

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

MEETING OF THE  
BOARD OF DIRECTORS

OPEN SESSION

Tuesday, October 18, 2011

1:45 p.m.

American Bar Association Offices  
321 N. Clark Street  
Chicago, Illinois 60601

BOARD MEMBERS PRESENT:

John G. Levi, Chairman  
Martha L. Minow, Vice Chair  
Sharon L. Browne  
Robert J. Grey, Jr.  
Charles N.W. Keckler  
Harry J.F. Korrell, III  
Victor B. Maddox  
Laurie I. Mikva  
Father Pius Pietrzyk, O.P.  
Julie A. Reiskin  
Gloria Valencia-Weber  
James J. Sandman, ex officio

## STAFF AND PUBLIC PRESENT:

Kathleen Connors, Executive Assistant to the President  
Victor M. Fortuno, Vice President for Legal Affairs,  
General Counsel, and Corporate Secretary  
Mattie Cohan, Senior Assistant General Counsel,  
Office of Legal Affairs  
Katherine Ward, Executive Assistant, Office of  
Legal Affairs  
David L. Richardson, Comptroller and Treasurer, Office  
of Financial and Administrative Services  
John Constance, Director, Office of Government  
Relations and Public Affairs  
Stephen Barr, Communications Director, Office of  
Government Relations and Public Affairs  
Jeffrey E. Schanz, Inspector General  
Joel Gallay, Special Counsel to the Inspector General,  
Office of the Inspector General  
Ronald "Dutch" Merryman, Assistant Inspector General  
for Audit, Office of the Inspector General  
Thomas Coogan, Assistant Inspector General for  
Investigations, Office of the Inspector General  
David Maddox, Assistant Inspector General for  
Management and Evaluation, Office of the  
Inspector General  
Janet LaBella, Director, Office of Program Performance  
David de la Tour, Program Counsel III, Office of  
Compliance and Enforcement (by telephone)  
Robert E. Henley, Jr., Non-Director Member, LSC  
Finance Committee  
David H. Hoffman, Sidley Austin LLP, Non-Director  
Member, LSC Audit Committee

Linda Perle, Center for Law and Social Policy (CLASP)  
Don Saunders, National Legal Aid and Defenders  
Association (NLADA)  
Terry Brooks, American Bar Association Standing  
Committee on Legal Aid and Indigent Defendants  
(SCLAID)  
Robert E. Stein, American Bar Association SCLAID  
Will Hornsey, American Bar Association  
Tracy Loynachan, American Bar Association  
Ruth Ann Schmitt, Lawyers Trust Fund of Illinois  
(IOLTA)

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CLOSED SESSION

19. Approval of minutes of the Board's Closed Session meeting of July 21, 2011
20. Consider and act on report of the Institutional Advancement Committee regarding selection of a consultant
21. Consider and act on report of the Finance Committee regarding a technical correction to LSC's benefits plan document
22. Briefing by Management
23. Briefing by the Inspector General
24. Consider and act on General Counsel's report on potential and pending litigation involving LSC
25. Consider and act on adjournment of meeting

Motions: 5, 6, 54, 103

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

(1:45 p.m.)

CHAIRMAN LEVI: Since we're at the ABA, I think it's appropriate that Robert Grey leads us in the Pledge of Allegiance.

MR. GREY: I don't have the voice that they had at Soldier Field.

(Laughter.)

CHAIRMAN LEVI: You nearly do.

(Pledge of Allegiance.)

CHAIRMAN LEVI: Thank you very much.

Due to a little mixup in the scheduling, Father Pius thought the meeting was starting at 2:00. So I told him that nothing eventful would happen --

DEAN MINOW: We have to ensure that.

CHAIRMAN LEVI: -- between now and 2:00. So while he gets himself, I thought we could at least get through the first three items.

Could I have a motion to approve the agenda?

## M O T I O N

DEAN MINOW: I so move.

CHAIRMAN LEVI: Second?

1 MR. GREY: Second.

2 CHAIRMAN LEVI: All in favor?

3 (A chorus of ayes.)

4 CHAIRMAN LEVI: Any issues with the minutes?

5 There are two sets of minutes, July 21 and September

6 19th. I'm something you've both read and memorized them.

7 And any issues?

8 (No response.)

9 CHAIRMAN LEVI: If not, could I have a motion

10 to adopt both of them?

11 M O T I O N

12 MS. BROWNE: So moved.

13 CHAIRMAN LEVI: Second?

14 MR. GREY: Second.

15 CHAIRMAN LEVI: All in favor?

16 (A chorus of ayes.)

17 CHAIRMAN LEVI: Okay. Now we'll wait for a  
18 minute.

19 (Pause)

20 CHAIRMAN LEVI: You've heard me speak a lot in  
21 the last couple of days, and so you don't need to hear a  
22 lot more speech-making.

1           But we've been at this for 18 months, the  
2           Board, a fully comprised Board, for the last nearly a  
3           year. And I know that we've been asking a lot of our  
4           Board. It seemed to me that none of us probably fully  
5           appreciated how much was going to be on our plate when we  
6           arrived on this planet.

7           But we found that there was a lot of work to  
8           do. We've been trying to do it in an orderly way but an  
9           aggressive, deliberate way, if that's possible, and move  
10          through a whole range of issues that just need to be  
11          addressed.

12          I think that you all are working so hard, and I  
13          know that we're asking a lot of our Board. And I can't  
14          tell you how much I'm grateful to you. I really enjoy  
15          each and every one of you, the opportunity to get to know  
16          you.

17          I'm not sure that we would have -- I guess some  
18          of us would have met one another through other areas of  
19          life, but the opportunity to work with each of you has  
20          been a real privilege. I know we're going to have a  
21          tough year ahead. But we've learned in the past 18  
22          months, at least, that I've learned.

1           In the area of civil legal assistance, there is  
2 the ABA, that has a national relationship to the issue.  
3 There's NLADA, not exclusively in relation to the issue,  
4 neither one of them. And then there's us. And there are  
5 other organizations, I know, but you can feel it coming  
6 from the programs and from the field, and even from  
7 practitioners, and from the courts. They're looking to  
8 us.

9           In some way, I think we have to take that very  
10 seriously. I don't know what other things people will be  
11 doing the rest of their lives after their tenures here.  
12 But while we're here, I think we have an opportunity to  
13 be helpful to the country and to the profession  
14 generally, if we all uses our voices.

15           This is a smart group. We heard a lot of  
16 things this weekend -- I mean, the last couple days --  
17 and integrating it all and putting it into action is  
18 going to be the responsibility of Jim Sandman. He's  
19 going to have to do it all, just to let you know.

20           (Laughter.)

21           CHAIRMAN LEVI: We're here to support him and  
22 the staff in any way that we can. So that's my way of



1 saying thank you, a long-winded thank you. But I do mean  
2 it, and I hope you all feel that if you have any issues,  
3 concerns, worries about meetings, things you want on  
4 agendas, whatever, that you can email or pick up the  
5 phone and call me and tell me.

6 In any event, thanks to all of you for rolling  
7 up your sleeves, I'm sure much further up your arms than  
8 you ever intended to.

9 I'll ask if any of the other members have  
10 reports or things that they'd like to report on. It's  
11 item No. 6. And I identify Laurie Mikva.

12 MS. MIKVA: Thank you. I would just report  
13 that I went to the Illinois Advocates Conference about a  
14 week ago. I bring this up because it was right here in  
15 Chicago. It was good to go. I went to the lunch and one  
16 session.

17 I wondered if there was a master calendar that  
18 maybe we could have access to so we would know when these  
19 things are in our area.

20 CHAIRMAN LEVI: I would ask Don Saunders. Is  
21 there a master calendar?

22 MR. SAUNDERS: Not that I'm aware of.

1 CHAIRMAN LEVI: Do you want to create one?

2 MR. SAUNDERS: Excuse me. Were you talking  
3 about meetings such as the --

4 MS. MIKVA: Right. Right.

5 MR. SAUNDERS: I think we could work with your  
6 staff and share. Like next week, the Midwest directors  
7 are in Chicago. That's the kind of information you want.  
8 I think we can work with your staff and put something  
9 like that together.

