

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

MEETING OF THE  
GOVERNANCE AND PERFORMANCE REVIEW COMMITTEE  
OPEN SESSION

Sunday, April 15, 2012

4:27 p.m.

Legal Services Corporation  
3333 K Street, N.W.  
F. McCalpin Conference Center, 3rd Floor  
Washington, D.C. 20007

COMMITTEE MEMBERS PRESENT:

Martha L. Minow, Chairperson  
Sharon L. Browne  
Charles N.W. Keckler  
Julie A. Reiskin  
John G. Levi, ex officio

OTHER BOARD MEMBERS PRESENT:

Father Pius Pietrzyk, O.P.  
Robert J. Grey Jr.  
Laurie Mikva  
Gloria Valencia-Weber

## STAFF AND PUBLIC PRESENT:

James J. Sandman, President

Richard L. Sloane, Special Assistant to the President

Rebecca Fertig, Special Assistant to the President

Kathleen McNamara, Executive Assistant to the President

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

Katherine Ward, Executive Assistant, Office of Legal  
Affairs

David L. Richardson, Comptroller and Treasurer, Office  
of Financial and Administrative Services

Jeffrey E. Schanz, Inspector General

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

David Maddox, Assistant Inspector General for  
Management and Evaluation, Office of the  
Inspector General

## STAFF AND PUBLIC PRESENT:

Carol Bergman, Director, Office of Government Relations  
and Public Affairs

Carl Rauscher, Director of Media Relations, Office of  
Government Relations and Public Affairs

Elizabeth Arledge, Communications Manager, Office of  
Government Relations and Public Affairs

Treefa Aziz, Government Affairs Representative, Office  
of Government Relations and Public Affairs

John Constance, former Director, GRPA, LSC

Chuck Greenfield, National Legal Aid and Defender  
Association (NLADA)

Robert Stein, American Bar Association, Standing  
Committee on Legal Aid and Indigent Defendants

Terry Brooks, American Bar Association

Ann Carmichael, American Bar Association

## C O N T E N T S

OPEN SESSION	PAGE
1. Approval of agenda	5
2. Approval of minutes of the Committee's meeting of January 20, 2012	5
3. Approval of minutes of the Committee's telephonic meeting of February 15, 2012	5
4. Staff report on progress on implementation of GAO recommendations	6
5. Consider and act on the evaluation of officers of the Corporation for 2011	
Victor Fortuno, Vice President for Legal Affairs, General Counsel and Corporate Secretary	17
David Richardson, Treasurer/Comptroller	32
6. Consider and act on other business	38
7. Public comment	38
8. Consider and act on motion to adjourn meeting	38

Motions: 5, 5, 5, 38

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

2 (4:27 p.m.)

3 CHAIR MINOW: So I'd like to call to order the  
4 meeting of the Governance and Performance Review  
5 Committee. And I would entertain a motion to approve  
6 the agenda.

7 M O T I O N

8 MS. REISKIN: So moved.

9 PROFESSOR KECKLER: Second.

10 CHAIR MINOW: Great. All in favor?

11 (A chorus of ayes.)

12 CHAIR MINOW: And how about a motion to  
13 approve the minutes of the meeting of January 20, 2012?

14 M O T I O N

15 PROFESSOR KECKLER: So moved.

16 MS. REISKIN: Second.

17 CHAIR MINOW: All in favor?

18 (A chorus of ayes.)

19 CHAIR MINOW: And approval of the minutes of  
20 the telephonic meeting we had February 15th?

21 M O T I O N

22 PROFESSOR KECKLER: So moved.

1 CHAIR MINOW: Anybody want to second?

2 MS. REISKIN: Second.

3 CHAIR MINOW: Thank you. All in favor?

4 (A chorus of ayes.)

5 CHAIR MINOW: Great. Wonderful.

6 So now we'd love to have a staff report on  
7 progress on implementation of the GAO recommendations.  
8 Treefa?

9 MS. AZIZ: Good afternoon. For the record,  
10 I'm Treefa Aziz from the Office of Government Relations  
11 and Public Affairs, and I will be providing you with a  
12 status update on the GAO recommendations and where we  
13 are today.

14 Just to start, I'd like to remind the  
15 Committee that in January of last year, the GAO issued  
16 final reports and determined that LSC had fully  
17 implemented all the recommendations from the two  
18 reports in 2007 regarding governance, accountability,  
19 and internal controls on grantee oversight.

