece  
17 of LSC's quality agenda. They are used by LSC in the  
18 competitive grants process, as assessment tools during  
19 program visits, and we encourage programs to use them  
20 to guide their own program self-assessments and program  
21 development.

22 We believe the performance criteria are a



1 valuable legal services community document that has  
2 many uses within programs, giving guidance on all  
3 aspects of program activities. As part of our quality  
4 initiative, we are engaging in the following  
5 activities:

6 LSC staff are bringing hard copies to each  
7 office visited during OPP and OCE program visits.

8 LSC staff are participating in program, state,  
9 regional, and national trainings to discuss the  
10 performance criteria, their potential uses by programs,  
11 and how LSC intends to use them.

12 We are testing our program visit format, using  
13 the performance criteria as an outline for the visit,  
14 the exit conference, and the visit report.

15 We are exploring substantial revisions to the  
16 2008 RFP, to be used in April of '07, to more closely  
17 track the performance criteria.

18 We plan to work closely with members of the  
19 ABA Standards Revision Committee and other field  
20 representatives to cross-reference the final ABA  
21 standards to the performance criteria.

22 An important note to all of this work related

1 to the performance criteria is that because the details  
2 of the performance criteria are found in the indicators  
3 and areas of inquiry under each of the four program  
4 areas, it is LSC's intention that the performance  
5 criteria always be published in their entirety.

6 On May 31st, I held a fourth conversation on  
7 quality in New Orleans with program leaders in the deep  
8 south from the states of Alabama, Arkansas, Louisiana,  
9 and Mississippi, including an IOLTA director, members  
10 of state access to justice commissions, a state bar  
11 president, and executive directors of LSC-funded  
12 programs. Board member Jonann Chiles also attended,  
13 along with Mike Genz, director of LSC's Office of  
14 Program Performance, and Karen Sarjeant.

15 The conversation focused on problems endemic  
16 to the area -- a very disadvantaged poverty population,  
17 relative absence of funding sources other than LSC,  
18 high demand for services coupled with high staff  
19 turnover and low staff numbers. We also discussed  
20 progress in recent years, including the establishment  
21 of access to justice commissions in three of the  
22 states, and on June 29th -- the fourth state,

1 Mississippi, created its access to justice  
2 commission -- and increases in IOLTA and state  
3 governmental sources. Participants at that  
4 conversation indicated a desire to have LSC help  
5 facilitate ongoing coordinated work between the  
6 programs in this region and continuing dialogue, which  
7 we are doing.

8           With regard to our technology initiative grant  
9 process, we are in the midst of reviewing 44  
10 applications from our grantees totaling requests for  
11 \$1.9 million. We have approximately \$1.2 million  
12 available for 2006 grants.

13           There are three grant categories: websites,  
14 new renewal and continuation; replication, building on  
15 previous TIG projects; and open, innovations. In a  
16 process identical to last year, LSC grantees submitted  
17 a two-page letter of intent containing a broad  
18 description of an envisioned project and its associated  
19 costs. LSC then invited a select group, based on the  
20 letters of intent, to complete the full application.  
21 The deadline for that was June 16th.

22           The State Justice Institute has approached us

1 about adding a portion of their funds to our TIG  
2 process, which would enable us to support more TIG  
3 projects. For some grants, we will jointly fund. For  
4 others, only TIG funds will be used. This is a  
5 wonderful opportunity to leverage our TIG dollars and  
6 help create important partnerships with courts and our  
7 grantees.

8           During June and July, we have engaged in the  
9 review process for these applications. This year, the  
10 TIG staff has added a number of new external reviewers,  
11 who have significant technology experience to bring  
12 into the process the expertise of the private sectors  
13 who are working to expand the use of technology in the  
14 delivery of legal services. At the conclusion of the  
15 reviews, TIG staff will present a formal slate of  
16 recommendations for funding to me, and it is  
17 anticipated the final award decisions will be made  
18 before Labor Day.

19           You may recall that our leadership mentoring  
20 pilot project is our project designed to create  
21 mentoring models that can be replicated by LSC-funded  
22 programs that will assist them in identifying,

1       nurturing, and supporting a diverse group of future  
2       leaders in the civil legal services community.

3               The leadership mentoring committee is  
4       currently planning and working with our program  
5       partners, MIE and NLADA, to develop the training  
6       curriculum for the third and final group training event  
7       to be held in Charlotte, North Carolina in conjunction  
8       with the NLADA annual conference in November.

9               Since the last training session in March 2006,  
10       the mentors and proteges have been working in  
11       preassigned groups to develop viable private attorney  
12       involvement plans based on specific hypothetical  
13       information provided by LSC. The project plans are to  
14       be completed by September and will be presented in  
15       November as part of the final training.

16              The pilot program design calls for mentors and  
17       proteges to be evaluated throughout the program, and  
18       LSC hopes to learn specific ideas from the evaluation.  
19       Different aspects of the individual and group mentoring  
20       models are being analyzed to examine the effectiveness  
21       of the combined leadership model.

22              Specific elements of the LSC mentoring pilot

1 program, such as the use of technology and distance  
2 learning, are being evaluated as well. The evaluate  
3 information will help inform our final report and the  
4 components of the mentoring model that we will share  
5 with our programs so that they can be replicated.

6 Preliminarily, this program has received a  
7 very enthusiastic response. We have been extremely  
8 pleased by the engagement of the participants. The  
9 proteges have taken an active role in working with us  
10 to offer suggestions to expand the pilot experience,  
11 and they have an active listserv they use to share  
12 their experiences with each other.

13 With regard to our pilot loan repayment  
14 assistance program, as previously reported, 25  
15 participating attorneys have been selected to  
16 participate. They will receive up to \$5,000 for each  
17 of three years, the first payments retroactive to  
18 October 1, 2005. The million-dollar pilot project runs  
19 from October 2005 through September 2006.

20 We expect to allocate support for 67 attorneys  
21 in the two categories we've identified as recruitment  
22 and retention. Ten additional attorneys have been

1 selected, five in recruitment and five in retention.  
2 Twenty-six applications are pending, which we are  
3 reviewing and hope to make a decision by the end of  
4 August. That leaves approximately five openings still  
5 to fill.

6           These positions will be filled from applicants  
7 from the 15 original participating programs and nine  
8 additional ones we have added to ensure we fill all our  
9 recruitment positions.

10           What we have learned so far is the amount of  
11 debt is staggering. One was \$148,000 for a resident  
12 student at a public law school. While \$80,000 is the  
13 average, debt clearly affects retention.

14           Some attorneys who were with the program in  
15 July 2005 when we initially surveyed programs have  
16 since left due to debt. One attorney works 20 hours a  
17 week as a registered nurse in addition to working  
18 full-time a program to make ends meet. But those who  
19 have received the loans have expressed their  
20 appreciation and how, although modest, it helps. As  
21 you heard earlier today, two people with loans have  
22 left the program.

1           LSC's case service reporting program allows  
2 programs and LSC to gather quantifiable information on  
3 cases handled by LSC programs. The case service report  
4 handbook, referred to as the CSR handbook, is guidance  
5 to LSC programs on how to define what they can count as  
6 a case.

7           The CSR handbook was last updated in 2001, and  
8 we now are in the process of revising it. This will  
9 enable programs to capture even better and count more  
10 accurately the work that the programs do, and takes  
11 into account the delivery system and our regulations  
12 over the past five years. The effort will involve  
13 representatives from the field programs who will be  
14 invited very shortly to participate on the CSR revision  
15 advisory committee.

16           With regard to competition, we have updated  
17 the RFP for calendar year 2007. That encompasses new  
18 inquiries based on the revised LSC performance  
19 criteria. LSC published the RFP for calendar year 2007  
20 in April.

21           In June, LSC received 47 applications  
22 representing 68 services areas for calendar year 2007



1 competitive grants. Of these, there are three service  
2 areas for which there are multiple applicants.

3 They include the statewide basic field migrant  
4 services area in South Carolina -- the applicants are  
5 the South Carolina Centers for Equal Justice, the  
6 current grantee, and Georgia Legal Services, one of our  
7 Georgia grantees; the statewide basic field general  
8 service area in South Carolina --

9 MS. SINGLETON: Georgia wants to do South  
10 Carolina? Is that what you just said?

11 MS. BARNETT: They are making an application  
12 for the migrant service area. The statewide basic  
13 general field services --

14 MS. SINGLETON: Oh, the migrant?

15 MS. BARNETT: Only the migrant.

16 MS. SINGLETON: Only migrant. Okay.

17 MS. BARNETT: Now I'm talking about the  
18 statewide basic field general service area in South  
19 Carolina. The applicants are the South Carolina  
20 Centers for Equal Justice, the current grantee, and Pro  
21 Bono Legal Services; and the basic field general  
22 service area in northeastern Florida -- the applicants

1 are Three Rivers Legal Services, the current grantee,  
2 and Jacksonville Legal Clinic, a new applicant. OPP  
3 staff is in the process of evaluating all of the grant  
4 applications.

5 For the three service areas in which there are  
6 multiple applicants, assuming applicants are qualified,  
7 LSC will conduct capability assessments to help  
8 determine which applicants are most capable of  
9 providing effective and efficient high quality legal  
10 services.

11 Review panels, as required by our regulations,  
12 consisting of lawyers and client representatives, will  
13 be convened also to assess the capabilities of the  
14 multiple applicants and provide a funding  
15 recommendation to me. Grant award decisions will be  
16 made in December.