10 MS. MIKVA: Thank you.

11 CHAIRMAN LEVI: The Midwest directors are here  
12 next week in Chicago?

13 MR. SAUNDERS: Next week in Chicago.

14 CHAIRMAN LEVI: And that's the first I'm  
15 learning. Of course, we're not here next week. I'm in  
16 Washington. Why are they here and not in Washington?

17 MS. MIKVA: Midwest.

18 CHAIRMAN LEVI: Oh, the pro bono summit doesn't  
19 --

20 MR. SAUNDERS: No, no. This is the project  
21 directors.

22 CHAIRMAN LEVI: Any other members' reports?

1 (No response.)

2 CHAIRMAN LEVI: Let the record note that Father  
3 Pius just arrived.

4 FATHER PIUS: Sorry.

5 CHAIRMAN LEVI: That's okay.

6 MS. REISKIN: I had one small thing that --

7 CHAIRMAN LEVI: There was a mixup in the  
8 schedule.

9 MS. REISKIN: Some of you on the Board might  
10 appreciate. I sent Jim a copy of it, but I wrote like an  
11 op-ed thing for pro bono day, and I entitled it, "Let's  
12 Not Kill All the Lawyers."

13 (Laughter.)

14 MS. REISKIN: Thanks. I don't know if anyone  
15 will publish it, but --

16 CHAIRMAN LEVI: Well, at least your ten  
17 colleagues.

18 Mr. President?

19 PRESIDENT SANDMAN: I have a brief PowerPoint  
20 presentation.

21 CHAIRMAN LEVI: I'll move.

22 PRESIDENT SANDMAN: I'd like to report on four

1 items: One, recent grant activity; second, some things  
2 we're doing to coordinate with federal government  
3 agencies that serve the same populations that our  
4 programs serve.

5 Third, efforts that we're undertaking to trend  
6 to coordinate with others in the legal services arena.  
7 And finally, to give you my observations based on my  
8 recent travels on the hallmarks of the most effective  
9 state access to justice initiatives. I've identified  
10 seven things that I think the strongest state access to  
11 justice initiatives have in common.

12 I'll start with recent grant activity. We  
13 recently approved 27 TIGs for calendar year 2012. We  
14 estimate that that will result in the expenditure of the  
15 entire TIG budget for the year. We did receive 53 full  
16 applications for technology initiative grants next year.

17 A full application is something that follows an  
18 affirmative response to letter of intent that we get. So  
19 we got 70-something, close to 80 letters of intent,  
20 reviewed those, invited full applications from 53, and of  
21 those 53, made grants to 37.

22 The majority of the grants fall into the types

1 of categories that you heard described yesterday. They  
2 have to do with making forms available, making  
3 information available on the internet. This year, for  
4 the first time, we're specifying in our grant conditions  
5 that materials that are made available on the web need to  
6 be readable for the client population.

7 This is a separate issue from language  
8 accessibility, but making sure that the materials are  
9 prepared at the right reading level and are written in  
10 terms that the people we intend to access them are going  
11 to understand. The number of grants is in the same  
12 ballpark as the number that we've had for the past few  
13 years, as the slide shows.

14 Next, our approval process for basic field  
15 grants for --

16 MS. REISKIN: Before -- oh, do you want us to  
17 hold questions till the end or --

18 PRESIDENT SANDMAN: Please go ahead. It's  
19 easier for me to take things as the subject comes up.

20 MS. REISKIN: Well, one is are you also making  
21 sure that any of these grants are WAI-compliant and 508-  
22 compliant? WAI is best practice; 508 is bare minimum in

1 terms of access.

2 PRESIDENT SANDMAN: We have accessibility  
3 requirements specified in our grant conditions, but they  
4 don't get down to that level of detail.

5 MS. REISKIN: Okay. And then without getting  
6 into specifics, what caused -- I mean, I understand it's  
7 competitive. But there was a bunch that got knocked out  
8 on the first level and then some at the second.

9 PRESIDENT SANDMAN: Yes.

10 MS. REISKIN: What are some of -- like can you  
11 give generalities of reasons with you, without getting  
12 into specifics?

13 PRESIDENT SANDMAN: Yes. We have particular  
14 areas of interest that we've identified. So there are  
15 some subjects that are more likely to be funded than  
16 others.

17 We also have other standards. We look for  
18 grants that are going to be for projects that will be  
19 replicable. So we're not looking for a one-time project  
20 that's going to benefit a single program; we're looking  
21 for projects that will have broader applicability if  
22 they're successful. So that's a criterion.

1           We're looking for innovation. So if someone is  
2 looking for a grant -- this is just hypothetical -- to  
3 buy laptops, that's not innovation and we're not going to  
4 fund that. We do get some applications that are  
5 analogous to that.

6           So breadth of reach, replicability, innovation,  
7 those are things that we looked at.

8           PROFESSOR VALENCIA-WEBER: Jim, you mentioned  
9 that for websites, that you're asking the grantees to pay  
10 attention to the understandability level. And the plain  
11 forms reform that's happening in a number of states  
12 usually gives some criteria, including that it be  
13 understandable by somebody with a fifth- or sixth-grade  
14 education.

15           Are these grantees being given those set of  
16 developed norms?

17           PRESIDENT SANDMAN: We haven't gotten it --  
18 again, haven't gotten down to that level of detail. But  
19 the terminology that we're using in our grant conditions  
20 has a fixed meaning and is intended to address those  
21 kinds of concerns. But we're not specifying exactly what  
22 the reading level is that people need to be achieving.

1           Next, we've begun the approval process for  
2           basic field grants for 2012. And I just want to mention  
3           that in this process, we are taking the advice of the  
4           Fiscal Oversight Task Force to the extent that we are  
5           trying for the first time formally and actively to  
6           solicit the input of the Office of Compliance and  
7           Enforcement and the Office of the Inspector General.

8           So part of the grant approval process this year  
9           for the first time requires that the director of OCE  
10          certify that she has reviewed the application and concurs  
11          in the approval. And we've invited comments from the  
12          Inspector General's office on all pending grant  
13          applications to be sure that if they are aware of any  
14          facts that might bear on our decision-making, we have  
15          those available.

16          Finally, we've recently approved two emergency  
17          grants. We do have a fund that is made up of monies  
18          returned to LSC for various reasons. For example, if we  
19          have a questioned cost proceeding because a grantee has  
20          spent money for improper purposes and we ask that they  
21          return that to LSC, that goes into a fund that's  
22          available for emergency grants.



1           I approved an application for an emergency  
2 grant in Alabama following the tornadoes there. And this  
3 week I've given approval but haven't yet formalized it  
4 for an emergency grant to Vermont based on the damage  
5 there from Tropical Storm Irene, which caused extensive  
6 flooding there and has resulted in homelessness and a  
7 variety of other problems.

8           We do have a pending application for the  
9 Joplin, Missouri area, but that's only come in recently  
10 and isn't ripe for action yet.

11           Next I wanted to mention three things that  
12 we're doing in coordination with other federal agencies.  
13 And our efforts in this respect have been facilitated by  
14 the Access to Justice Initiative at the Justice  
15 Department, an office that is well-situated within the  
16 federal government to alert us to opportunities for other  
17 forms of funding for our grantees, and opportunities for  
18 coordination.

19           For example, the United States Department of  
20 Labor has a grant program for what are called reentry  
21 projects for ex-offenders reentering society, who often  
22 have civil legal problems.

1           The problems may relate to expungements of  
2 criminal records; that's a civil proceeding. But there  
3 are a variety of other issues that they may face, and  
4 these are programs intended to prevent recidivism and  
5 help people get back on their feet and get employed as  
6 quickly as possible.

7           Through the efforts of the Access to Justice  
8 Initiative, we've been invited to make presentations at  
9 the Labor Department, both to Labor Department staff and  
10 to their grantees, to make them aware of the services  
11 that our programs can provide in furtherance of their  
12 objectives. And the Labor Department has specifically  
13 amended their forms to make it clear that expenditures on  
14 civil legal services are an appropriate use of the  
15 grants.

16           Cheryl Nolan in the Office of Program  
17 Performance is doing a wonderful job of working with the  
18 people at the Labor Department and their grantees to try  
19 to make connections. We're ultimately just a coordinator  
20 here; all we'll be doing is making Labor Department  
21 grantees aware of opportunities in their local areas and  
22 our grantees aware of their opportunities to connect with

1 the Labor grantees. But it's a terrific program that may  
2 result in making available Labor Department money to our  
3 grantees that they otherwise wouldn't have known about.