20 In 2011, I'd like to just state also that LSC  
21 had completed the recommendations from eight selected  
22 internal control audits from the Office of the

1 Inspector General. We hope to send a certification  
2 letter up to the House and Senate Appropriations  
3 Committees this week notifying them that LSC has  
4 completed all action on the two 2007 GAO reports as  
5 well as the IG reports, as required in the fiscal 2010  
6 Appropriations Act.

7           The only remaining item that's open with  
8 respect to GAO is the report in 2010 regarding the  
9 Corporation's grant competition process and grantee  
10 oversight responsibilities. As you know, they issued a  
11 total of 17 recommendations; to date, the GAO has  
12 closed or is in the process of closing nine of those  
13 recommendations.

14           Of the eight open items, two of the  
15 recommendations we recently provided additional  
16 information on and have requested closeout, which we  
17 are awaiting GAO's determination on.

18           Three of the recommendations that are  
19 remaining open are contingent upon the Board's  
20 development of the Corporation's new strategic plan. I  
21 should let you know that we have communicated to the  
22 GAO that that process will be completed in July of this

1 year. If that timeline is slipping or changed, we will  
2 have to notify them of that.

3           And as the Board was briefed earlier today, I  
4 just want to direct the Board's attention to two  
5 recommendations. There's a GAO tracking document in  
6 your board book regarding the status of all of the  
7 recommendations. The two recommendations, No. 9 and  
8 No. 10, relate directly to the strategic plan, and we  
9 need to make sure that the final product that we do  
10 finally approve addresses these two directly. So I'd  
11 just like to remind the Board of that.

12           And I would just say that the last three  
13 recommendations that are open, management is currently  
14 working on completing those and providing that to the  
15 GAO. And by way of reference, I'll let you know that  
16 of the three, one of them is regarding a training  
17 program for OPP and OCE on how they do the internal  
18 controls for the competition process. We are working  
19 on the employee appraisal performance system. And the  
20 third is engaging an outside expert to do a full risk  
21 assessment evaluation of the grant competition process.

22           I'll just say, to close, that we have good



1 working relations with the GAO, that they are  
2 comfortable with the information that we have provided  
3 them. They are comfortable with the timeline and the  
4 time frame that we have communicated with respect to  
5 the open items. And I'm happy to answer any questions  
6 that you have.

7 CHAIR MINOW: Thank you.

8 Charles?

9 PROFESSOR KECKLER: Yes. Well, you can answer  
10 this, and maybe Jim can also weigh in on this. And  
11 this has to do with recommendation No. 11, which has to  
12 do with the development of a strategic human capital  
13 plan.

14 And the question is what GAO thinks and what  
15 management thinks about the incorporation of some level  
16 of a strategic human capital plan within the strategic  
17 plan. During the comment process earlier, I actually  
18 submitted the most embarrassed sort of strategic human  
19 capital plan, or a suggestion of one being put in.

20 But does it need to be in the strategic plan?

21 Does management want it in the strategic plan?

22 PRESIDENT SANDMAN: I don't believe that it

1 needs to be in the strategic plan. It can be a  
2 separate document, but it should be related to the  
3 strategic plan. I would rather, I think, not have it  
4 in the strategic plan because I just fear that adding  
5 that will complicate the strategic planning process and  
6 it might take us longer to get that document donee.

7 MS. AZIZ: I would agree with that.

8 PROFESSOR KECKLER: I totally understand that,  
9 and that's my instinct as well. I guess the next  
10 question, then, is do we need to say anything about  
11 this follow-on document within the strategic plan, even  
12 if we don't have one?

13 MS. AZIZ: I would say linking to the  
14 strategic plan or referencing LSC's human capital plan  
15 would be a good idea since the GAO is very keen on  
16 using the strategic plan as a vehicle to address some  
17 of these recommendations. So I think a reference in  
18 there; the actual procedures and the policies that we  
19 develop don't need to be in that document.

20 PROFESSOR KECKLER: Right. I guess the sense,  
21 then, that I get is that this follow-on document, which  
22 would be the strategic human capital plan, will have

1 lots of linkages back to how it's going to implement  
2 the prior document, the strategic plan.

3           Within that prior document, I think the idea  
4 here is that there will be some idea that we are  
5 thinking about human capital, but there won't be any  
6 description of the exact things we're going to do with  
7 it.

8           PRESIDENT SANDMAN: Yes. That's what I have  
9 in mind.

10           PROFESSOR KECKLER: Okay. Well, just tell  
11 people I might make some comments, following our  
12 previous discussions, along those lines when we're  
13 sending in comments on the strategic plan.