17 Also in June, LSC received 95 grant renewal  
18 applications covering 130 service areas. LSC grantees  
19 that received a three-year funding term in 2005  
20 competition, or a two- or three-year funding term in  
21 2006, are eligible to file grant renewal applications.

22 Grant renewal applications are used to

1 identify any substantive changes in the applicant's  
2 delivery system since the submission of their last  
3 competitive grant application. Applicants are required  
4 to submit annual grant renewal applications throughout  
5 the period of the grant term.

6 As I reported to you in January and in April,  
7 Wyoming Legal Services was placed on month-to-month  
8 funding, beginning in January 2006, until they achieve  
9 full compliance with a corrective action plan to assure  
10 they are in substantive compliance with our  
11 regulations. This corrective action plan was necessary  
12 to address areas of noncompliance with LSC rules and  
13 regulations.

14 To accomplish full compliance, the program was  
15 on a specific timeline with explicit reporting  
16 requirements each month, which our staff has closely  
17 monitored. The grantee's final submission on the  
18 corrective action plan was submitted in late June. LSC  
19 has been in regular communications with the Wyoming  
20 Legal Services staff, as well as their board of  
21 directors, to impress upon them the seriousness of the  
22 situation.

1           Based on our staff's assessment of the  
2 grantee's monthly submissions, it appears the grantee  
3 has complied with the most critical elements. However,  
4 as many of the grantee's new policies did not go into  
5 effect until June 1 of 2006, LSC must assess the  
6 program's success at implementing these new policies  
7 and their ability to maintain compliance over time.

8           The executive leadership of the program is  
9 changing. As of July 3rd, the executive director has  
10 stepped down and the program is faced with hiring a new  
11 executive director. LSC staff has provided written  
12 materials to offer technical support to the board on  
13 the considerations in selecting the organization's  
14 chief executive officer. These materials are available  
15 to all programs upon request, but LSC does not  
16 participate in the selection process for any program  
17 staff.

18           In addition, as I explained in April, we have  
19 placed the Wyoming service area on a competition  
20 schedule different from the other service areas for  
21 2007. The notice of competition to compete for the  
22 Wyoming service areas is due to LSC on August 14th.

1 The grant application will be due on September 15th.

2 In light of this, an LSC staff member visited  
3 the state of Wyoming during the week of July 10th to  
4 encourage submission of competitive grant applications  
5 for the three Wyoming service areas, and to meet with  
6 potential applicants and others.

7 OPP and OCE staff will conduct jointly an  
8 onsite capability assessment during the week of  
9 October 9, 2006 with Wyoming Legal Services, should  
10 they submit an application, and with any other  
11 applicants that submit an application for funding by  
12 September 15th. LSC anticipated receiving multiple  
13 applications for the Wyoming service area, and if there  
14 are multiple applications, a review panel will be  
15 convened.

16 With regard to our Katrina update, LSC  
17 continues to work with our programs in the Gulf region  
18 as well as our partners in the ABA, NLADA, and Pro Bono  
19 Net, in order to help address the legal needs of low  
20 income Americans affected by the devastation of  
21 Hurricanes Katrina, Rita, and Wilma in the fall of  
22 2005. LSC continues to host the Katrina bi-monthly

1 national calls that began in September 2005, although  
2 the format of the calls has changed from solely state  
3 reports to discussions of more substantive legal  
4 issues.

5           As these legal issues are brought to our  
6 attention, LSC staff works with our national  
7 organizations to find pro bono experts in the  
8 identified areas where our programs don't have the  
9 expertise who would be willing to participate. In a  
10 recent call, there were discussions about the issues  
11 related to insurance cases, the use of pro bono  
12 insurance adjusters to help provide evidence for the  
13 insured if coverage is disputed, and the FEMA process  
14 for recoupment of benefits.

15           A new participant on these calls is former LSC  
16 board member Maria Luisa Mercado, who has recently been  
17 awarded an Equal Justice Works Experienced Practitioner  
18 Fellowship to work on Katrina-related legal issues at  
19 Lone Star Legal Aid, which is an LSC-funded program in  
20 Texas.

21           On June 1st, LSC hosted the Disaster Response  
22 Conversation, which took place in New Orleans on the

1 first day of the 2006 hurricane season. The meeting  
2 was well attended by executive directors and staff of  
3 the four programs that we had met with the day before,  
4 Alabama, Arkansas, Louisiana, and Mississippi, and we  
5 included Florida, Texas, and Tennessee, and invited  
6 staff from organizations that worked closely with LSC  
7 programs in the disaster response.

8           Once again, we were grateful that Jonann  
9 Chiles also attended, along with Mike Genz, director of  
10 OPP, Janet LaBella, program counsel, John Idleman,  
11 program counsel, Taylor Healy, program analyst, and  
12 Karen Sarjeant.

13           The purpose of the meeting was to discuss what  
14 programs have learned and are still learning in the  
15 wake of last year's devastating hurricanes. What were  
16 some of the obstacles? What were some of the  
17 successes? What were some of the failures?

18           Some of the major themes that programs  
19 addressed in the meeting were the need for legal  
20 services providers to plan, coordinate, and partner not  
21 only at the office and program level but also at the  
22 city, regional, and state levels; the need to create a

1 better relationship with the Federal Emergency  
2 Management Agency and the American Red Cross; to have a  
3 better coordination with the ABA Young Lawyers  
4 Division; the important role of legal services programs  
5 participating in evaluation planning for low income  
6 communities; and the need for legal service providers  
7 to advocate for their clients in post-disaster recovery  
8 efforts.

9 Working groups were formed as a result of the  
10 meeting to ensure continued discussion of these issues.  
11 And it was suggested that similar meetings and  
12 conference calls continue to be hosted by LSC in the  
13 future, in addition to possible training and disaster  
14 planning initiatives for legal service providers.

15 We are also looking into with our partners,  
16 the ABA, NLADA, and Pro Bono Net, ways to convert our  
17 Katrina Legal Aid website into a permanent disaster  
18 website. Since the site launched September 27, 2005  
19 through June 30th this year, there have been  
20 approximately 95,000 library downloads and just under  
21 54,000 page views.

22 I'd like to just briefly tell you about a new



1 public affairs project. We are redoing, updating, and  
2 changing the format of that general information  
3 brochure about LSC that was developed several years  
4 ago. It had a picture, you might recall, of our  
5 building in the cover. This is a public affairs  
6 initiative to help realize the first goal of the  
7 strategic plan the board approved earlier this year:  
8 to increase public awareness and support for civil  
9 legal services for low income people.

10           The brochure as a whole will deliver a  
11 positive message. It will be about 800 words, the  
12 length of a new op-ed. It will have powerful images,  
13 not of our building but of the clients we help -- for  
14 the most part, women and children, veterans, elderly in  
15 need. And we will share a draft with you for your  
16 committees before it is finalized.

17           On May 3rd, I was invited to participate in  
18 ABA Day in Washington to give an update on LSC. I was  
19 also asked to participate in a "meet and greet"  
20 session, which was an opportunity for attendees from  
21 the delegations to meet the LSC president and staff and  
22 to learn information about the delivery of legal aid to

1 low income persons in this country.

2 On May 11th, I was invited to be the luncheon  
3 speaker at the first Arizona Statewide Legal Services  
4 Conference in Phoenix. During my remarks, I provided  
5 an update on LSC national developments, and highlighted  
6 and honored the work of the three programs LSC funds in  
7 Arizona, Community Legal Services, Southern Arizona  
8 Legal Aid, and DNA-Peoples Legal Services, and  
9 addressed the importance of partnerships and  
10 collaborations.

11 I also participated in the first statewide  
12 mandatory training program on dealing with potential  
13 clients who have limited English proficiency. In  
14 addition, I met with bar leaders and supporters and  
15 potential funders at a dinner the night before.

16 On May 15th, I attended the opening session of  
17 the annual meeting of the American Law Institute in  
18 Washington, D.C., at which Chief Justice Roberts spoke.  
19 I also attended the May 17th ceremony honoring Justice  
20 Sandra Day O'Connor.

21 I was honored to have been presented with an  
22 honorary doctor of laws degree at the Suffolk

1 University Law School's commencement ceremony in Boston  
2 on May 21st. United States Representative William  
3 Delahunt, a staunch supporter of increased funding for  
4 LSC, and United States Magistrate Judge for the  
5 District of Puerto Rico Gustavo Gelpi, an alumnus, also  
6 received honorary degrees. Former mayor of New York  
7 Rudolph Giuliani gave the commencement speech in  
8 addition to receiving an honorary degree of his own.

9           On June 13th we celebrated Asian Pacific  
10 Americans Month at LSC with a "lunch and learn" event.  
11 The celebration continued a wonderful tradition at LSC  
12 of increasing awareness and understanding of the  
13 different cultures that enrich our interaction with one  
14 another, the diversity that is one of our greatest  
15 strengths as an organization and as a nation.

16           Our keynote speaker was Judge Brian Kim of the  
17 District Court of Maryland for Montgomery County.  
18 Other guest speakers were Paul Igasaki, Executive  
19 Director of the Rights Working Group and former vice  
20 chair and acting chair of the U.S. Equal Employment  
21 Opportunity Commission, and Juliet Choi. The program  
22 also included two wonderful dance presentations, the

1 Korean Drum Dance and the Korean Fan Dance, by members  
2 of the Asian American Arts Center that was specially  
3 arranged by staff member Priscilla Ro, who's grants  
4 coordinator in our Office of Program Performance.