4 MS. REISKIN: In something like this, I would  
5 see a great opportunity for our programs to be part of a  
6 collaborative, like there would be maybe -- like for  
7 reentry, faith-based, social service-based, employment-  
8 based, and legal-based kind of come together and apply  
9 for a grant. Is that something that they are allowed to  
10 do?

11 PRESIDENT SANDMAN: I don't know. But I think  
12 that, over time, I'm sure that our grantees will be able  
13 to make connections with local agencies of various kinds  
14 that they might not have made otherwise, and that there  
15 could be a variety of long-term benefits to that.

16 Next, we recently were visited by people from  
17 the Office on Aging, somebody at the assistant secretary  
18 level in the Department of Health and Human Services, to  
19 try to coordinate and make sure that our grantees are  
20 making maximum use of grants available directly from the  
21 agency on aging. And they asked for information on what  
22 we're doing, and that again is another source of

1 potential funding for our grantees.

2 Finally, I thought that Vic might be interested  
3 in this. The Department of Homeland Security's Office of  
4 Citizenship and Immigration Services has recently set up  
5 an ombudsman program.

6 This is a program intended to be of assistance  
7 to people for whom the system isn't working, where the  
8 agency isn't doing their job, people who have immigration  
9 problems of a type that our grantees can handle. These  
10 are dealing with people who are appropriately in the  
11 country but where, for one reason or another, they're not  
12 able to navigate the system.

13 They might come to our grantees for help. But  
14 really, the best way to help them is to get them help  
15 from the agency that they're having problems dealing  
16 with. And their ombudsperson, through the recommendation  
17 of one of her staff who is a former legal aid lawyer,  
18 thought that it would be good outreach on their part to  
19 try to connect with us because part of what they're  
20 supposed to do is to market their services and let people  
21 know that they're there and available to help.

22 So as a result of that meeting, we're

1 communicating with our programs to let them know of the  
2 availability of this service. It would be an easy way  
3 for a grantee that has a client who has an immigration  
4 problem just to refer them to the ombudsman's office and  
5 not to have to use the resources of our programs to  
6 address those issues.

7 So these are just examples of the kinds of  
8 things that I'd hope we'd be able to do more of. But  
9 again, I want to pay my compliments to the Access to  
10 Justice Initiative at the Justice Department. They  
11 really think -- we're much in their consciousness in  
12 terms of trying to make matches with others who could be  
13 helpful to our programs and to the clients they serve.

14 My next reporting item has to do with  
15 coordination with other legal services entities. You may  
16 recall that presentation that Jim Bamberger made in  
17 Seattle toward the end of our last board meeting. And he  
18 reminded us that LSC may be the largest single funder of  
19 civil legal services in the United States, but we're  
20 still a minority funder; and in many states, there are  
21 others who were contributing a lot more to legal services  
22 than we are.

1           I think that that's a very important point for  
2           us to bear in mind. The funding climate today is very  
3           different from what it was when LSC was set up in 1974,  
4           when we were overwhelmingly the only -- not the only  
5           funder, but funding at the level of 88 percent for our  
6           programs that are now down to an average of 43 percent.

7           So I followed up with Jim to see what we might  
8           be able to do in a more organized way to coordinate,  
9           particularly with IOLTA programs, because they are in  
10          exactly the same business that LSC is in. They fund  
11          civil legal services programs. They're also in the  
12          business of evaluating and assessing the programs that  
13          they fund.

14          Jim has some ideas on how we might get better  
15          integrated with the IOLTA providers and coordinate on  
16          things like evaluations, be better informed of the  
17          standards they're using, best practices that they might  
18          have identified, and have the benefit of their current  
19          thinking on how best to go about funding, particularly in  
20          an environment where resources are so limited.

21          Second, again through the efforts of the Access  
22          to Justice Initiative at the Justice Department, we're

1 trying to coordinate better with other national entities  
2 that are active in the access to justice arena to try to  
3 avoid duplication and overlap, and leverage the limited  
4 resources that we all have, entities like the ABA, like  
5 NLADA, to see if we can't have better and more regular  
6 lines of communication with them. Again, that's an  
7 ongoing effort, but I think we're making a good start  
8 there.

9 Finally, I want to just share with you seven  
10 hallmarks that I've identified among what I think are the  
11 states with the stronger access to justice initiatives.  
12 I've been traveling a lot recently, and have noticed some  
13 themes that emerge across the states that impressed me as  
14 having particularly good programs.

15 The first is active leadership by the state  
16 supreme court, and particularly, active leadership by the  
17 chief justice of the state supreme court. I think we saw  
18 a demonstration of that at lunch today. It makes a huge  
19 difference when the chief justice of the state supreme  
20 court is personally active in advancing access to  
21 justice, and even moreso when the chief justice has the  
22 backing of the full court.

1           A few obvious things result from that. One, in  
2 states where you have a very active supreme court, you  
3 see rules changes that benefit access to justice adopted  
4 quickly and comprehensively -- the types of rules that  
5 make doing pro bono work easier, that permit limited  
6 representation, that permit corporate in-house counsel to  
7 do pro bono work even if they're not a full member of the  
8 state bar. Allowing CLE credit for certain kinds of pro  
9 bono work.

10           There is a laundry list of rules changes that  
11 are proposed to facilitate access to justice in pro bono  
12 work, and there are some states, Tennessee being among  
13 them, where the supreme court has adopted every single  
14 one of them. I was in Tennessee last week. Tennessee  
15 has an access to justice commission that has recommended  
16 rules changes that the court has adopted very quickly  
17 after the commission has recommended them.

18           The active involvement of the state supreme  
19 court also is particularly effective in promoting pro  
20 bono work. In Tennessee in Jay of this year, the chief  
21 justice personally convened a statewide pro bono summit.  
22 Very effective in getting the attention of the private



1 bar.

2 Finally, when you have a supreme court and a  
3 chief justice who are advocates with the state  
4 legislature, that makes a big difference. They have a  
5 credibility with the legislature in presenting the issue  
6 as a justice issue, and they are able to make the pitch  
7 in a way that is and comes across as nonpartisan. And I  
8 think they're more effective than we are in making the  
9 pitch because we're often perceived as self-interested.

10 Yes?

11 MS. MIKVA: Any idea how the chief justice of  
12 the Tennessee supreme court became concerned about this  
13 issue?

14 PRESIDENT SANDMAN: I don't know exactly.  
15 There are some states where once one chief justice takes  
16 up the issue, ITT becomes very awkward for the next one  
17 not to continue it. There's kind of a form of peer  
18 pressure there.

19 Sometimes it's the chief justice who has had a  
20 background in legal aid, as we heard today. But other  
21 times, Chief Judge Lippman in New York is one of the most  
22 effective advocates at the state level. He didn't have

1           that background.

2                       So that's a good question. I think we should  
3           try to figure out what the motivator is there and figure  
4           out if there's a way to encourage it elsewhere.

5                       Second, it does help to have a state access to  
6           justice commission, although, as I reported yesterday,  
7           the research of the American Bar Foundation indicates  
8           that those that are accountable in the sense that they  
9           have to report to someone about their work are more  
10          effective than those that don't.

11                      Access to justice commissions have been  
12          particularly effective in increasing funding sources, and  
13          through things like the programs that were mentioned  
14          today, the comparability in IOLTA interest rates,  
15          mandatory IOLTA. A lot of the things that have happened  
16          in Tennessee that have been provide by the state supreme  
17          court were proposed by the access to justice commission.

18                      They can also help to provide strategic  
19          direction to the judicial efforts. It's unusual for the  
20          state supreme court on its own to be taking the kinds of  
21          actions, to be identifying the kinds of actions, that I  
22          spoke of earlier.

1           Next, obviously, is supportive legislature. It  
2 helps. And there are some that have been particularly  
3 creative in coming up with dedicated funding sources  
4 other than just annual appropriations to support legal  
5 aid, designated, for example, a portion of filing fees to  
6 go to the support of civil legal services.

7           Tennessee is another example. They have two  
8 sources that they refer to there as speeding for justice  
9 and parking for justice.

10           (Laughter.)

11           PRESIDENT SANDMAN: Where a portion of speeding  
12 fines goes to fund civil legal services, and a portion of  
13 parking fines goes to fund civil legal services.