14           CHAIR MINOW: That's very helpful, Charles.  
15 And it does strike me that a general sentence or  
16 paragraph in the strategic plan that refers to the  
17 implementation and follow-on would be helpful.

18           Whether it breaks out the personnel dimension,  
19 the work plan dimensions, the implementation of the  
20 fiscal task force, I don't know if it has to get into  
21 that level of specificity. But it is related also to  
22 the question about how do we update and check in over

1 time. So that's helpful.

2 Any other questions on the GAO -- yes, Julie?

3 MS. REISKIN: Yes. On recommendation 16, it  
4 says that -- first of all, I couldn't quite tell. Are  
5 you developing training -- are we taking the training  
6 or giving the training?

7 MS. AZIZ: We're developing a training program  
8 specifically to what the GAO is requesting regarding  
9 internal controls of the competition process. And  
10 then, once we develop the plan, we will have to  
11 implement it.

12 MS. REISKIN: So maybe I didn't state that  
13 right. Is LSC going to be training like our grantees,  
14 or are we training our own staff?

15 MS. AZIZ: Our own staff.

16 MS. REISKIN: Okay. And it says that this is  
17 going to be submitted by April 30th. Is that still the  
18 plan?

19 PRESIDENT SANDMAN: Yes, it is the plan. But  
20 I understand this recommendation to go to the  
21 development of procedures for training rather than the  
22 rollout of a training plan itself. So you have

1 procedures in place to be sure that you're regularly  
2 reviewing what you need to train on --

3 MS. REISKIN: Oh, okay.

4 PRESIDENT SANDMAN: -- and that you then  
5 follow up and do that training.

6 MS. REISKIN: And then on recommendation No.  
7 3, can you explain what risks you're -- I didn't  
8 understand, really, what you meant by what risks you're  
9 assessing for, and that there was an RFP. It sounds  
10 like you're getting a consultant. But is this like  
11 fraud or what?

12 MS. AZIZ: From the two earlier reports, they  
13 required and we implemented a risk assessment program  
14 here at LSC. We developed that procedures and  
15 policies, and with this outside consultant, I think  
16 what we'll do is do an evaluation of that as part of  
17 the implementation process.

18 So we have a document that we can share with  
19 you, if you like, of what the risks are at LSC.

20 MS. REISKIN: Yes.

21 MS. AZIZ: And so this is what the outside  
22 consultant will come to do, is evaluate that program.

1 MS. REISKIN: Yes, I'd like to see that.

2 Thanks.

3 MS. AZIZ: Sure.

4 PRESIDENT SANDMAN: I think there are two  
5 different types of risks at two different points in the  
6 grant-making process that GAO was concerned about. The  
7 first was risks in the grant-making process, to be sure  
8 that the decisions that are made about what the amount  
9 of the grant is, what the grant term is, what  
10 conditions are attached to it, actually gets  
11 implemented, and that what Dave Richardson's office  
12 does is consistent with the grant-making decisions that  
13 we made, for example.

14 And then there are also risks in the oversight  
15 process, the grants management and oversight process,  
16 to be sure that we have procedures in place to identify  
17 the programs that should be the subject of reviews, and  
18 we have developed a set of risk criteria, both for the  
19 Office of Program Performance and the Office of  
20 Compliance and Enforcement, to identify which programs  
21 should rise to the top of the list for visits in any  
22 particular year.

1 MS. REISKIN: Thanks.

2 PROFESSOR KECKLER: Thank you. Also, if it  
3 would be possible, I'd like to get a brief update on  
4 management's progress on recommendation No. 12 and how  
5 we're doing.

6 PRESIDENT SANDMAN: Our new director of Human  
7 Resources, Traci Higgins, and Richard Sloane, our chief  
8 of staff and my special assistant, have developed a  
9 calendar for this and are working with the union on an  
10 expedited schedule for implementation of a new  
11 performance system.

12 This is something we need to negotiate with  
13 the union about if we're going to do anything  
14 differently, and I think we have determined that we do  
15 need to do some things differently. The union has been  
16 very cooperative, and I believe shares the goal of  
17 doing things on an expedited basis.

18 Management would like to try to have something  
19 in place that would permit us to conduct evaluations  
20 for at least a portion of the calendar year 2012, and  
21 we're working with the union on that.

22 PROFESSOR KECKLER: Thank you.

1 CHAIR MINOW: Any further questions about the  
2 GAO?

3 (No response.)