5 On June 19th, I was invited to meet with the  
6 NLADA Civil Policy Group in Washington, D.C. to give an  
7 update on LSC national developments, including funding  
8 and current LSC initiatives.

9 And finally, on July 18th, I attended the  
10 Southeast Project Directors summer meeting in  
11 St. Petersburg, Florida, which had approximately 75  
12 attendees with 35 programs in eleven states. I gave an  
13 update on LSC and attended the LSC session on our  
14 revised performance criteria, which was facilitated by  
15 Karen Sarjeant and included OPP Program Counsel Janet  
16 LaBella.

17 And so from this report, you can see that we  
18 have had a rather busy and productive three months  
19 since our last board meeting.

20 MR. MEITES: I have a question.

21 CHAIRMAN STRICKLAND: Yes, sir.

22 MR. MEITES: I saw in our local legal paper,

1 and forwarded to Helaine, an article to the effect that  
2 Congress was considering a loan forgiveness program for  
3 assistant U.S. attorneys and federal public defenders.  
4 And I suggested that our legislative liaison inquire  
5 whether our employees of our grantees could perhaps be  
6 included in that loan forgiveness program. And I'd  
7 like an update on that.

8 CHAIRMAN STRICKLAND: Mr. Polgar.

9 MR. POLGAR: Thank you. Yes, we have actually  
10 been tracking the various legislative proposals quite  
11 closely. There's one that applies only to U.S.  
12 attorneys or assistant U.S. attorneys and public  
13 defenders and attorneys in state and local prosecutor  
14 offices. There's another version that applies to all  
15 public service attorneys.

16 The one that applies to all public service  
17 attorneys and does cover -- would cover the staff  
18 attorneys at our programs has moved through the House  
19 and actually passed the House as an amendment to a  
20 Higher Education Act reauthorization bill.

21 The one that you're referring to that the  
22 article was on has come out of the Senate Judiciary

1 Committee. Working in conjunction with NLADA, we've  
2 been trying to expand that along the lines that you  
3 indicated, but so far we have not met with much luck on  
4 the Senate side.

5 MR. MEITES: And Congress has an interest  
6 because, as I understand it, the great majority of  
7 loans that our grantees' employees have are loans  
8 directly or indirectly with the federal government.  
9 Isn't that correct?

10 MR. POLGAR: Well, That's correct. But the  
11 reason for both legislations are the same. I mean,  
12 U.S. attorneys --

13 MR. MEITES: What I'm getting at is that if  
14 the federal government were to forgive loans, it would  
15 make a substantial difference because the vast majority  
16 of loans that our grantees' employees have are loans  
17 from the federal government.

18 MR. POLGAR: Or guaranteed by the federal  
19 government.

20 MR. MEITES: Directly or indirectly. That's  
21 right.

22 CHAIRMAN STRICKLAND: Anything else on that,

1 Tom? I have one question about your report. If in  
2 Wyoming a review panel is created because of multiple  
3 competitors, what is the makeup of a review panel under  
4 those circumstances?

5 MS. SARJEANT: Karen Sarjeant. Under our  
6 competitive grants regulation, it sets out the  
7 composition of a review panel. And it is attorneys and  
8 others who are supportive of and knowledgeable about  
9 the delivery of legal services. There is a client  
10 representative on a review panel. And there would not  
11 be LSC corporation staff on the review panel.

12 And we can have participants, attorneys or  
13 members of program -- LSC-funded program staff on  
14 review panels as long as they have not -- they don't  
15 have any connection with the applicant that is the  
16 subject of the review panel for the last five years.

17 CHAIRMAN STRICKLAND: So does it mean it's a  
18 panel of people made up entirely of persons not from  
19 Wyoming?

20 MS. SARJEANT: Yes. Yes. And generally,  
21 we've had three-person review panels, so two attorneys  
22 and a client representative. But they would not be

1 from the state of Wyoming.

2 CHAIRMAN STRICKLAND: Any other questions  
3 about Helaine's report? Yes, sir?

4 MR. FUENTES: Madam President, I'm wondering  
5 if maybe we could get a copy of that one. There was an  
6 awful lot of points in there that -- I think some of  
7 them are worthy of reflection and action and  
8 consideration. Is that possible?

9 MS. BARNETT: Absolutely.

10 CHAIRMAN STRICKLAND: Yes, ma'am.

11 MS. BeVIER: It seems to me that it would not  
12 be a bad idea for us to get a copy of your report each  
13 time. I think they're very informative, and it would  
14 be useful to have it for all of us.

15 CHAIRMAN STRICKLAND: Yeah. I think we'd  
16 probably better break for lunch. I know the inspector  
17 general has a fairly detailed report, including, I've  
18 now seen up here on the screen, some visuals. Is that  
19 right? So I think that we wouldn't want to get started  
20 on that and interrupted. So let's go ahead and break  
21 for lunch now.

22 (At 12:30 p.m., a luncheon recess was taken.)



1                   A F T E R N O O N   S E S S I O N

2                   (1:33 p.m.)

3                   CHAIRMAN STRICKLAND: Let me call the meeting  
4 of the board of directors back to order again and  
5 proceed with the next item on our agenda, which is the  
6 inspector general's report.

7                   We'll recognize Kirt West.

8                   MR. WEST: Good afternoon, Mr. Chairman,  
9 members of the board. This is Kirt West, the inspector  
10 general. I have an extremely brief report that will be  
11 followed by hopefully a 15-minute presentation by my  
12 AIG resource management, Dave Maddox, on our draft  
13 strategic plan.

14                   I wanted to just inform you of a couple  
15 things. One is that I have made a selection for a  
16 permanent assistant inspector general for audit, and  
17 that will be Ronald (Dutch) Merryman, who has been  
18 serving in the capacity of acting. I did post the  
19 announcement, engaged in a competitive selection  
20 process, and found Dutch to be the best person for that  
21 job. So he will be a permanent LSC -- a full-time LSC  
22 employee effective the 16th of August.

1                   CHAIRMAN STRICKLAND: Well, we extend our  
2                   congratulations to Dutch. Welcome aboard on that  
3                   basis.

4                   MR. WEST: The second thing, just as a note,  
5                   you know, there's been a lot of things going on  
6                   regarding the release of privacy information, the VA  
7                   Administration having its computer stolen and all the  
8                   problems emanating from that.

9                   And I just wanted to report something that  
10                  happened that one my staff members was involved in that  
11                  was a very good news story. Tom Coogan, who some of  
12                  you know, was just going through some GAO reports, and  
13                  discovered that on the GAO website were some -- was a  
14                  report containing some privacy information.

15                  He sent a note to the webmaster at GAO, who  
16                  immediately took the information off the web page. The  
17                  Comptroller General issued a press release saying that  
18                  they had discovered -- a person from an inspector  
19                  general's office had pointed out privacy data on their  
20                  web page. They've removed it, they've taken steps to  
21                  contact people, et cetera, et cetera.

22                  So I thought that that was just sort of an

1 interesting thing to note, and a reaction of an agency  
2 to that, which was probably the appropriate action as  
3 opposed to the Veterans Administration, that was in  
4 denial for a month. And I salute Mr. Coogan for  
5 having, you know, taken the initiative, having seen it,  
6 for contacting them.

7 CHAIRMAN STRICKLAND: Well, we join in  
8 saluting Tom Coogan for that effort as well.

9 MR. WEST: The third thing, we've already  
10 discussed the ABA -- my response to the ABA president's  
11 letter. I just want for the record to let -- I gave  
12 copies to the board members. But for everybody else,  
13 we will be posting on our web page the ABA letter that  
14 was sent to us as well as our response to the ABA, for  
15 people who are interested.

16 And that concludes my brief remarks. I'll  
17 turn our strategic planning presentation over to Dave  
18 Maddox.

19 CHAIRMAN STRICKLAND: before you start,  
20 Dave -- excuse me -- does any board member have a  
21 question for Kirt on his report?

22 (No response.)

1 MR. WEST: Thank you, Frank.

2 MR. MADDUX: The OIG has a separate strategic  
3 plan because we were created under the IG Act and not  
4 the LSC Act. Our role is to fill the IG mission, which  
5 is supportive of the larger LSC mission.

6 I'm going to give you a brief overview of the  
7 draft plan. At this point in time, it's the second  
8 draft of the plan. We've already released the first  
9 draft to LSC management, received an excellent set of  
10 comments, worked with Charles Jeffress, and even  
11 incorporated many of those comments and have an  
12 improved draft that we're going to share with you  
13 today.

14 On this draft, we're going to request board  
15 and management feedback and discussion so ultimately we  
16 can make our document, our plan, you know, our future  
17 better, that we can all understand each other.

18 This is an internal LSC draft at this point in  
19 time. After due consideration and improvement, we will  
20 request external stakeholders to comment on our plan.  
21 But first we want to work through it internally.

22 Items that we considered in our plan was the

1 existing OIG strategic plan that was for the years 2000  
2 through 2005; the new LSC Strategic Directions;  
3 historical stakeholder concerns. We employed two good  
4 management principles that really controlled our  
5 process, which were -- which was to identify challenges  
6 facing LSC, and the second was the Government  
7 Performance and Results Act, or GPRA.