14           Next is the active involvement of state and  
15 local bar associations. It makes a difference when the  
16 president of a state bar takes an interest in access to  
17 justice issues, makes it a platform and their theme for  
18 their bar year. The challenge there is that most bar  
19 presidents serve for one year. Each of them has his or  
20 her own theme, and usually you can't remember the theme  
21 of the president who left office last year.

22           So what I'm seeing is that the smart way to

1 perpetuate a focus like that is for the president to set  
2 up a task force or some entity that will have an  
3 existence beyond his or her tenure that can continue the  
4 focus, and ideally, to try to enlist the support of the  
5 president-elect to at least make it a two-year thing.

6           The event that I went to in Tennessee last  
7 week, it was a statewide conference of legal aid lawyers.  
8 And it was attended by the president, the president-  
9 elect, the executive director, and the past president of  
10 the Tennessee Bar Association. And that made a big  
11 impression on people in the room. It's also very  
12 effective in helping to mobilize pro bono resources.

13           Fifth is engagement with law schools. Those  
14 states that, in a formal way, try to enlist the resources  
15 of their clinics in their law schools and connect them to  
16 local legal services providers are tapping a resource  
17 that really can make a difference.

18           In Arizona, for example, the Southern Arizona  
19 Legal Aid program in Tucson has an initiative with the  
20 University of Arizona College of Law in Tucson that they  
21 started in 1998. Over the past 13 years, more than 900  
22 students have participated in pro bono work with our

1 program there, and they've helped 11,567 people at last  
2 count. That's very significant. It's really been  
3 inculcated in the culture of the law school, that  
4 connection to the local legal aid program.

5 Working with others, not taking a narrow view  
6 of who is in the access to justice commission, is another  
7 marker of success. Public health providers, social  
8 services providers, libraries, as someone mentioned  
9 yesterday -- libraries are viewed by everybody, but  
10 particularly by people in poverty, as kind of the uniform  
11 information source.

12 When you don't know something, you go there.  
13 They have computers for people to use, and reaching out  
14 to and educating the librarians about available legal  
15 resources can be a very effective way of reaching clients  
16 where they are when they wouldn't think to come in  
17 through the door of the legal aid office.

18 Community organizations: The business  
19 community, particularly if you can access the business  
20 community through the general counsel of a corporation,  
21 can make resources available and can generate some  
22 creative thinking in the provision of legal aid.

1           And finally, and maybe most importantly, is  
2           coordination among all of the legal services providers in  
3           the states, and not just the LSC-funded programs. That  
4           happens more in some places than in others.

5           But those that try to work at coming up with a  
6           comprehensive approach to legal assistance in the state  
7           and not operating in their own silos and thinking first  
8           of their own turf, that really makes a difference. It  
9           both fosters best practices and, I think, results in a  
10          more integrated delivery system that you have in places  
11          where programs function in isolation.

12          So I guess the question is, are these just  
13          seven things that we have to observe, or there are things  
14          that we can do to encourage them? Some are easier to  
15          encourage than others. We don't have a lot of influence  
16          over who the chief justice of a state supreme court is.

17          But in terms of the activities of our programs  
18          actively encouraging coordination with others, reach out  
19          to other legal services providers in the states, law  
20          school connections, I think there are some things that,  
21          if we're conscious and deliberate about them, we can do  
22          to try to encourage at least some of these factors across

1 more states than where they are now.

2 I'd be happy to answer any questions.

3 CHAIRMAN LEVI: I'm going to have a question.

4 If Martha has one?

5 DEAN MINOW: Okay, John.

6 CHAIRMAN LEVI: No. Go right ahead.

7 DEAN MINOW: Well, that's great, Jim. I wonder  
8 both whether you can imagine a role that LSC would play  
9 in matchmaking those access to justice states that have  
10 done well with others so that they can actually share  
11 their lessons? That's one question.

12 Another question is whether the hallmarks that  
13 you identify are ones that are impressionistic, or are  
14 there data to support it? And if so, is that something  
15 that we can imagine sharing with the Pro Bono Task Force?

16 PRESIDENT SANDMAN: On the first, the  
17 coordination of access to justice commissions, at least,  
18 is already going on through the ABA. That was mentioned  
19 this morning. But there are only 24 or 26 states that  
20 have access to justice commissions, so that's only half  
21 the universe out there.

22 And it's hard in other places to find a point

1 of entry to be able to do the coordinating. But --

2 DEAN MINOW: Is the role of the LSC grantees as  
3 leaders in a coordinating role or something? I mean, how  
4 does one act on the insight that you have?

5 PRESIDENT SANDMAN: Clearly, our grantees can  
6 play a coordinating role. And I think we can do -- I  
7 think we could -- I think LSC could work more in  
8 coordination with the ABA program.

9 As was mentioned, there's a convening of the  
10 heads of -- the chairs of the state access to justice  
11 commissions. But it happens only once a year. There's a  
12 newsletter that goes out periodically to keep people  
13 informed of developments. That is a forum for sharing  
14 best practices.

15 DEAN MINOW: Right. But what you've identified  
16 is that there's some that are doing it very well --

17 PRESIDENT SANDMAN: Yes.

18 DEAN MINOW: -- and there are others that  
19 aren't.

20 PRESIDENT SANDMAN: That's my view.

21 DEAN MINOW: So even imagining, how do you  
22 identify the ones who are doing it well and -- I don't



1 know. Is that a role for us or not? Maybe you're saying  
2 that's not a role for us.

3 PRESIDENT SANDMAN: I think it is, but not  
4 alone. I think it's something we need to do in  
5 conjunction with others. These are my seven factors.  
6 They're just based on things that I've observed. The  
7 only empirical evidence that I know of for any one of  
8 them is what Rebecca Sandefur reported about success of  
9 access to justice commissions in increasing funding for  
10 legal services.

11 But even though they're impressionistic, I --

12 DEAN MINOW: Hey, impressions are good.  
13 They're better than nothing.

14 PRESIDENT SANDMAN: I think they're accurate.

15 (Laughter.)

16 DEAN MINOW: They sound very plausible, and it  
17 sounds like there's some learning here to try to  
18 communicate. And I do think sharing it with a pro bono  
19 task force is one place to start.

20 CHAIRMAN LEVI: And -- yes?

21 FATHER PIUS: Just a technical question. Where  
22 do most of these sit? Are they creations of the judicial

1 branch? The governor? The state bar association? These  
2 access to justice initiatives?

3 PRESIDENT SANDMAN: They usually come from the  
4 state supreme court.

5 FATHER PIUS: The state supreme court. So  
6 they're a task force of the state supreme court?

7 PRESIDENT SANDMAN: Yes.

8 FATHER PIUS: And they receive funding from the  
9 judicial budget?

10 PRESIDENT SANDMAN: Maybe not.

11 MR. GREY: The state bar.

12 PRESIDENT SANDMAN: Yes. They can be funded in  
13 a variety of ways, but bar associations do support them.  
14 Being created by order of the state supreme court gives  
15 them instant credibility.

16 CHAIRMAN LEVI: Are there any examples of non-  
17 funded programs sharing space with funded LSC programs  
18 around the country? And is there any reason why they  
19 couldn't?

20 MR. KORRELL: John, could you ask that again?  
21 Sharing what?

22 MS. REISKIN: Non-funded programs.

1           CHAIRMAN LEVI:   Sharing space.

2           FATHER PIUS:   There are sister institutions  
3 that are at least very close to each other.

4           MR. FORTUNO:   That gets into the program  
5 integrity issues.  And some of the litigation that --  
6 actually, it's still pending -- has to do with whether  
7 the non-LSC program or the non-LSC-funded program is  
8 engaged in any activity that's prohibited to the LSC  
9 grantee, and how independent they are and how  
10 interconnected they are.

11           So it's a complicated question.  I think  
12 there's some instances of that, but I think it's -- it  
13 involves the restriction on non-LSC funds, and  
14 subsidizing the grantee that's engaged in activities that  
15 are not permitted to LSC funds.

16           CHAIRMAN LEVI:   Well, I recognize that issue.  
17 Somehow that just seems solvable, and I'm more in a  
18 period of short resources and hearing from programs  
19 around the country that are having to close rural or  
20 distant offices.