4 CHAIR MINOW: All right. Treefa, thank you so  
5 much.

6 So our next item, we turn to performance  
7 reviews that are conducted by this Committee. And, as  
8 you know, this is a relatively new procedure we have  
9 now undertaken, both with our President and with the  
10 IG. And it is now our opportunity to talk with Vic  
11 Fortuno and, in a little while, with David Richardson.

12 And we thank you all for putting up with a committee  
13 that is still figuring out what we are doing as we do  
14 this.

15 So Victor, thank you so much for participating  
16 in this process and giving us statement of  
17 self-assessment for 2011 and goals and objectives for  
18 2012. We're getting towards past the first quarter of  
19 2012, but that's our fault, not yours. So we thank  
20 you.

21 You want to say something in general, and then  
22 we can engage in a conversation?



1           MR. FORTUNO: For the record, Victor Fortuno,  
2 General Counsel's Office. I think the memo dated March  
3 18th pretty much covers the work of the office and I  
4 think what we've accomplished during the year and what  
5 I think our goals, at a minimum, should be for 2012.

6           I think I crafted those as proposed goals and  
7 objectives because, of course, I look for the input of  
8 the President and the Board and hope that, now that  
9 we've had a little time working together, you've got  
10 some suggestions as to what my and my office's goals  
11 and objectives should be and how we can better serve  
12 the Board as well as the various operating components  
13 of the Corporation.

14           CHAIR MINOW: That's great. Thank you. So  
15 I'll start us off and say it's really helpful to me to  
16 see the description overall of the range of tasks and  
17 functions that you perform, and they're comprehensive.

18           It's a very complicated, interesting job.

19           I know that you, Vic, have been also engaging  
20 in an amazing transition from being the President  
21 before we were able to find Jim as well as juggling  
22 your current role, and you did that with finesse and

1 grace. And to that, we are all grateful to you for  
2 that.

3 In addition, I know that you have used your  
4 institutional knowledge and your understanding of this  
5 place internally and its external relations incredibly  
6 well in helping Jim understand the situations and  
7 opportunities, as well as all of us on the Board. And  
8 so I think we all want to commend you on that score.

9 Your knowledge of the LSC Act is also a great  
10 resource, and of our appropriations legislation and the  
11 regulations. Very useful.

12 For myself, I think that there are some ways  
13 in which you could focus for the future that would be  
14 very helpful. One is to help highlight, in a prompt  
15 and timely fashion, what might be the problems with  
16 anything that we are currently considering.

17 So we encountered some problems the last  
18 couple of meetings, in fact, where we only found at the  
19 last minute that there was a problem either with a D.C.  
20 regulation or with a change in a particular norm. And  
21 so I'm not sure how to help you figure out what we're  
22 about to consider, but let us just say if something is

1 working its way onto our docket, we need to know if  
2 there's a problem or some legal framework that we need  
3 to understand.

4 MR. FORTUNO: And clearly, ind to be  
5 anticipating those and getting ahead of that, and  
6 making sure that you are advised well enough in advance  
7 so that you can factor that into your deliberations.

8 CHAIR MINOW: That's great. That's great.

9 A second thought I have is -- again, we're all  
10 new to this process, but I didn't see as much of a  
11 difference in the way that your description of the 2011  
12 activities proceed and the 2012 in this regard:  
13 identifying specific objectives for the coming year.

14 So of course, for the general functions across  
15 all of the different categories, you will perform them.

16 You expect to. But what are the specific goals that  
17 may pertain to priorities in your own office and staff,  
18 procedures that you hope to improve, a metric by which  
19 we could know that you did something that we could  
20 commend or know that you did something that was new?  
21 So your thoughts about that?

22 MR. FORTUNO: I don't know about new, but

1 improve the -- I think if you assess your own weak  
2 points, and I think we all have them and clearly I do,  
3 I think I need to improve my management of the staff,  
4 staff management, ensuring that things are -- that we  
5 have firm deadlines; that we're meeting them; when we  
6 don't, that there's good reason why it hasn't been met;  
7 and that the alternative is one that's workable.

8           But I think that staff management, and I think  
9 that ensuring FOIA -- again, it's an area where we're  
10 doing well if you compare us to large agencies. But  
11 the fact is, we just need to do well for an agency,  
12 period. We can stay current. We have stayed current.  
13 We're at a point now where we're current.

14           The fact that we've fallen behind twice is  
15 something that needs to be addressed, and I think that  
16 there should be no significant backlog. Clearly, there  
17 are going to be open FOIA requests, but they should be  
18 contemporary. They should be requests that are being  
19 processed, and are processed timely.