8 CHAIRMAN STRICKLAND: Let me ask you a  
9 question.

10 MR. MADDOX: Sure.

11 CHAIRMAN STRICKLAND: Well, I'm afraid if I  
12 wait till the end of your presentation, I'll forget my  
13 question. So I'd better ask you now.

14 Go back to your previous slide there. When  
15 you say "challenges facing LSC," do you mean  
16 generically or from the perspective of the OIG of LSC?

17 MR. MADDOX: It's generically facing LSC. I  
18 actually have a slide that will later kind of explain  
19 it in a little more detail.

20 I want to just highlight some very brief  
21 points about the plan, the first being our operating  
22 philosophy, which states commitments by all OIG staff.

1 It crystallizes how we approach our job, that we are  
2 motivated by the opportunity to enhance the  
3 effectiveness and efficiency of LSC and its grantees.

4 It states our shared values -- integrity,  
5 creativity, commitment to do a good job. It talks  
6 about shared responsibilities that we all have in OIG  
7 leadership and management.

8 Next, items in the message from the IG. Just  
9 to highlight, we work cooperatively with all  
10 stakeholders to improve the federally funded Legal  
11 Services program. Our plan maintains flexibility to  
12 focus on the most important issues in a critical manner  
13 to support our stakeholders and decision-makers.

14 We will increase our focus on identifying  
15 innovative approaches to grants management, compliance,  
16 legal services delivery. We will review our plan  
17 annually and use GPRA-style processes to promote the  
18 implementation of the plan and the achievement of the  
19 goals of the plan.

20 The first management -- or good management  
21 practice, GPRA was originally passed in 1993. Its  
22 purpose was to increase accountability in federal

1 programs to achieve measurable results. This was  
2 incorporated as part of the overall budget request  
3 process. It required certain items, such as strategic  
4 plans with certain required elements.

5 It also set out a circular ongoing management  
6 process, including annual performance plans which have  
7 performance goals, activities, resource levels, and  
8 performance measures. At the end of the years, there  
9 were annual performance reports to be produced that  
10 focused on results in the performance measurement  
11 areas.

12 We have adopted this under the goal to improve  
13 our transparency in our OIG planning and management  
14 systems. We will be coming to the board in January of  
15 '07 with our first performance plan.

16 The second practice is to follow major  
17 management challenges. This is an OIG community best  
18 practice that helps us focus resources on the most  
19 important areas. What we did, and hopefully this  
20 addresses your question, to look at common challenge  
21 areas across all federal programs, to assess individual  
22 risks that we saw within the LSC program, and to

1 identify those applicable areas to LSC. We identified  
2 four major generic areas, which are: stewardship  
3 compliance, program accountability, human capital, and  
4 information technology.

5 We went through a process to align the  
6 management challenges with LSC's strategic directions,  
7 and found a high degree of correlation between the two,  
8 meaning we're all basically on the same page from a  
9 strategic level of what we needed to be focusing on.

10 We used the two management processes that  
11 ultimately guided the development of our plan. Our  
12 vision is to be a valued resource to the board,  
13 management, grantees, and to the Congress; to be a  
14 positive contributor in improving LSC programs and  
15 operations and delivery of legal services, and to  
16 ensure good stewardship of taxpayer dollars. We are to  
17 be a reliable source in providing relevant, impartial,  
18 accurate, cost-effective products and services so that  
19 our clients can make informed decisions.

20 Our mission is to promote economy, efficiency,  
21 and effectiveness in LSC programs and operations;  
22 prevent, deter, detect waste, fraud, and abuse, and



1 non-compliance with laws and regulations that restrict  
2 or prohibit certain practices; to keep the board,  
3 Congress, and management informed about problems,  
4 deficiencies, and corrective actions.

5 More simply, our role is one as a constructive  
6 critic or helpful advisor. We are an oversight  
7 organization that works primarily through audits,  
8 investigations, evaluations, and other fact-finding and  
9 reporting activities. It is our duty to report  
10 deficiencies.

11 And in the bottom line, although the OIG  
12 cannot control the decisions or actions of program  
13 management, program results are the indicator of the  
14 OIG's ultimate effectiveness.

15 We have identified three goals. Goal one: to  
16 produce products that are useful, mission-oriented, and  
17 effectively communicated to stakeholders. Goal two:  
18 to ensure professional credibility, independence, and  
19 operate in a manner that will provide greater efficiency  
20 and accountability. Goal three: develop human  
21 capital, including motivation, knowledge, and multiple  
22 competencies, in a health work environment to support

1 our mission.

2 Goal one objectives include focusing resources  
3 on the most beneficial products to decision-makers and  
4 legal services-eligible population; to strengthen  
5 assurance of an effective LSC compliance program that  
6 is cost-effective; to maximize economy, efficiency, and  
7 effectiveness, and to be a force for positive change in  
8 improving how LSC and its grant recipients do business  
9 in the 21st Century; to prevent fraud, waste, and abuse  
10 in LSC and grant recipients' programs and operations;  
11 enhance OIG communications with stakeholders.

12 CHAIRMAN STRICKLAND: Back up just a minute.  
13 Item three, I'm not arguing with you. I'm just asking  
14 for information.

15 MR. MADDUX: Sure.

16 CHAIRMAN STRICKLAND: Is there a statutory  
17 basis for that? That is, the economy, efficiency, and  
18 effectiveness in programs and operations, is there a  
19 statutory basis that that's an IG function?

20 MR. MADDUX: That is primarily straight out of  
21 the IG Act.

22 CHAIRMAN STRICKLAND: It is?

1           MR. MADDOX: To promote economy, efficiency,  
2 and effectiveness.

3           CHAIRMAN STRICKLAND: I always -- you know,  
4 the popular phrase that you hear about the IG is number  
5 four.

6           MR. MADDOX: That is true.

7           CHAIRMAN STRICKLAND: Seems to be moreso than  
8 number three. So I was asking for the source of it.

9           MR. WEST: I think our vision was we much  
10 prefer to be focusing on number three than number four.

11          CHAIRMAN STRICKLAND: Okay.

12          MS. SINGLETON: Mr. Chairman, it's along the  
13 same lines. I'm wondering, have you done an annotated  
14 version of these, for example, one that would have the  
15 statutory cites to these goals or, I guess, objectives?  
16 I think that would be very useful.

17          MR. MADDOX: We could certainly provide that.  
18 Today I don't have it.

19          MS. SINGLETON: So one comes from section 568  
20 of the IG Act, and so forth. I think that would be  
21 helpful.

22          MR. MADDOX: Sure. Okay.

1           Goal two objectives are to assure OIG  
2 operations are independent and the products and  
3 services are objective, accurate, and meet or exceed  
4 professional OIG standards. Increase transparency and  
5 improve OIG planning and management systems.  
6 Coordinate and work with the larger government, OIG,  
7 legal services, and academic communities to leverage  
8 skills and to identify best practices.

9           Goal three objectives --

10           MS. BeVIER: Excuse me. Is best  
11 practices -- are you talking about best practices for  
12 LSC or best practices for OIG?

13           MR. MADDOX: In this case, under goal two,  
14 this is talking about best practices in terms of OIG.

15           MS. BeVIER: OIG's best practices?

16           MR. MADDOX: But, you know, at this point -- I  
17 mean, let me highlight this is a draft plan at this  
18 point in time. So there are definitely areas for  
19 improvement, and that's why we're going to, you know,  
20 ask you and encourage you to give us feedback. Because  
21 there's nothing like having another set of eyes take a  
22 look at the document.

1 MS. BeVIER: Right.

2 MR. MADDOX: Goal three objectives are to  
3 develop the OIG into a more effective and  
4 performance-based organization operated by leaders to  
5 help improve LSC and its grant recipients; to generate  
6 a positive work culture that supports productive  
7 teamwork, career development, and is characterized by  
8 mutual respect.

9 This is a highly abbreviated overview of a  
10 very detailed document. We would appreciate an open  
11 dialogue with individuals or a group on the  
12 particulars. We would like to receive those comments  
13 by the end of August.

14 I will be the point of contact on this. At  
15 this point in time, Laurie will hand out copies of the  
16 draft as it currently exists. My business card is on  
17 the front cover. So if you have any comments, please  
18 feel free to give me a call. Also, there's my e-mail  
19 address at at this point in time.

20 MR. WEST: And I might add what we will do is  
21 send a second -- we'll take this and send you an  
22 additional one with the annotations.

1           MS. SINGLETON: And you want -- when you say  
2 "open dialogue," that means you want us to call you as  
3 opposed to e-mail you these or --

4           MR. MADDOX: Please feel free to do whatever  
5 is most convenient for you.

6           CHAIRMAN STRICKLAND: Are you -- well, I'll  
7 ask you and also ask Helaine. I recall, in  
8 general -- I don't remember the exact process that was  
9 followed. But when LSC itself developed its five-year  
10 strategic plan recently, I recall that -- and you can  
11 fill in the blanks on this -- but there was some  
12 interchange between your office and management.

13           In other words, I think we received from you  
14 and actually complimented your effort in participating  
15 in the strategic planning process for LSC itself.  
16 Therefore, there must have been some cadre of people  
17 who came together to work on that.

18           Is there a mechanism in place relative to the  
19 same process in developing your strategic plan?

20           MR. WEST: I think that we've already started  
21 that process, that Dave and Tom Coogan met with Charles  
22 and had discussions about the initial draft that you

1 didn't see because we made some changes based on  
2 Charles' experience and suggestions in terms of  
3 clarifying and making things clearer and raising  
4 questions.