21           The thought occurred to me, could they actually  
22 put a kiosk or a person on site somewhere else?  It

1 doesn't actually have to be a legal services program. It  
2 could be some other place, but -- and not then have to  
3 incur the cost of running an office.

4 MR. FORTUNO: We have -- in fact, we --

5 CHAIRMAN LEVI: Well, that was my question.

6 MR. FORTUNO: -- we ask the grantees to -- when  
7 they have opportunities like that available to them, to  
8 consult us to make sure that what they devise is clearly  
9 going to pass muster. And so we do serve that advisory  
10 role in ensuring that when it's done, it's done in a  
11 manner that doesn't pose any problems.

12 CHAIRMAN LEVI: So when we hear that certain  
13 state programs are about to somehow withdraw from distant  
14 sites, do we offer any helpful suggestions to them as to  
15 how they might approach that and still serve their  
16 clients?

17 MR. FORTUNO: I'm not sure. I don't know. I'm  
18 not sure whether Janet LaBella would know of specific  
19 instances. But the situation here describing is when a  
20 state --

21 CHAIRMAN LEVI: When funding is sufficiently  
22 scarce, we're hearing from programs that are having to

1 close sites and centralize more. But that makes it  
2 harder for people to have access --

3 MR. FORTUNO: Yes.

4 CHAIRMAN LEVI: -- to anyone. And I'm asking  
5 the question, how do we work with that circumstance to  
6 help point them to other places where they might  
7 collaborate on an office or whatever? Yes?

8 MS. LABELLA: Many of our programs do share  
9 office space, either with non-LSC-funded programs or they  
10 also have space, as we've heard today, in courthouses and  
11 other areas.

12 Some of them are in department of social  
13 services offices, other social services offices. But as  
14 Vic said, if they're sharing space with a non-LSC-funded  
15 program, there is what we refer to as a 1610 review that  
16 takes place --

17 CHAIRMAN LEVI: It could be a children's care  
18 agency. I'm not talking about whether they're providing  
19 legal services. It could be another not-for-profit. We  
20 want to rent an office in the back room. Has anybody  
21 been thinking about that?

22 MS. LABELLA: And there's --

1                   CHAIRMAN LEVI:   And I don't believe that  
2 involves 1610.

3                   MS. LABELLA:   No.   That would not involve 1610.  
4                   And there are many of those.   Many of the medical-legal  
5                   partnerships have offices at the hospitals, at the  
6                   clinics.   I mean, our programs have offices or outreach  
7                   sites all over the place.

8                   So that is something that they have taken  
9                   advantage of.   And as you mentioned, particularly if they  
10                  are going to be closing an office, they often look to  
11                  have an outreach site in the area in which they can no  
12                  longer operate a fully staffed office so that they  
13                  continue to have a physical presence.

14                  MR. KORRELL:   Thank you.   I'd like to commend  
15                  the President of the Corporation for two particular parts  
16                  of that report and for the work that it represents.

17                  I really think it's an important function for  
18                  the Corporation to reach out to these other government  
19                  agencies, and we've talked and expressed some frustration  
20                  that we seem to be picking up the mess, in a sense,  
21                  created by other agencies that aren't doing a very good  
22                  job sometimes.

1           I really think it's a terrific way to start  
2           that conversation with those agencies. I think it  
3           increases our footprint and our visibility. I think it's  
4           terrific. I think it's something that we're uniquely  
5           positioned to do, and I think it's great that you're  
6           doing that.

7           I also really think this effort, even if it is,  
8           as you say, impressionistic, to collect what you view as  
9           indicia of success or best practice or seven habits of  
10          highly effective whatever --

11                   (Laughter.)

12          MR. KORRELL: -- I think that's great. And I  
13          share Martha's view that we've got to figure out a way --  
14          now that you've collected it, I think one of the other  
15          unique vantage or unique position that we occupy is being  
16          a national funder, is we can be clearinghouse for this  
17          kind of information.

18          We should work hard to get that information out  
19          because the more we can do, as you obviously know, the  
20          more we can do to increase the amount of money coming and  
21          the amount of support for legal services that come from  
22          other sources; then there's less drain on our resources.

1           I think those are two terrific initiatives, and  
2 I'm very grateful that you're doing them. Thank you.

3           CHAIRMAN LEVI: Robert?

4           MR. GREY: One of the things that continues to  
5 cause me to think about this idea of sharing knowledge,  
6 information, experiences, is Illinois' Connect  
7 opportunity of one-stop shopping. How much of that can  
8 we do with organizations that are -- that you need to  
9 talk about legal services? Idea, something of an idea.

10           When you come to the ABA annual meeting, there  
11 is a tech show where everybody who wants to sell anything  
12 to a lawyer has a booth. Why can't we provide that kind  
13 of format, where Illinois' Connect has a booth or some  
14 other organization has, and then all of them can visit  
15 with each other.

16           Isn't there an annual meeting somewhere of  
17 equal justice or something, where that opportunity for  
18 best practices is not just an online, I might get it/I  
19 might not get it, but an opportunity to visit with  
20 somebody who is actually doing something and to have it  
21 explained to them onsite where you're there for a couple  
22 of days, and you can actually explore the opportunity of



1 seeing what might be replicated in my jurisdiction versus  
2 something else?

3 That seems to me to be a fast-track way for us  
4 to do some of this best practice organizing and matching.

5 CHAIRMAN LEVI: Does any of that happen at the  
6 TIG conference? Do we know?

7 MS. LABELLA: For the record, Janet LaBella  
8 again, director of Office of Program Performance. Those  
9 sorts of things happen at all the conferences -- at TIG,  
10 at NLADA, and the equal justice conference.

11 For example, at NLADA, we cosponsor a session  
12 called "Innovations in Legal Services Delivery," and  
13 we'll be featuring probably about six this year at the  
14 conference. And then other ones that are not actually  
15 featured in live presentation are contained -- summaries  
16 of them are contained in a book that's handed out.

17 I think Don can speak to both the NLADA and the  
18 equal justice conference in terms of how a lot of the  
19 sessions there are featuring best practices. And so the  
20 participants that go to those conferences, as well as  
21 with TIG, can certainly attend those sessions and get  
22 materials.

1           Many of these sessions are then broadcast live,  
2           or they're saved as webinars, and the materials are  
3           posted online as well.

4           MR. SAUNDERS: Don Saunders, VP of civil legal  
5           services at NLADA.

6           We certainly are committed to do that, Mr.  
7           Grey, but we can always do it better. And I think you  
8           make some very good suggestions. And I don't think we  
9           have yet grasped the ability to take advantage of all the  
10          technologies, like at an ABA meeting.

11          So I think working with your staff and the ABA  
12          and others, it's a great suggestion and one we're very  
13          committed to.

14          MR. GREY: One of the things -- I mean, I guess  
15          one of the things that comes with being as old as I am is  
16          I've been to enough conferences to where you do a panel  
17          like this and you present six projects.

18          But that just doesn't get you the same -- it  
19          does help. Don't get me wrong. But the idea of visiting  
20          somebody in their own booth with their own setup,  
21          explaining how it's done and actually sampling the  
22          hardware and software -- I mean, the software application

1 on hardware where you can actually see it happen, are  
2 things that give you a much different feel of whether you  
3 can do that in your hometown or not.

4 But it's just raising the bar again. I mean, I  
5 think what we do and what you've done is absolutely  
6 critical and important. And it helps, obviously. It  
7 works. But we're at a point now where we've got to get  
8 it -- we've got to step it up, and we've got to do it  
9 faster with less resources at one time, as opposed to  
10 five years from now.

11 That's just -- but thank you.

12 CHAIRMAN LEVI: Any other questions?

13 (No response.)

14 CHAIRMAN LEVI: Mr. Inspector General?

15 MR. SCHANZ: For the record, this is Jeff  
16 Schanz, the Inspector General.

17 Instead of a PowerPoint, I did something a  
18 little better. I brought my assistant inspector general  
19 for audit with --

20 CHAIRMAN LEVI: And is he wearing your report?

21 (Laughter.)

22 MR. SCHANZ: He'd better be.

1           First, and this is with all sincerity -- and  
2           most things I do with all sincerity -- is it's a pleasure  
3           working with a fully engaged board. I want to echo your  
4           sentiments earlier, Mr. Chairman -- yes, Mr. Chairman.  
5           You've shown interest and support in what we do. I think  
6           having an educated board has made my job an awful lot  
7           easier, so I do appreciate that.