20           So I think that FOIA -- I think that the  
21 timeliness of work that's generated by the office -- I  
22 understand we are a small office and we've got a great

1 deal of work, and I try to factor that into deadlines.

2 And I know we lost one staff member, and we've not  
3 lost another but she's out on maternity leave.

4 So we've got to plan for that, adjust for it.

5 But those are things that are foreseeable for the most  
6 part. And I need to do a better job of planning for  
7 that and making sure that we've got full coverage all  
8 the time so that we can ensure timely product. We're a  
9 support operation.

10 CHAIR MINOW: Great.

11 MR. FORTUNO: So it'll also depend on  
12 litigation.

13 But I think another area of improvement would  
14 be when we do use outside counsel, either for advice in  
15 a specialized area -- maybe employee benefits or tax  
16 law or banking -- or we use litigation counsel because  
17 we're involved in or anticipating litigation in other  
18 jurisdictions, I think ensuring that we've got pro bono  
19 counsel whenever and wherever possible.

20 CHAIR MINOW: Very good. I just have two  
21 more, and then I'll open it up.

22 This is obviously a very general discussion.

1 And one very specific thing I would put to you is, does  
2 the Sunshine Act require us to conduct this kind of  
3 review on the open record? Which I know your office  
4 told us that we do with regard to the IG's review. Is  
5 that true with regard to all officers?

6 MR. FORTUNO: I think that the reviews done by  
7 the Board of high-ranking officials -- I think that the  
8 better thinking of the Sunshine Act, and the IG's legal  
9 department, I know, has also done work in this area and  
10 I suspect that they share that view, is that it should  
11 be on the open record.

12 Whether you evaluate all officers is a  
13 discretionary matter. That is, whether you do it or  
14 whether you have the President do it is entirely up to  
15 you. But to the extent that you evaluate high-ranking  
16 officials of the Corporation, I think that since we're  
17 funded with federal tax dollars, the public, the  
18 taxpayer, has a right to know how we're performing in  
19 our positions because this is how their money is being  
20 used.

21 CHAIR MINOW: Very good. Well, that question  
22 that you've just posed is my second-to-last point,

1 which is because the President also performs a  
2 performance review of officers, there's a little bit of  
3 a duplicative role for this Committee also to be doing  
4 it.

5           And so I would like to look into whether we  
6 need to do that as a committee and whether that's  
7 advisable. I think in this particular year it's  
8 useful. But I'm not confident that we will conduct the  
9 exact same procedure next year.

10           And my final comment is -- I think it's simply  
11 a typo -- on your page 4, you have goals and objectives  
12 for 2008, which was a good year. But I believe that  
13 we're actually looking ahead to 2012. And you might  
14 engage in some further revisions here, and if you do, I  
15 don't think it would be inappropriate to look ahead to  
16 2013.

17           MR. FORTUNO: Certainly.

18           CHAIR MINOW: Because we're getting very close  
19 there, and you might at least think about the first  
20 quarter there or what is the coming year, as it were.

21           MR. FORTUNO: I think, looking forward to 2013  
22 and also in consultation with the President, refine

1 goals and objectives.

2 CHAIR MINOW: Right.

3 MR. FORTUNO: Because the memo that you have  
4 was prepared without the President's input. I think  
5 now, with the President's input, it can be refined  
6 further.

7 CHAIR MINOW: Excellent. So Charles, you have  
8 a comment?

9 PROFESSOR KECKLER: Yes. I just want to thank  
10 you for having this overview, and it certainly is  
11 helpful to help understand. One thing you didn't put  
12 in there was all of your help on strategic planning,  
13 which thank you very much, and it was helpful.

14 One thing, though: Your comment about FOIA  
15 highlights a little bit of something that Dean Minow  
16 said, which is that FOIA, you have some measurable  
17 items there that you can look at and you can say, okay.

18 This is where we were this year, perhaps versus the  
19 previous year. This is where we'd like to be next year  
20 in a variety of numerical ways in terms of days or open  
21 requests and so on, things like that.

22 But I guess that's useful, but the issue is



1 and the challenge, I guess, is to find areas in the  
2 many other responsibilities that you're overseeing  
3 where you can do the same thing, about getting some  
4 numerical issues in terms of timeliness and numbers of  
5 requests, and how much you spend on outside counsel in  
6 terms of budget, and setting up -- can I cut this by 3  
7 percent or something.