5           And I think we're just inviting a larger pool,  
6 particularly for the board, for an area any member  
7 might have a question, concern, thoughts, in a mission  
8 or something that a question needs clarification.  
9 We're just looking for the best product we can find.  
10 But I think we've already started that dialogue, and  
11 it's been very positive already.

12           CHAIRMAN STRICKLAND: And I hope it will  
13 continue to be so. And should we presume, in the  
14 absence of anything to the contrary in here, that we  
15 should treat this as a plan for the Office of Inspector  
16 General, just as it says on the cover, as opposed to  
17 something that may be more generic for LSC itself?

18           MR. WEST: And maybe sort of a clarification.  
19 From my perspective, it's really we have to develop the  
20 plan. It's something that we develop. It's not  
21 subject to board approval, but it's certainly subject  
22 to board input, comments, and suggestions.

1           And to sort of clarify what Dave said, our  
2 plan is to have this -- if we could get comments by the  
3 end of August. We will then incorporate comments,  
4 consider them, and then we're going to put it on our  
5 own web page and solicit comments from our  
6 stakeholders. For instance, I've already talked to  
7 representatives from the NLADA and CLASP so that we can  
8 invite their comments.

9           We'll be sharing it with -- once it goes  
10 public, we'll be sharing it with various committees of  
11 Congress. And then what we hope to do is  
12 present -- you know, we'll present the final plan at  
13 the October meeting.

14           CHAIRMAN STRICKLAND: Go ahead. Excuse me.  
15 I've talked enough.

16           MS. BeVIER: No, you haven't. Go ahead. Are  
17 you done?

18           CHAIRMAN STRICKLAND: I'll come in later. Go  
19 ahead.

20           MS. BeVIER: I just had a question. I should  
21 have asked it when the slide was up because I can't  
22 find it in here on just a quick look.



1           But at one point, there's a reference to  
2           service to clients. And it's not clear in the context  
3           of what whether you're talking about the clients of our  
4           grantees or whether you think of yourselves as having a  
5           separate constituency of clients who use your services.

6           For example, I mean, I don't know who that  
7           would be, but it seemed in context that maybe the  
8           reference was management and the board as opposed  
9           to -- or maybe even Congress as well.

10          MR. MADDOX: There is a section in the plan  
11          that lays out the stakeholders, as we see them. Our  
12          primary stakeholders are the board, management, and  
13          Congress, as we've identified those.

14          MS. BeVIER: Okay. So that's probably what  
15          you meant by clients. I'll read it more carefully.

16          MR. WEST: I think we're also talking about  
17          what we would like to do is develop percents that  
18          ultimately lead -- enhance the better delivery of legal  
19          services to the clients of our grantees.

20          MS. BeVIER: Thank you.

21          CHAIRMAN STRICKLAND: Sorry. Go ahead, Herb.

22          MR. GARTEN: Is this, pages 11 to 15, what you

1       showed us up on the board?  Is that identical or is it  
2       different?

3                 MR. MADDOX:  It's identical.  It's taken  
4       from --

5                 MR. GARTEN:  Okay.  I have the same problem as  
6       Lillian had.  I saw one paragraph dealing with program  
7       results.  I can't find it here in a quick look.  But my  
8       question was:  What program are you referring to, your  
9       own program or LSC's programs?

10                MR. WEST:  And what I've already heard from a  
11       couple different comments is we have to be very clear  
12       when we're using terms that could be perceived one way  
13       or the other to really better define who we're talking  
14       about.

15                MR. GARTEN:  Who are you talking about in this  
16       instance?  I couldn't find it in making a quick look at  
17       it.  But I definitely saw program results on the  
18       screen.

19                MR. MADDOX:  Excuse me.  I don't have the plan  
20       in front of me.  The reference was to page 11.  Is that  
21       correct?

22                MS. BeVIER:  He doesn't know, is the problem.

1 MR. FUENTES: He doesn't know where --

2 MS. SINGLETON: I think if you went back  
3 through your slides real quickly, it would pop out at  
4 us. Because I remember it, too. Well, not quite that  
5 quick, but --

6 MR. GARTEN: I think it was sort of the  
7 middle.

8 MS. SINGLETON: Go to three because I think  
9 it's --

10 MR. GARTEN: Here it is.

11 MS. SINGLETON: Okay. There. "Program  
12 results are an indicator" -- what program is that?

13 MR. MADDOX: Those are the results of LSC.

14 MR. GARTEN: LSC programs?

15 MS. SINGLETON: Not our grantees, but LSC, us?

16 MR. MADDOX: LSC as a whole.

17 MR. GARTEN: And where is -- your outline is a  
18 little different than what these pages are.

19 MS. BeVIER: Yeah. It's not identical.

20 MR. MADDOX: This is a very brief overview.

21 That's correct.

22 MR. GARTEN: All right. Well, I think we

1 would like to have -- at least I would like to have a  
2 copy of that, what you've shown us, the slides.

3 MR. MADDOX: Okay. I can provide them.

4 MS. BeVIER: Me, too.

5 MR. MADDOX: Okay.

6 MR. FUENTES: Mr. Chairman.

7 CHAIRMAN STRICKLAND: Yes, sir.

8 MR. FUENTES: I know we're going to have, as  
9 board members, further opportunity to review this in  
10 detail and offer these comments. And we'll have a more  
11 critical and specific comment on it.

12 But I just would like to offer an opinion at  
13 this time, and that is that I very much appreciate the  
14 format and style by which this is presented. You,  
15 Mr. Chairman, and you, Madam Vice Chairman, have  
16 mentioned to us on two or three instances during our  
17 meetings of today and yesterday your impressions of the  
18 very professional staff that you have found working  
19 with the Office of Inspector General. I think this  
20 information and presentation today confirms that  
21 comment.

22 I like the idea -- what I'm trying to get to,

1 I like the idea that we're seeing it in an early draft  
2 format in a very concise and brief fashion, and we're  
3 having here the opportunity to give our input rather  
4 than giving it further down the line.

5 And I hope that maybe we will observe how we  
6 do this and that it might become something more of a  
7 pattern for our development of policies and statements  
8 in all business of LSC. And I am unanimous in that  
9 opinion.

10 (Laughter.)

11 MS. SINGLETON: Which rarely happens.

12 MR. GARTEN: Can I ask one other question?

13 CHAIRMAN STRICKLAND: Yes, sir.

14 MR. GARTEN: How critical is your  
15 end-of-August date? We're going into August now,  
16 summer months, and it seems to be pushing a little bit.

17 MR. WEST: I think if you'd like to push it  
18 back to, say, September 15th, that would be fine. I  
19 mean, what we'd like to be able to do is give the  
20 outside world a chance to comment on this and then have  
21 time to absorb those comments and come back and present  
22 something at the final October meeting.

1           So if we did September 15th and then  
2       asked -- gave the outside world 30 days to comment,  
3       that would be October 15th, and I think we could pull  
4       together a final plan by the meeting in Charleston.

5           CHAIRMAN STRICKLAND:   What do you mean by the  
6       term "outside world"?

7           MR. WEST:   In other words, we're going to put  
8       it on our website.   Part of the GPRA process does ask  
9       for sharing it with Congress to get their thoughts on  
10      it.   That would be the outside world, as well as, you  
11      know, people with specific requests.

12          MR. MADDOX:   We could also e-mail it to all  
13      the grantees so they have a chance to see it.

14          CHAIRMAN STRICKLAND:   It was a similar process  
15      followed with the development of the LSC strategic  
16      plan, Helaine, you recall, in terms of --

17          MS. BARNETT:   Well, we didn't share it with  
18      Congress.

19          CHAIRMAN STRICKLAND:   All right.   Okay.   Is  
20      that the conclusion of your presentation?

21          MR. MADDOX:   Yes, it is.

22          CHAIRMAN STRICKLAND:   Anyone have other

1 questions for Kirt and Dave?

2 (No response.)

3 CHAIRMAN STRICKLAND: Okay, gentlemen. Thank  
4 you very much.

5 MR. WEST: Thank you.

6 CHAIRMAN STRICKLAND: Next we'll move to  
7 consider and act on the report of the Committee on  
8 Provision for the Delivery of Legal Services. And  
9 we'll call Chairman David Hall.

10 MR. HALL: Thank you. The Provisions  
11 Committee met yesterday and had our third in the series  
12 of panel presentations on the issue of pro bono. I'd  
13 like to just give a brief summary of that presentation.

14 The individuals who came before us was our  
15 moderator, Karen Sarjeant, who has been moderating all  
16 of these panels, the vice president for program and  
17 performance. But we had four outside presenters:  
18 Cindy Adcock, who's the senior program manager for  
19 Equal Justice Works; James Rowan, who's a professor at  
20 Northeastern Law School; Ronald Staudt, who is an  
21 associate vice president for law, business and  
22 technology at Chicago-Kent; and Liz Tobin Tyler, who is

1 the director of public service at Roger Williams Law  
2 School.

3 I don't want to go in great detail about their  
4 presentations. But I would like to share with this  
5 body what I think were some of the recommendations that  
6 came from the various groups. And the reason this is  
7 important is that this is the third and last  
8 presentation from outsiders on this particular topic.  
9 We hope to compile the various recommendations and ask  
10 management to come forward with a comprehensive  
11 recommendation in regards to strategies for us moving  
12 forward.