8           When I don't crash your email systems, I do  
9           send you copies of our reports. We've issued a couple at  
10          the end of the semiannual reporting period, and what I'll  
11          start doing is just sending you the link, and you can  
12          read those at your leisure.

13          Speaking of the semiannual reporting period, it  
14          will be issued, I believe next week when I get back into  
15          the office. We're compiling our statistics and data.  
16          And, as you know, Congress, interestingly enough, does  
17          read those and does compare them from one semiannual  
18          period to the other.

19          I'm pleased to report they're very happy, or  
20          seemingly, with the individuals that we speak with,  
21          usually at a level below what John Constance speaks at.  
22          But we talk to a lot of the staffers, who are very

1 impressed with not only the reports that we're issuing,  
2 but the corrective actions that are being taken.

3 The fact that they see, I believe, from -- and  
4 a lot of this is attributable to Jim -- is a more global  
5 effort to improve legal services, not only the legal  
6 services to the clients, which is the primary function,  
7 but the efficient and effective running of the  
8 Corporation.

9 I think a lot of that is not based on my  
10 reports, but it's based on the input of the Chair and the  
11 President or the Corporation. So it's becoming easier to  
12 push my agenda with the Hill, saying, yes, we're doing  
13 good work here. So it's easier to put good money after  
14 good money.

15 Okay. That being said, we did issue a couple  
16 of reports. But what I brought Dutch up here for is to  
17 talk a little bit about the peer review, which happens  
18 every three years. And it's of the IG's audit functions  
19 -- not the entire IG, and it's not the investigations  
20 unit, although there is some discussion about that  
21 starting to occur. But the standard that has been in  
22 place since the 1984 edition of the Yellow Book is for a

1 peer review of each IG's audit function every three  
2 years, very similar to what state CPA firms go through.

3 I'd like Dutch to talk a little bit because  
4 that's his primary focus in the IG. And I'm happy to  
5 report that we received a pass, and Dutch will explain a  
6 little bit about the process.

7 MR. MERRYMAN: Thank you. As Jeff said, every  
8 three years we undergo a peer review. This year was time  
9 for our peer review, and the Corporation for Public  
10 Broadcasting, which is also a D.C. nonprofit IG,  
11 conducted that peer review of our audit shop.

12 There are three possible designations that you  
13 can get from a peer review. It's pass, pass with  
14 deficiencies, or fail. Pass means that the quality  
15 control has been designed and complied with in such a  
16 manner that there's reasonable assurance that in  
17 performing and reporting, the reports complied with all  
18 applicable standards in all material respects. Pass with  
19 deficiencies means the same except that it will list the  
20 exceptions, you know, with a few exceptions. And fail  
21 means that the quality control system was not in place.

22 We got a pass without any deficiencies. There

1 was a letter of comment that does go with a report that's  
2 referred to in the peer review. If there's minor things  
3 that does not impact the opinion, they'll put it under  
4 separate correspondence, but they'll disclose that  
5 there's a separate letter in the peer review.

6 We had one item in our letter of comment. It  
7 dealt with one of the projects. They had a  
8 recommendation that our consideration of fraud needed to  
9 be documented a little bit better. Not that we didn't  
10 consider the fraud; we did, and we do have the answer to  
11 that.

12 But we strengthened our procedures immediately  
13 and put it into our control. While there was a  
14 requirement to consider fraud, documentation was a little  
15 weak in this program. And they just thought it would be  
16 better if we strengthened it.

17 Now, it did not impact the pass. It did not  
18 impact the project. It did not impact the content of the  
19 project. But we'll always look for improvement in  
20 everything and try to improve everything.

21 So we did implement the procedures through an  
22 interim policy. The reason it was an interim policy is

1 because the Yellow Book is changing again, and they'll be  
2 issuing it later this year, and we'll have to review the  
3 whole manual to take into account the changes that will  
4 be coming from GAO in our audit manual.

5 We will publish the peer review online. It's a  
6 one-page report. The letter of comment is usually not  
7 published, put out publicly. We can do that, too; we're  
8 have a discussion right now. No reason we shouldn't, in  
9 my mind. It tells what they found and what we did about  
10 it.

11 CHAIRMAN LEVI: So we'll be receiving it?

12 MR. MERRYMAN: Yes. What we'll do is, on that  
13 one, it's a one-page, maybe two-page report, or at least  
14 the main body of the report has a couple attached. We'll  
15 send it to you via email tomorrow. I'll make sure  
16 everybody gets a copy of it. And then we'll post it on  
17 our website so it's viewable by the public.

18 We also have a requirement to provide it to the  
19 Council of Inspector Generals, which we will; and also, a  
20 suggestion that we provide it to overseers and  
21 legislative bodies. The information will be in our  
22 semiannual also.



1 MR. SCHANZ: And it won't crash your system.

2 CHAIRMAN LEVI: Mr. Grey?

3 MR. GREY: This is -- help me with -- this is a  
4 report from --

5 CHAIRMAN LEVI: This is a peer review.

6 MR. GREY: This is a peer review.

7 MR. MERRYMAN: It's from the Corporation for  
8 Public Broadcasting.

9 MR. GREY: When did you get that?

10 MR. MERRYMAN: September 30th. And heff put  
11 out a message that we'd be talking about it when he sent  
12 the link to the other reports.

13 MR. GREY: I got you.

14 CHAIRMAN LEVI: And then you will be making  
15 some adjustments based on the Yellow Book, but you have  
16 to wait for the Yellow Book by the time it comes --

17 MR. MERRYMAN: Well, we the adjustments in our  
18 policies and processes already.

19 CHAIRMAN LEVI: I see.

20 MR. MERRYMAN: We'll need to redo and revise  
21 our internal audit manual based on the changes in the  
22 Yellow Book. There's an electronic version of the Yellow

1 Book out, a new version. It mainly deletes -- well, the  
2 biggest change really deals with independence and how we  
3 approach independence and how we document independence.

4 We will have to make those adjustments to our  
5 policy manual and our system of quality control, then, to  
6 ensure that it meets the requirements of the Yellow Book  
7 because in three years, someone will be coming by and  
8 looking at that also.

9 CHAIRMAN LEVI: At which point it'll be a faded  
10 Yellow Book.

11 MR. MERRYMAN: It might be another edition.

12 CHAIRMAN LEVI: Yes, Julie?

13 MS. REISKIN: I just wanted to -- is this the  
14 second peer review you've had this year? Was there  
15 another one earlier, or am I confused?

16 MR. MERRYMAN: Well, what we have done is part  
17 of a system of quality assurance. One of the precepts or  
18 one of the suggested items of that is to have a way of  
19 looking internally on a periodic basis.

20 With smaller audit shops, it's tough to get  
21 independents to look at that, you know, someone who  
22 hasn't worked on the project or touched the project. So

1           what we had done is we entered into a memorandum of  
2           agreement with another IG shop to conduct sort of a mini-  
3           peer review each year just to make sure things are  
4           working right, so you don't have to wait three years to  
5           find out if there's a problem or correct it. And that's  
6           what we had earlier, that we talked about earlier.

7                       MS. REISKIN:    Okay.

8                       MR. SCHANZ:    And what Dutch is not telling you  
9           is I'm a nut about passing the peer review. I met  
10          somebody at a White House function that had been involved  
11          in developing the first peer review guides back in 1986,  
12          and he remembered me. That's how long ago that I've been  
13          involved in peer reviews of OIG audit shops.

14                      So a failure means that we would have to  
15          qualify every report that we issue, saying that we did  
16          not meet the standards in the issuance of this report.  
17          And that's a death penalty. So we took the interim step  
18          to have a small agency come in, and we had reciprocity.  
19          We did the same thing for them.

20                      So that being a breath of fresh air that we  
21          passed a peer review, we're due in 2012 to conduct a peer  
22          review of the SEC OIG, which is going to be a -- it's not

1 going to be a cakewalk. We're going to have a devote,  
2 I'm afraid, more resources than I would want to to be  
3 able to conduct that review.

4 That's all I have, Mr. Chairman. That's the  
5 audit side of the house, and we'll bring the  
6 investigative side up in closed session.