8           Those are all just examples. And I just think  
9 that it's more useful to us reviewing it, and maybe  
10 will ultimately end up being more useful to you, is the  
11 idea, if you could find those things to develop metrics  
12 of the kind that FOIA provides you.

13           I guess that's my only comment about the  
14 review. But otherwise, it's very helpful.

15           MR. FORTUNO: Identifying metrics that can be  
16 used to judge the improvement from one year to the  
17 next, and also to serve as objectives for improvement.

18           But we do have, and the litigation report does have,  
19 some of the information in terms of use of outside  
20 counsel.

21           It can be arranged a little differently, so  
22 any suggestions would be very much appreciated. But we

1 try to, in the lit report, include that kind of  
2 information -- that is, how much has been spent this  
3 year, how much was spent last year, what the budget  
4 was, how much under we are, and the different  
5 categories in which we're expending so that you have a  
6 sense, ongoing, a fairly real-time sense, of what's  
7 happening.

8           It's called the consulting line. For us, it's  
9 litigation budget. But it's called the consulting line  
10 just because every office in the organization has that  
11 line. For us, it may be outside counsel. For other  
12 offices, it may be contractors that they use, whether  
13 it's technology or for consulting on other things.

14           But I'd be happy to hear any suggestions for  
15 how we can maybe improve upon that. I'll try to  
16 identify some as well, of course.

17           PROFESSOR KECKLER: Thank you. It's just a  
18 suggestion. Those litigation reports are also very  
19 helpful.

20           CHAIR MINOW: They are very helpful. I do  
21 know that this issue of monitoring outside counsel is  
22 probably the hottest subject in the role of general

1 counsels in general. And there are some emerging good  
2 practices, particularly that pertain to the degree to  
3 which the general counsel is seeking and obtaining  
4 information from associates and people other than the  
5 partner, and so that there's a window into the actual  
6 time management and therefore the billing.

7           So you might want to look into that. I'm not  
8 sure if I'm telling you you have to look into that.  
9 But I do know that in the private sector, that's a big,  
10 big trend.

11           Father Pius?

12           FATHER PIUS: Two questions. One, his own  
13 memo? Did that go to the whole Board or just to the  
14 committee?

15           CHAIR MINOW: No. I think it's just the  
16 committee.

17           FATHER PIUS: Just the committee. Okay.  
18 That's why I don't have it.

19           And the other is just a thought. Obviously,  
20 reviewing of individuals, especially the head of these  
21 major departments, like you and the others -- it's not  
22 just of you, of course; it's a review of the whole

1 department about which you're in charge to give us an  
2 idea, not only of what you're doing, but how you're  
3 leading the whole department in terms of the review.  
4 That's my view.

5 MR. FORTUNO: I've got another copy here if  
6 you'd like. I'm happy to give it to you after the  
7 meeting. But I think it'll be revised; based on our  
8 discussion today, there'll be a new and improved  
9 version coming out shortly.

10 CHAIR MINOW: Sharon?

11 MS. BROWNE: Well, actually, Dean Minow  
12 mentioned what I wanted to say. And I also want to  
13 just caution in using a litigation budget as your  
14 metric for evaluation because it's all going to be  
15 dependent upon the future and what actually is filed  
16 and what needs to be done. And so that's kind of an  
17 iffy area to mark as your target for an evaluation.

18 MR. FORTUNO: If you can describe us as one or  
19 the other, we're a defense practice. We seldom  
20 initiate action, although we do on occasion; we've sued  
21 insurance carriers and the like. But for the most  
22 part, we're a defense practice, and it's going to

1 depend on other things. We react to what's filed.

2 But there should be ways that -- I think it's  
3 important to identify metrics, where doing so is  
4 possible. And so I'll be looking to see if there are  
5 metrics that can be of value to you in getting a sense  
6 for and overseeing how we're doing our work and how  
7 we're expending the funds with which we're entrusted.

8 CHAIR MINOW: Thank you.

9 John?

10 MR. LEVI: Some boards like ours have a legal  
11 affairs committee. This Board doesn't, probably  
12 because we're all lawyers. But have you given any  
13 thought to whether that would be helpful to you?

14 MR. FORTUNO: I think it would be. What we've  
15 never done is we've never done the evaluations of  
16 officers below -- in terms of Dean Minow's comment,  
17 this is new practice -- officers below president and  
18 Inspector General.

19 What we have done, however, is we have had a  
20 litigation committee. It was short-lived, but we did  
21 experiment with it. And frankly, I thought it was  
22 helpful. It was three persons on the Board who have

1 extensive litigation backgrounds, and I thought that  
2 their insights and observations were very helpful.