13 Karen gave us a very excellent overview of how  
14 our various programs are utilizing law students and  
15 working with law schools in various ways. I won't go  
16 over the various models and examples that she gave, but  
17 it was clear from her presentation that many of our  
18 grantees are already effectively utilizing students and  
19 working with law schools. But it was also clear that  
20 there's probably some other work that can be done in  
21 that regard, especially in the area of how it satisfies  
22 the PAI requirement.



1           Cindy Adcock, after giving us a very good  
2 overview over how law schools have evolved in  
3 developing pro bono and public service programs, came  
4 up with three main recommendations that she would ask  
5 us to consider adopting.

6           One was that this board should adopt an  
7 official position to encourage student involvement in  
8 pro bono activities and to encourage law schools to  
9 provide those opportunities for students, and have that  
10 position communicated to law schools.

11           Her second recommendation was to create an  
12 online resource where that is -- on the LSC website  
13 where we could provide students and faculty members  
14 with more information about the mission of LSC, but  
15 also how they can get more involved in this particular  
16 work.

17           Her third recommendation was for us to look at  
18 this pro bono coordinator model, where we would be  
19 encouraging law schools to have pro bono coordinators  
20 and to have those individuals serve as a key component  
21 in promoting what should happen in law schools in  
22 regards to pro bono and public service.

1           Liz Tobin Tyler, after describing some of the  
2 programs that exist at Roger Williams Law School,  
3 didn't have specific recommendations, but there  
4 certainly were some lessons learned from her experience  
5 that she felt we needed to keep in mind.

6           One was that law schools can bring a lot of  
7 pressure to bear on law firms in getting them engaged  
8 in public service activity. So in essence, she was  
9 encouraging our grantees, in essence, as they approach  
10 law firms to get involved, that they have developed  
11 some partnerships with law schools. And if they are  
12 able to offer up the resources of students as they are  
13 trying to talk to law firms about getting involved, her  
14 belief is that that adds extra pressure in getting the  
15 law firms to participate.

16           She also felt that based on her experience,  
17 that law students get excellent experience in doing  
18 this type of work, and that they also provide an  
19 important contribution to the entities that they're  
20 working with in regards to pro bono.

21           And last, she also shared a little bit about  
22 the medical-legal collaborative that has been -- that

1 is in existence at Roger Williams and with the Brown  
2 Medical School, but also exists around the country, and  
3 I think is encouraging more of our grantees to either  
4 get involved in existing medical-legal collaboratives  
5 or to develop new ones. We heard a little bit about  
6 this on our field visit as well yesterday, and I do  
7 think it's an innovative area where some new growth can  
8 occur.

9           Professor Ronald Staudt started out by  
10 commending LSC on the tremendous work we have done  
11 in regards to technology. He feels that the  
12 infrastructure that has been created with the statewide  
13 websites and the TIG grants and all of the other things  
14 that we are doing in this area is probably more  
15 important than we realize in moving the whole agenda  
16 forward in regards to the effective service of low  
17 income clients.

18           However, he feels that we can build on that  
19 foundation through the use of technology in promoting  
20 pro bono. And his major recommendation, though he  
21 talked about a lot of other things, was that we needed  
22 to create a national initiative to enlist students to

1 assist in the development of these statewide websites;  
2 that though they already exist, that there is further  
3 development and updating that can occur with each of  
4 them, and that students are a tremendous resource in  
5 being able to do that -- in developing new forms, under  
6 the supervision of lawyers, of course, but bringing  
7 their expertise to this whole effort.

8           So this is a -- he has developed a paper that  
9 should be shared with us. I don't -- it was supposed  
10 to have been distributed; I think Karen will make sure  
11 all of us get it if we haven't yet -- where he goes  
12 into greater detail about his proposal.

13           Last, Professor Jim Rowan shared with us some  
14 general observations. He main general observation is  
15 that in the 35 years that he's been involved in the  
16 legal service world, he feels that there's been a  
17 drifting apart between the academy and LSC, and in  
18 essence is arguing for a more systematic and stronger  
19 reconnection of these two entities.

20           And the reason he suggests that is he believes  
21 that there are some resources that the law school or  
22 legal academic community can offer to LSC that we are

1 not fully taking advantage of. Some of the examples he  
2 gave of how that could come about, one was the  
3 sabbatical time that faculty members have, if utilized  
4 right, that there is an opportunity for LSC to tap into  
5 this resource, that faculty members might be willing to  
6 spend some of their sabbatical time working with LSC on  
7 a particular project and thus providing some insights  
8 around what they know in regards to pro bono public  
9 service, poverty law, et cetera.

10 He also feels that there is -- in the past,  
11 law schools served as an important training ground for  
12 legal services lawyers, and still feels that law  
13 schools can contribute in that particular area, and  
14 would encourage us to utilize that resource.

15 He also feels, because many law schools are a  
16 part of universities where a lot of interdisciplinary  
17 research is going on, that there may be a resource that  
18 LSC can tap into in trying to get some rigorous  
19 interdisciplinary teams that could better evaluate our  
20 programs, could better analyze the work that we are  
21 doing, and that that would be a benefit to us.

22 He also felt that there were some networking

1 opportunities that we could engage in with alumni  
2 officers in law schools who know where their grads are,  
3 who know what those grads are doing, has some  
4 connection to them, and could possibly provide us with  
5 some resources in regards to our overall mission.

6 He felt the same in regards to law school  
7 librarians, that they have a lot of knowledge about  
8 sophisticated research techniques and strategies, and  
9 that we should be able to tap into that.

10 Finally, he also felt that though most  
11 individuals are looking for concrete rewards, that he  
12 believes that some of the intangible rewards that LSC  
13 can provide, which is providing more recognition to  
14 individuals who do this type of work, communicating  
15 more about the contributions that law professors or law  
16 students are providing to LSC or to our grantees, would  
17 be an important thing.

18 So as I said in the beginning, I thought it  
19 was a very enlightening presentation from this panel,  
20 which to me is consistent with the other two  
21 presentations we've had. Our goal at this point from  
22 the committee's perspective, working both with Karen

1 and Helaine, is to now look back over all of these  
2 recommendations, lessons learned, insights that have  
3 been shared with us by all of these outsiders, and then  
4 to come back with some concrete recommendations about  
5 how LSC at the board level, but also at the grantee  
6 level, can better enhance and encourage more pro bono  
7 activity among lawyers, law students, and the community  
8 in general.

9           So there is no particular act or resolution  
10 that we are bringing before the board for decision at  
11 this time. But I do hope that at the next board  
12 meeting, that we will have gotten to a point where  
13 there are some concrete recommendations that are coming  
14 before this body.

15           That concludes my report.

16           CHAIRMAN STRICKLAND: Thank you, sir.

17           Does anyone have a question for David?

18           (No response.)

19           CHAIRMAN STRICKLAND: Okay. Let's move to the  
20 next item, which is consider and act on the report of  
21 the Finance Committee. Chairman Mike McKay.

22           MR. MCKAY: Mr. Chairman, good afternoon. We

1 met this morning, had a very productive meeting. We  
2 heard from David Richardson, who gave a very fine  
3 presentation on the expenditures of LSC through the  
4 third quarter of this fiscal year.

5 The details of that report can be found  
6 beginning at page 104 of the board book. And if you're  
7 interested, make sure you're reading a memo dated  
8 September 24th, which you should all receive. And that  
9 sets forth the report in detail.

10 The committee went over it in detail, and I'm  
11 happy to report what David Richardson reported is that  
12 we are well within budget.

13 MS. BeVIER: I think you mean July 24th.

14 MR. McKAY: Did I say --

15 MS. BeVIER: You said September.

16 MR. McKAY: Well, I'm looking ahead, aren't I?  
17 Always looking ahead. It's July 24th. Thank you very  
18 much. It's July 24th, just a couple of days ago.

19 We then discussed again, with Mr. Richardson  
20 giving the presentation, the budgetary adjustments.  
21 Those are set forth on pages 2 and 3 of the memo. And  
22 all seemed reasonable. We did not spend a lot of time



1 going over those.

2 We then discussed the fiscal year 2006  
3 reversed consolidated operating budget. Mr. Richardson  
4 reported that we've received \$139,500 in grant  
5 recoveries. That's \$49,900 more than expected. So we  
6 need to increase the grants from other funds line by  
7 \$49,900.

8 M O T I O N

9 MR. MCKAY: So the committee is recommending,  
10 and I move, the adoption of Resolution 2006-008, which  
11 can be found at page 105.

12 MR. FUENTES: Second the resolution.

13 CHAIRMAN STRICKLAND: Any discussion on the  
14 adoption of the resolution?

15 (No response.)

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

18 (A chorus of ayes.)

19 CHAIRMAN STRICKLAND: Those opposed, nay.

20 (No response.)

21 CHAIRMAN STRICKLAND: The resolution is  
22 adopted.

1           MR. MCKAY: We also -- thank you,  
2 Mr. Chairman. We also have -- we're informed that our  
3 interest income is \$65,000 above what we'd expected.  
4 And it was suggested or the plan is to use this as a  
5 carryover into the next fiscal year. And this does not  
6 require board action.

7           We then heard from Mr. Polgar, who reported on  
8 fiscal year 2007 appropriations process. Of course, he  
9 gave a good report, which many of you heard and we're  
10 aware of independently. It's a quite hopeful report,  
11 and we remain hopeful and prayerful that we continue to  
12 move in this positive direction.