7 CHAIRMAN LEVI: Thank you very much.

8 MR. SCHANZ: Thank you.

9 MS. MIKVA: How did PBS do?

10 MR. MERRYMAN: How did they do in their peer  
11 review? On, the last one they had -- I looked online --  
12 and they passed.

13 (Laughter.)

14 CHAIRMAN LEVI: Okay. The Governance and  
15 Performance Review Committee. We're going quickly  
16 through these. We've got to move along.

17 DEAN MINOW: I can be brief. I had wondered  
18 why the different items are grouped together under this  
19 one committee, and now I understand why, because in a  
20 sense, they're all about assessment.

21 So the committee reviewed the self-assessment  
22 tool that will be used by the Board, as individuals to

1 assess the Board, our own participation, and also  
2 committee chairs. And we are all duly notified that we  
3 should be doing that and be turning them in to John  
4 Constance.

5 Secondly, our assessment involves research.  
6 And Jim Sandman reported on the current state of efforts  
7 to improve our own connection with outside research about  
8 the effectiveness of legal services, and we'll continue  
9 to work on that front.

10 And the third is the assessment of our  
11 President and our Inspector General. And we approved,  
12 and will continue the process that we used last year for  
13 the review of the Inspector General, and will use for the  
14 first time with the President. And Charles Keckler has  
15 agreed to consult with me as a semi-subcommittee on the  
16 steps necessary for that.

17 The end.

18 (Laughter.)

19 CHAIRMAN LEVI: Any questions?

20 (No response.)

21 CHAIRMAN LEVI: And nothing to act on?

22 DEAN MINOW: Nothing to act on.

1 CHAIRMAN LEVI: Promotions Committee?

2 MS. MIKVA: We heard from a great panel on  
3 self-help, courthouse-based self-help centers, and I  
4 guess, going forward, trying to think how to promote  
5 similar programs in other urban areas and how to adopt it  
6 to work in less urban areas.

7 And there's nothing to consider and act on.

8 CHAIRMAN LEVI: Thank you very much.

9 Mr. Grey? We do have to act on something.

10 M O T I O N

11 MR. GREY: Yes, you do. Mr. Chairman, the  
12 Finance Committee met and voted to recommend a temporary  
13 operating budget for FY 2012. Mr. Richardson's available  
14 if you have any questions.

15 CHAIRMAN LEVI: But it was distributed to the  
16 Board?

17 MR. GREY: It was, and it was unanimously  
18 supported by the committee.

19 CHAIRMAN LEVI: Adoption?

20 MR. GREY: Well, it's --

21 CHAIRMAN LEVI: Yes. It's actually -- so okay.  
22 All in favor?

1 (A chorus of ayes.)

2 CHAIRMAN LEVI: Opposed?

3 (No response.)

4 CHAIRMAN LEVI: Okay. The Audit Committee? Is  
5 that the end of your report?

6 MR. GREY: It is.

7 CHAIRMAN LEVI: Mr. Maddox?

8 MR. MADDOX: Thank you, Mr. Chairman.

9 The Audit Committee welcomed to its membership  
10 yesterday David Hoffman, who is here today. David served  
11 with extraordinary energy and insight on the Fiscal  
12 Oversight Task Force, and I don't have his resume, but I  
13 know David was the Inspector General for the City of  
14 Chicago and many of you are familiar with him from  
15 various roles and from the task force.

16 He brought his energy and insight to the  
17 meeting yesterday and I know that he will in the future,  
18 so we're looking forward to sharing his expertise and  
19 having his membership. He's the first, I guess, non-  
20 director member of the Audit Committee, and a great  
21 addition. So thank you, David.

22 We were unable to receive a report on the

1 403(b) annual plan review yesterday due to technical  
2 difficulties. But Alice Dickerson assured us in the  
3 garbled communication we could get that it was not time-  
4 sensitive. So we will receive it later.

5 We spent the bulk of our time considering and  
6 discussing with Mattie Cohan of OLA and Dutch Merryman of  
7 the OIG a revision to the Audit Committee charter. One  
8 of the existing duties of the committee is to actually  
9 assess the charter, and we've been doing that for the  
10 last six months.

11 Mattie did a nice report that helped provide  
12 background into the history of the existing charter and  
13 some of the concerns that animated it, mostly from the  
14 2007 GAO report.

15 And we agreed that we will try to draft a new  
16 charter for consideration at the coming meeting, one that  
17 will both address some of the concerns the members have  
18 that the charter is too broad in its scope and perhaps  
19 too technical; and also refocus the charter to some  
20 extent more on addressing some of the more mission-  
21 oriented elements of the Corporation, and ensuring that  
22 the committee acts to see that those aspects are being



1 reviewed on a regular basis.

2 We also received a report from David  
3 Richardson, the comptroller and treasurer, on the  
4 contracting procedures. This is part of the ongoing  
5 recommendation by GAO that the committee periodically  
6 review various aspects of the Corporation's procedures.  
7 And this was one of those procedures.

8 We agreed that at our next meeting, we will  
9 consider program quality evaluation, and that we will  
10 wait for the results of the self-assessment and committee  
11 assessment results to see what concerns the remaining  
12 members of the Board have before we decide on the other  
13 areas we will look at in 2012.

14 And I believe that was all the business that we  
15 considered. So that's our report.

16 CHAIRMAN LEVI: Nothing to add?

17 MR. MADDOX: No.

18 CHAIRMAN LEVI: Ops and Regs. Charles?

19 PROFESSOR KECKLER: Thank you, Mr. Chairman.

20 MS. REISKIN: May I ask him a question?

21 CHAIRMAN LEVI: Oh, yes, if it's very quick.

22 MS. REISKIN: Are you going to be coming up

1 with a new charter, like a new draft charter? Like kind  
2 of -- I take it you discussed this. Is there going to be  
3 a new one coming out?

4 MR. MADDOX: Yes. That is our hope. We will -  
5 - it probably will not be ready at the next meeting, but  
6 it might be. We're going to look at it in a working  
7 group of sorts, without taking the full committee's  
8 attention, and then have it for consideration when it's  
9 ready.

10 PROFESSOR KECKLER: Thank you. The main item  
11 of substantive business of the Operations and Regulations  
12 Committee was a discussion of the committee on  
13 enhancements, potential enhancements, to the  
14 Corporation's enforcement and sanctioning authority.

15 There continues to be interest on the part of  
16 the Inspector General and management, apparently, in this  
17 general topic, and members of the committee. However,  
18 what we've asked the management to do is to return to the  
19 committee with a more concrete proposal and a  
20 recommendation surrounding that proposal of potential  
21 changes to the regulations involving sanctions.

22 We anticipate that that will build upon the

1 Board's prior efforts in this area and will be presented  
2 back to the committee in January.

3 That concludes the report of the Operations and  
4 Regulations Committee.

5 CHAIRMAN LEVI: Questions?

6 (No response.)

7 CHAIRMAN LEVI: As we move to item 14, I just  
8 want to take an opportunity to publicly thank the Fiscal  
9 Oversight Task Force, and to suggest that their work was  
10 just so helpful to the Corporation; and that at least at  
11 the next meeting -- I think we in some way were remiss  
12 not having prepared one for this meeting -- but certainly  
13 next meeting, we need to have some kind of a proclamation  
14 or whatever as we --

15 DEAN MINOW: Commendation.

16 CHAIRMAN LEVI: -- commendation that we issue  
17 and send to them to thank each of them for their service.  
18 And as we get ready to discuss this report, I'd like to  
19 invite David to come up, and Bob Henley, if you wish to  
20 sit at the tables and join our discussion.

21 We did receive some comments, and our two  
22 chairs are here, Robert and Vic. And I thought I'd turn

1 it over to you guys and let you talk about those comments  
2 and where we go from here.

3 MR. MADDUX: The comments were extensive, I  
4 think. I haven't undertaken to analyze them in detail.  
5 But I think that in many respects, the comments were  
6 critical of the report.

7 I think we received the comments from the  
8 directors of OIM and OPP, and I read those to strongly  
9 oppose the recommendation that we combine the various  
10 offices into one office. A number of program counsel, I  
11 believe, had similar concerns. So I don't think the  
12 comments of the -- or the recommendations were well  
13 received.