3 MR. LEVI: Well, it's because you mentioned  
4 that about seeking --

5 MR. FORTUNO: Well, I think that --

6 MR. LEVI: Maybe it would be of some help to  
7 you if there were such a committee. But I leave that  
8 to you and Jim to think about, whether you'd like that.

9 CHAIR MINOW: Right. Let me suggest that  
10 that's something for Jim and Vic to think about, in  
11 consultation with John.

12 MR. FORTUNO: One of the things that Jim  
13 mentioned was the fact that -- he and John are on the  
14 Board -- their contacts and John's arm-twisting  
15 ability. And I certainly intend to avail myself of  
16 that as much as possible without becoming a nuisance.

17 MR. LEVI: Well, but you've been here a long  
18 time, and there's clearly a lot of turnover in the  
19 Board and in the senior management here. So we have to  
20 make sure that there are structures in place that  
21 protect the operation as best we can going forward.

22 So I'm delighted to be regarded as an

1 arm-twister. But I want to make sure we have  
2 structures in place that provide for when we have those  
3 and when we don't. And this is a topic for you to  
4 think about. Don't let me put you on the spot --

5 MR. FORTUNO: John, I think you must have been  
6 a Mafia don in a prior life because you've got the  
7 knack.

8 MR. LEVI: Yes. Okay.

9 CHAIR MINOW: So we'll let you out of your  
10 chair in just one second. Let me just say two closing  
11 comments.

12 One, again, this is experimental. We'll see  
13 whether we revisit this. Secondly is, as the keeper of  
14 the memory and the institutional knowledge, it might be  
15 worth your time to think about, particularly as new  
16 senior staff come in, but also longer-term, what are  
17 the features of the institutional knowledge that you  
18 think can and should be preserved for purposes of  
19 orientation, for purposes of reference. So that's a  
20 great resource for the organization.

21 So thank you.

22 MR. FORTUNO: Thank you. Thank you very much.

1           CHAIR MINOW:  And may we now turn to Dave  
2 Richardson.  Hi again.

3           MR. RICHARDSON:  Hello.

4           CHAIR MINOW:  Thank you also for participating  
5 in this new procedure.  And if you have an opening  
6 statement -- you don't have to -- but if you want to  
7 say anything first, you can.

8           MR. RICHARDSON:  I always take the opportunity  
9 to at least say something.

10           When you came on board, there was a lot of  
11 excitement.  And you continue to have a great deal of  
12 enthusiasm in going forward, and I appreciate that.  
13 We've not seen that in all of the boards that have  
14 participated in my 25 years with the Legal Services.

15           So as Vic talks about his long history and the  
16 things that he's seen, my long history and what I've  
17 seen, I'd just like to say I appreciate the opportunity  
18 to work with you and look forward to a future that we  
19 can move things forward.

20           CHAIR MINOW:  Well, that's excellent.  I would  
21 just like to say thank you for your statement of your  
22 self-evaluation and your work plan and goals for 2012.



1 Your knowledge of the finances and operations of the  
2 organization is excellent, and like Vic, you have an  
3 institutional and historical knowledge that is a real  
4 strength for the organization and for, let's just  
5 acknowledge it, a board that comes in and out. And so  
6 it's just incredibly helpful to have senior staff with  
7 your kind of experience.

8 There's prudence and competence and integrity  
9 in the way that you proceed. Your regular reports are  
10 timely and accurate, and your questions seem  
11 appropriate.

12 I would wonder about a couple of things. One,  
13 in your statement -- and it's similar to something I  
14 just said to Vic -- in your statement of your goals for  
15 the future, other than the very last paragraph  
16 identifying a manual, an administrative manual, I  
17 didn't see anything pulled out from "this is what my  
18 functions are" in terms of a goal for the coming year.

19 Maybe I missed it, and if so, I apologize.  
20 But it did strike me that whether it's with regard to  
21 finding a particular procedure that you want to improve  
22 or a particular problem that you want to correct, it

1 was harder to pull that out as opposed to a description  
2 of, "I do have to work in this area and this area and  
3 this area." So at least for the future, I think that  
4 might be helpful.

5           Secondly, I think that there's a question  
6 about timeliness in responding to emails, is something  
7 that I have heard from some people, that you might  
8 focus on that for you personally.

9           And finally, I think that your own sense of  
10 initiative around improving budgeting and financial  
11 operations -- if that were a priority, if I were to  
12 pick for you a priority for the coming year, that's  
13 what I would pick because particularly as we seek the  
14 implementation of the fiscal oversight panel, that  
15 panel, as wonderful as it was, is not as immersed in  
16 the day-to-day operations as you are.