13           We then discussed a temporary operating  
14 authority for the new fiscal year if we don't have a  
15 new budget. We have a proposed resolution, which is  
16 Resolution 2006-009, which can be found at page 106.  
17 And this would authorize LSC to continue to operate  
18 after the beginning of the new fiscal year, which  
19 begins on October 1.

20           I should indicate that this is a conservative  
21 approach. It is a continuation of our current spending  
22 pattern, which is well below both the Senate and House

1 proposals that have currently been adopted.

2 M O T I O N

3 MR. McKAY: So I do propose, or move the  
4 adoption, of Resolution 2006-009.

5 MS. BeVIER: Second.

6 CHAIRMAN STRICKLAND: All right. It's moved  
7 and seconded that we adopt the resolution. Is there  
8 any discussion?

9 (No response.)

10 CHAIRMAN STRICKLAND: If not, all those in  
11 favor, please say aye.

12 (A chorus of ayes.)

13 CHAIRMAN STRICKLAND: Those opposed, nay.

14 (No response.)

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

17 MR. McKAY: Thank you. We then discussed  
18 preparation for fiscal year 2008 budget. And we  
19 agreed -- the finance committee agreed to meet on  
20 September 18th at 1:00 Eastern daylight time in our  
21 D.C. headquarters.

22 //

1 M O T I O N

2 MR. MCKAY: You'll find at pages 107 and 108 a  
3 proposed notice that we would like to publish. And I  
4 move the board for approval to publish this notice.

5 MR. FUENTES: Second.

6 CHAIRMAN STRICKLAND: Any discussion?

7 (No response.)

8 CHAIRMAN STRICKLAND: All those in favor of  
9 the motion, please say aye.

10 (A chorus of ayes.)

11 CHAIRMAN STRICKLAND: Those opposed, nay.

12 (No response.)

13 CHAIRMAN STRICKLAND: The ayes have it and the  
14 motion is adopted.

15 MR. MCKAY: Thank you. The next topic relates  
16 to an amendment to the Diversified Investment Advisors  
17 LSC Thrift Plan. The plan had been treating certain  
18 benefits which LSC pays as imputed income to employees.  
19 Specifically, this includes the \$20 monthly  
20 reimbursement that LSC provides towards employee  
21 fitness club dues, and the few employees who receive  
22 reimbursement for healthcare premiums.

1 M O T I O N

2 MR. MCKAY: And we need to remove those items  
3 from the definition of income in the plan. So you'll  
4 find Resolution 2006-010 at page 109, which would  
5 accomplish this. And so I'd move the adoption of that  
6 resolution.

7 MR. FUENTES: Second.

8 CHAIRMAN STRICKLAND: It's been properly moved  
9 and seconded that we adopt that resolution. Is there  
10 any discussion?

11 (No response.)

12 CHAIRMAN STRICKLAND: Hearing none, those in  
13 favor, please say aye.

14 (A chorus of ayes.)

15 CHAIRMAN STRICKLAND: Those opposed, nay.

16 (No response.)

17 CHAIRMAN STRICKLAND: The resolution is  
18 adopted.

19 MR. MCKAY: Thank you. We then spent -- I  
20 gave a quick report to the committee on the budget  
21 procedure revision process, which began after our last  
22 Finance Committee meeting, and reported that -- and of

1 course it was in our binder -- that paragraph 9 of the  
2 proposed revisions contains two proposed paragraphs,  
3 one proposed by management, one proposed by the IG.

4 It raised some legal issues as to what  
5 authority the board has over the IG's budget. I as  
6 chair asked Mr. Fortuno for a legal opinion. He  
7 appropriately shared that with the IG's office, who  
8 gave good feedback. And Vic then circulated to the  
9 committee a memorandum.

10 The committee agreed that we should have  
11 staff, both management staff and it staff, continue to  
12 communicate on this and see if perhaps these two  
13 conflicting paragraphs, paragraph 9, can be resolved  
14 through negotiations.

15 And if not, then we will address that issue  
16 perhaps at our next Finance Committee meeting in  
17 October. So that requires no action, but I wanted to  
18 make sure the board knew the good progress management  
19 staff and OIG have been making on this issue.

20 The last item we addressed really related to  
21 the nature of the financial information that's coming  
22 to the Finance Committee. And we agreed to revise the

1 format of the report that we're receiving, which would  
2 include a new column, which had previously been used  
3 but had been taken out. It's now back in.

4 It includes a column that shows the percentage  
5 of variance for the previous year so we can compare the  
6 variance for this year with the variance from the  
7 previous year. And the committee thought that was a  
8 good idea, and we're going to do that in the future.

9 We also agreed that the Finance Committee will  
10 now receive the same monthly financial reports that the  
11 president receives. And we asked Mr. Richardson to  
12 attach a memorandum to that monthly report if there's  
13 anything in particular he thinks that we should be  
14 focusing on, which we might miss otherwise.

15 In that same vein, we communicated to  
16 Mr. Richardson in pretty clear terms that we want all  
17 important financial information to be presented to the  
18 Finance Committee and ultimately to the board; that he  
19 should make sure that we are fully apprised of the  
20 things that we need to know about.

21 And if he's not sure, he should err on the  
22 side of caution and tell us. And I think he got that

1 message, and we are confident that he will execute  
2 that.

3 Perhaps most importantly, we will receive at  
4 our next meeting a training on the per diem  
5 reimbursement process. And we thank Mr. Meites for his  
6 leadership on that issue.

7 (Laughter.)

8 MR. MCKAY: And that concludes my report,  
9 Mr. Chairman.

10 CHAIRMAN STRICKLAND: It seems clear you saved  
11 the best for last. Any questions for Mike on that  
12 report?

13 (No response.)

14 CHAIRMAN STRICKLAND: All right. Then let's  
15 proceed to consider and act on the report of the  
16 Operations and Regulations Committee. Chairman Tom  
17 Meites.

18 MR. MEITES: Thank you, Mr. Chairman. Our  
19 committee met yesterday, and we considered three  
20 substantive items.

21 The first was a review of a draft Notice of  
22 Proposed Rulemaking, to revise 45 CFR Part 1621, which



1 is the client grievance procedure. Staff reviewed with  
2 us the proposed notice. We -- the committee had one  
3 change that it believed was appropriate. And let me  
4 call that change to your attention.

5 It's on page 38, which is the redlined  
6 version, and 39. In both proposed Parts 1621.3 and  
7 1621.4, we would be -- determined that the phrase  
8 "designed to treat complaining applicants with dignity"  
9 be deleted. The staff was amenable to that change.

10 M O T I O N

11 MR. MEITES: And after further discussion, our  
12 committee recommended it, and I so move, that the board  
13 approve the draft notice for publication with that  
14 deletion.

15 CHAIRMAN STRICKLAND: Is there a second to  
16 that motion?

17 MS. BeVIER: Second.

18 CHAIRMAN STRICKLAND: Any discussion on the  
19 motion?

20 MR. MEITES: One -- Helaine points out to me,  
21 the phrase would not be deleted entirely. It would be  
22 moved to the preamble of the notice, in the notice.

1           CHAIRMAN STRICKLAND: All right. It's been  
2 moved and seconded. Any further discussion on that  
3 item?

4           (No response.)

5           CHAIRMAN STRICKLAND: All those in favor,  
6 please say aye.

7           (A chorus of ayes.)

8           CHAIRMAN STRICKLAND: Those opposed, nay.

9           (No response.)

10          CHAIRMAN STRICKLAND: The ayes have it.

11          MR. MEITES: Mr. Chairman, the next item that  
12 we considered was consider and act on rulemaking to  
13 revise 45 CFR Part 1624, the prohibition against  
14 discrimination on the basis of handicap.

15                 As the board may recall, the board authorized  
16 publication of this proposed notice. The publication  
17 elicited a number of important substantive comments  
18 from persons in groups having substantial stakes in  
19 this area.

20                 The staff recommended that our committee defer  
21 further action on this proposed rule until the staff  
22 has had a chance to digest these proposals, and the

1 proposed -- report to us at the next meeting,  
2 hopefully, with a revised -- a draft revised as the  
3 staff believes appropriate in light of the comments.

4 Our committee was amendable to that, and we  
5 directed the staff to so proceed. No action is  
6 required of the board on that item.

7 The next and last substantive item we  
8 considered was to the 2007 grant assurances. We began  
9 by asking the staff to give us a brief review of what a  
10 grant assurance is and what it is used for and the  
11 history of the present grant assurance. We were told  
12 that the grant assurance is a list of conditions that  
13 are attached to each grant which the grantee must agree  
14 to.

15 The staff had conferred with the IG's office,  
16 and IG's office had several substantive suggestions and  
17 changes to make in the grant. But after conferring,  
18 the staff recommended that rather than attempting to  
19 deal with the IG's comments, indeed, any comments  
20 anyone else may have, on a piecemeal basis, the staff  
21 recommended that the 2007 grant assurances, as  
22 proposed, which are only minor changes over the 2006

1 grant assurance, be employed.

2 The staff committed itself, however, to begin  
3 a bottom-up review of the entire grant assurance for  
4 our next year's consideration. The committee was  
5 amendable to that. And under -- and as was the IG, by  
6 the way, who joined in supporting that proposal.