17           And so to translate what those recommendations  
18 were into specific practices for specific offices, I  
19 think, would be a real priority for the coming year.

20           MR. RICHARDSON: I tried to state that in the  
21 objectives when I was talking about getting directors  
22 involved with their budgeting, going back to a point

1 where we can have the directors prepare their budget,  
2 not only an annual budget but quarterly projections,  
3 getting them involved with the software, being able to  
4 go in and review the information that's available to  
5 them; and then, if they need to change based on  
6 emergencies, circumstances that arise, that they'd be  
7 able to do that within the framework of the monies that  
8 they have before them.

9 CHAIR MINOW: Any other comments from others?  
10 Thank you. That's very helpful. I didn't understand  
11 it, and now I do.

12 Yes, sir, Robert?

13 MR. GREY: Madam Chair, my colleagues are  
14 around the table, but Dave serves as the principal  
15 staff person to the Finance Committee. I would like to  
16 say that he has been a great asset to us in  
17 understanding our ability to analyze and report  
18 accurately the financial status of the Corporation;  
19 very willing to hold meetings whenever we think it  
20 appropriate; very amenable to changes in the format,  
21 which he's done on several occasions and is obviously  
22 continuing to accept as an ongoing improvement

1 suggestion.

2           And for the first time, we actually had a lay  
3 member of the committee participate, and Dave on  
4 several occasions has been to Richmond to visit me and  
5 that person, with conference calls with the committee,  
6 to talk about some of the changes that we thought  
7 needed to be made to the financial reporting mechanism.

8           So the long and short of it is, as you have  
9 already stated, his institutional knowledge is very,  
10 very important and helpful to us. His willingness to  
11 accept suggestions for improvement have been fantastic.

12          And we would like to support a good report on David  
13 Richardson.

14           CHAIR MINOW: Thank you. And can I just say  
15 that you are a terrific team and it has, I think,  
16 served this organization very, very well to have the  
17 two of you helping the Board understand and provide  
18 oversight for the financial integrity and health of  
19 this organization.

20           Other comments? Charles?

21           PROFESSOR KECKLER: I just want to say that I  
22 very much appreciated in format the idea of a work plan

1 that you put in there that makes a specific list. And  
2 so that's something that next year we can go back and  
3 look. You could go back and look at it. And it also  
4 ties in with the strategic plan as it's emerging. I  
5 know it's sort of bootstrapping there.

6 But that's something that we just heard  
7 earlier is a GAO issue because here you're overseeing a  
8 whole office. You're tying in the performance, your  
9 performance and your office's performance, to the  
10 strategic plan. You're putting that on a list. You're  
11 putting some dates and specifics on that.

12 That's very helpful, and it will be doubly  
13 helpful if then it can be a benchmark and reference for  
14 the next year. Thank you.

15 MR. RICHARDSON: Thank you, sir. Just to go  
16 back to that a minute, I have done that for every staff  
17 member on my staff. So we've related it to not only  
18 what they're supposed to do, but how it does support  
19 the strategic goals, the objectives, and then how they  
20 get there.

21 So I felt it was important to at least bring  
22 them into the fold so that they understand what they do

1 does support the overall mission of the Corporation.

2 CHAIR MINOW: Well, I think that's very  
3 positive. And Jim, maybe as you work with the union on  
4 the issue of performance reviews, if you can draw some  
5 lessons from this process that's worked within Dave's  
6 shop. I think that would be very productive.

7 Seeing no further comments, I think that you,  
8 too, may be excused from this chair, and we thank you  
9 very much. And I hope that you read this as the  
10 positive review that we mean it to be.

11 MR. RICHARDSON: Thank you.

12 CHAIR MINOW: I think at this point I would  
13 consider any suggestions on other business.

14 (No response.)

15 CHAIR MINOW: Any suggestions of public  
16 comment?

17 (No response.)

18 CHAIR MINOW: Any suggestions of a motion to  
19 adjourn?

20 M O T I O N

21 MR. LEVI: So moved.

22 MS. BROWNE: Second.

1 CHAIR MINOW: All in favor?

2 (A chorus of ayes.)

3 CHAIR MINOW: Then the Committee is adjourned,  
4 and I think this is the close of our business today.

5 (Whereupon, at 5:09 p.m., the Committee was  
6 adjourned.)

7 \* \* \* \* \*

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22