7 M O T I O N

8 MR. MEITES: And on that basis, with the  
9 undertaking by the staff to conduct this bottom-up  
10 review of the grant assurance, we recommend and I so  
11 move that the proposed grant assurance for 2007 found  
12 at page 81 in the materials be approved by the board.

13 CHAIRMAN STRICKLAND: You've heard Mr. Meites'  
14 motion. Is there a second to that motion?

15 MS. SINGLETON: Second.

16 CHAIRMAN STRICKLAND: Any discussion of the  
17 motion?

18 (No response.)

19 CHAIRMAN STRICKLAND: All those in favor,  
20 please say aye.

21 (A chorus of ayes.)

22 CHAIRMAN STRICKLAND: Those opposed, nay.

1 (No response.)

2 CHAIRMAN STRICKLAND: The ayes have it and the  
3 motion is approved.

4 MR. MEITES: I believe, subject to my  
5 committee correcting me, that that completes our  
6 report. Thank you.

7 CHAIRMAN STRICKLAND: All right. The next  
8 item is consider and act on the board's meeting  
9 schedule for calendar year 2007, which is found on  
10 page --

11 MS. BeVIER: Aren't we doing the footnote?

12 CHAIRMAN STRICKLAND: Sorry. I checked it  
13 off. Consider and act on the follow-up to the  
14 Inspector General's Semiannual Report to Congress for  
15 the period of October 1, 2005 through March 31, 2006.

16 I recognize Kirt West.

17 MR. WEST: Good afternoon, Mr. Chairman,  
18 members of the board. We have been -- the IG and  
19 management have been having discussions about the two  
20 audit reports that are underlying the footnote.

21 I think I indicated in my report to you we are  
22 very close to resolving one of the two issues in the

1 reports, and we're having, I think, substantial  
2 discussions on the other, with the hope of resolving  
3 both of these so the issue will go away.

4 What I would suggest is maybe deferring this  
5 issue until the October meeting. It would let us try  
6 to work it out. And if we can't, the issues will be  
7 much more crystallized for that. Helaine and I have  
8 discussed this approach, and I think we're both  
9 comfortable with it.

10 CHAIRMAN STRICKLAND: All right. I would ask  
11 unanimous consent that that item be withdrawn. Is  
12 there any objection to that?

13 (No response.)

14 CHAIRMAN STRICKLAND: Hearing none, the item  
15 is withdrawn from the agenda. Thank you.

16 All right. Then the next item is consider and  
17 act on the board's meeting schedule for calendar year  
18 2007, which is found on page 153. Is that ready for  
19 approval? And is that -- as usual, I suppose, is  
20 subject to any problems we might have with the  
21 location, the hotel or something unexpected?

22 MS. BARNETT: Yes. But I believe that these

1 contracts have been --

2 CHAIRMAN STRICKLAND: Oh, they have? All  
3 right.

4 MS. BARNETT: If I'm correct.

5 CHAIRMAN STRICKLAND: I was asking Helaine if  
6 we normally approve the meeting schedule with a motion.  
7 Let me ask Mr. Fortuno: Do we normally do that with a  
8 motion, or is that necessary? Or can we just --

9 MS. SINGLETON: Just tell us where to go,  
10 Frank, and we'll go.

11 (Laughter.)

12 MR. FORTUNO: Well, you may. You need not do  
13 so. I think that it's always been presented this way  
14 so that the board can make plans and in case there  
15 should be an issue. I think that folks on the board  
16 have been aware of these dates for some time now, so if  
17 there had been conflicts, those would have been  
18 communicated by now.

19 I think it's here largely for information. I  
20 don't think it requires action by the board.

21 CHAIRMAN STRICKLAND: All right. Fine.  
22 Unless there's any objection, we will not take formal

1 action on the schedule.

2 MR. MEITES: Does our newest board member know  
3 that she is responsible for restaurant recommendations  
4 in Little Rock?

5 CHAIRMAN STRICKLAND: We'll ask her.

6 MS. CHILES: I heard I'm responsible for  
7 something.

8 CHAIRMAN STRICKLAND: It had to do --

9 MS. SINGLETON: Don't tell her what. Give us  
10 the most flexibility.

11 CHAIRMAN STRICKLAND: Actually, I'll tell you.  
12 It had to do with restaurant recommendations for the  
13 Little Rock meeting.

14 MS. CHILES: Oh, I would be happy to take on  
15 that responsibility.

16 CHAIRMAN STRICKLAND: All right. Good.  
17 You've got it.

18 MS. CHILES: Thank you.

19 CHAIRMAN STRICKLAND: The next item then is  
20 consider and act on other business. Is there any other  
21 business?

22 (No response.)



1           CHAIRMAN STRICKLAND: Earlier this week, the  
2 Corporation received two requests from congressional  
3 staffers for copies of transcripts of several meetings  
4 of the board and of the board's Performance Reviews  
5 Committee. Since they involve requests for executive  
6 session materials, I propose that we take up those  
7 requests in executive session.

8           However, because we learned of the request  
9 after we had given the required public notice of this  
10 meeting, this is a vote that we much first take in  
11 order to be able to add this item to our agenda.

12           LSC's regulation implementing the Sunshine Act  
13 provides that, "The subject matter of a meeting may be  
14 changed by a recorded vote of a majority of the  
15 directors that Corporation business so requires, and  
16 that no earlier announcement of the change was  
17 possible," citing 45 CFR Section 1622.4(d)(2).

18                                   M O T I O N

19           CHAIRMAN STRICKLAND: That being the case, I  
20 call for such a vote. Given the circumstances that I  
21 have just described, please raise your hand if you vote  
22 that the Corporation business requires taking up this

1 matter, and that no earlier announcement of the change  
2 to our agenda was possible.

3 (Show of hands.)

4 CHAIRMAN STRICKLAND: Now, all who vote that  
5 the Corporation business does not so require or that  
6 earlier announcement of the change was possible, please  
7 raise your hand.

8 (Show of hands.)

9 CHAIRMAN STRICKLAND: I should have read this  
10 in advance.

11 (Laughter.)

12 MR. FUENTES: Didn't have time.

13 CHAIRMAN STRICKLAND: All right. Those who  
14 favor taking affirmative on this, please raise your  
15 hand.

16 (Show of hands.)

17 CHAIRMAN STRICKLAND: I think that's a  
18 unanimous vote. But are there any who vote that the  
19 Corporation business does not so require, please raise  
20 your hands.

21 (No response.)

22 CHAIRMAN STRICKLAND: All right. I don't see

1 any hands.

2 So the count --

3 MR. FORTUNO: Mr. Chairman, if the board  
4 member who's on the phone could cast her vote, that way  
5 the record could reflect the vote of every member.

6 CHAIRMAN STRICKLAND: Yes. Jonann, do you  
7 vote in favor of that motion?

8 MS. CHILES: I would be inclined to vote in  
9 favor, yes.

10 CHAIRMAN STRICKLAND: All right. Then that's  
11 a unanimous vote. And I think that would be ten in  
12 favor and none opposed.

13 Now, also, Vic, we need to -- I need to confer  
14 with the General Counsel off the record, please.

15 (A brief recess was taken.)

16 CHAIRMAN STRICKLAND: Then in addition to the  
17 item that we just added to the closed session -- sorry.  
18 Let me ask -- did I already ask for any public comment?

19 MR. FUENTES: No.

20 CHAIRMAN STRICKLAND: Is there any public  
21 comment?

22 (No response.)

1           CHAIRMAN STRICKLAND: Then item 16, consider  
2           and act on whether to authorize an executive session of  
3           the board to address the items listed below under  
4           closed session and the item that we just added to the  
5           closed session agenda. I would entertain a motion to  
6           that effect.

7   M O T I O N

8           MR. HALL: So moved.

9           MR. MCKAY: Second.

10          CHAIRMAN STRICKLAND: Is there a second? 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 ayes have it. And  
19          we will go into closed session.

20          One item for the reporter. I notice we are  
21          very particular in indicating the time a meeting  
22          concludes, and sometimes we include when it starts. I

1 think we should include both in minutes as we  
2 transcribe them.

3 THE REPORTER: My notes always reflect the  
4 time on and off the record.

5 CHAIRMAN STRICKLAND: Okay. I don't know who  
6 transcribes the minutes, but there are some that don't  
7 seem to have a starting time. SO I just want to make  
8 sure that we include both because we're supposed to  
9 start no earlier than the published agenda time, and I  
10 want to make sure the agenda reflects that we either  
11 start right on time or slightly later.

12 THE REPORTER: I understand.

13 CHAIRMAN STRICKLAND: Thank you.

14 All right. We are now going to move into  
15 closed session.

16 (Whereupon, at 2:36 p.m., the board adjourned  
17 to executive session.)

18 CHAIRMAN STRICKLAND: And in connection with  
19 adjourning the meeting, I would like the motion  
20 to -- I'll state the motion and then somebody can say  
21 moved.

22 M O T I O N

1           CHAIRMAN STRICKLAND: We want our motion to  
2 adjourn, as suggested by our colleague Tom Fuentes, is  
3 in memory of William H. Jeffress, father of our friend  
4 and colleague, Charles Jeffress.

5           MR. HALL: Second.

6           CHAIRMAN STRICKLAND: All right. I take it  
7 there's no discussion on that. All in favor of that  
8 motion to adjourn, please say aye.

9           (A chorus of ayes.)

10          CHAIRMAN STRICKLAND: And we are adjourned.

11          (Whereupon, at 5:02 p.m., the board meeting  
12 was concluded.)

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