14 I'm certainly looking forward to the thoughts  
15 of our task force members about those comments. My own  
16 sense was that there is often institutional inertia that  
17 has to be overcome. And I think that the task force,  
18 when it considered the problems and the issues we were  
19 focusing on, approached its work with those concerns in  
20 mind. I appreciate the comments. I don't think that  
21 they change, in my mind, the recommendations of the task  
22 force.

1 Robert?

2 MR. GREY: I'd like to reserve my comments and  
3 let a couple of the task force members react to that.  
4 But I think that you laid the issue out properly, and I  
5 think, in deference to our task force members, I'd like  
6 to hear their thoughts.

7 CHAIRMAN LEVI: If they would.

8 MR. GREY: If they care to. Otherwise, I'll  
9 have some thoughts.

10 CHAIRMAN LEVI: Well, I have some. Martha has  
11 some. Others may. We all read them.

12 MR. HENLEY: Yes. Well, I would say that, as  
13 Victor pointed out, the comments are extensive, and some  
14 of them are critical. I think we recognized early on  
15 with -- that our task force operationally did not include  
16 visiting grantees and getting their perspective. That's  
17 coming from -- that is actually happening with the  
18 strategic planning task force. That was one of the  
19 criticisms.

20 MS. REISKIN: Could you speak up a little bit?  
21 I'm sorry.

22 MR. HENLEY: I'm sorry. I said one of the

1 criticisms was that we didn't have the grantee  
2 perspective through the process. And we knew that that  
3 was something that we hadn't provided for.

4 But there's a lot here, and some of it is  
5 critical. I think that -- I didn't see anything that  
6 changed my perspective on -- changed my opinion on the  
7 report of the task force in the comments.

8 MR. HOFFMAN: This is David Hoffman. I enjoyed  
9 the comments. I would have been shocked if we had  
10 received comments that were mostly positive because, as  
11 you said, typically if someone's going to make a comment,  
12 they're going to know what they think the problem is. I  
13 thought eight as a number of comments was not an overly  
14 large number.

15 On the substance of them, there were several  
16 comments from people who did not like the suggestion that  
17 three of the offices be combined. And there's no  
18 question I don't think there's a clearly right or wrong  
19 answer on that.

20 But obviously, as the report pointed out, one  
21 of the concerns that we heard over and over again was an  
22 important failure with regard to coordination with regard

1 to those offices.

2 And the point that was made, I think, in  
3 several of the comments was that, but shouldn't we worry  
4 that those different functions need to remain different  
5 in some ways? And I thought that was a fair point.

6 But the combination or putting at least one  
7 leader over them as a bureaucratic reorganization doesn't  
8 necessarily mean that the functions will lose their  
9 identity. So I think that's just a management issue. It  
10 didn't persuade me otherwise.

11 The point about whether OIM would lose its  
12 independence because of that I didn't find particularly  
13 persuasive. I think it just depends on who the leader of  
14 that is, and it's a management issue. I don't think that  
15 is necessarily related to the organizational chart.

16 There were several people who said that the  
17 report didn't really address adequately what OIG's role  
18 was here. I didn't agree with those comments. I thought  
19 the report spent a lot of time on that, actually.

20 The letter from the union I thought made some  
21 very interesting points, that it recognized things that I  
22 think the task force and the report acknowledge and

1 didn't solve regarding issues of exactly how  
2 whistleblower processes as it relates to the IG's office  
3 and the Board should work.

4 I think the task force reported an attempt to  
5 sort of lay out a framework for the Board to deal with  
6 that in the future. And I think that that's one role for  
7 the Audit Committee, but not the Audit Committee alone in  
8 terms of the Board. The union letter also mentioned the  
9 conflict of interest policy, which I think is important  
10 to develop.

11 The last thing I'll say that -- the last  
12 comment I thought was important was related to -- one of  
13 the connects was that there -- with a heightened emphasis  
14 on fiscal responsibility at the grantee level, that it  
15 was important to think about training for grantees so  
16 that there weren't unfair burdens being put on them.

17 That was a critical part of, I know, our report  
18 and our thinking because we were cognizant of both the  
19 importance of fiscally responsible management, but also  
20 that over and over again it was going to feel unfair to  
21 grantees. And we thought, well, how on earth am I going  
22 to comply with this?



1           And therefore, training from the Corporation  
2 over the grantees is of critical importance. We agree  
3 with that part of it.

4           CHAIRMAN LEVI: I also enjoyed, on the whole,  
5 the comments, reading them. But I wanted to comment  
6 myself on two observations that were made that I thought  
7 really did, to some extent, suggest a misunderstanding of  
8 who we had on our task force.

9           These were not just people who were in the role  
10 of accountants or just -- we had heads of foundations  
11 that have elaborate grants procedures and grants award  
12 processes and understand the full array of grantmaking.

13           They were very much in the room. Their  
14 thoughts were very much heard in our deliberation. And  
15 to the extent that I read at least one of the comments to  
16 suggest that our task force was simply limited to folks  
17 in one pew, that was not the case.

18           The other, which again, I understand where  
19 people are coming from, I did not think that the task  
20 force charge was limited. I don't think, when you're  
21 asking a group to take a look at how we conduct fiscal  
22 oversight, that that is a narrow charge and that you do

1 that in a vacuum. And the task force, in my view, based  
2 on the meetings I attended -- and I think I attended all  
3 of them -- did not approach it that way, either.

4 So that was just an observation. I mean, my  
5 response to a couple of the comments that I took to  
6 really have a kind of a misunderstanding of who was on  
7 the task force and what they were thinking about.

8 And then Julie and Martha.

9 MS. REISKIN: Following up on that -- and I  
10 didn't go to any of the meetings; I wasn't on the task  
11 force -- but when I read the report, some of the comments  
12 seemed like it was -- they were saying, like just  
13 restructuring things doesn't fix problems.

14 I didn't read the report to say that. I read  
15 the report that the restructuring is a -- that might be  
16 the outside look, but it's a result of doing much more  
17 internal changes of the tone and the culture and a whole  
18 bunch of -- that it wasn't -- we're not going to just  
19 move some offices and expect things to be fixed. So, I  
20 mean, I didn't read it that way, and I hope it wasn't  
21 meant that -- I don't think it was meant that way.

22 A couple things that surprised me: One is I

1 thought we did have a conflict of interest policy. I  
2 kind of remember signing one myself. But maybe I'm  
3 confused. It sounds -- there was some criticism that we  
4 don't have one, and I could have sworn we did.

5 CHAIRMAN LEVI: That's a different conflict.

6 DEAN MINOW: It's a different one.

7 MS. REISKIN: Oh, okay.

8 DEAN MINOW: It's for us. This one was for the  
9 staff.

10 MS. REISKIN: And then -- well, it's something  
11 that I think needs to be discussed at some point, and I  
12 don't know when the right point is, is the whole issue  
13 of, if someone has a concern, and they -- staff bypassing  
14 the President or ED to go to the Board, what's right for  
15 us and what's right for programs?

16 And that's a tough issue. I don't think  
17 there's an easy answer. I'm not saying I know the  
18 answer. I mean, I know if -- I do think that any board  
19 member has a duty, if they learn something, to go to  
20 their leader, I mean, in our case; but to not just  
21 collude on the side and talk to people with gossip, but  
22 to bring it up.

1           But that's a big issue, and it seems to be  
2 almost an underline issue that needs to, I think, be  
3 addressed at some point and in some way. And I'll leave  
4 that to our leaders to figure out when and how. But I  
5 just think that keeps kind of bubbling up.

6           But I think that there was any intent to just  
7 move offices and say, okay, we're done, at all.

8           CHAIRMAN LEVI: Martha?

9           DEAN MINOW: I think it's just tremendous to  
10 have both the report and then the amount of evaluation  
11 and assessment of the report by the Board and by the  
12 staff, and reflected also by the comments from inside and  
13 outside the organization. I mean, that's the healthy  
14 dimensions of this kind of review that one would hope of.

15           As I looked at the comments, it seemed to me  
16 that there were three central ones to warrant our  
17 attention. One, which several people have already  
18 mentioned, is concerns that combining functions will not  
19 increase quality.

20           I guess, I think, that's a good caution. And I  
21 take David Hoffman's point that there's no magic here. I  
22 think that the recommendation from the task force that's

1 central is that we need to figure out how better to  
2 coordinate and strengthen fiscal oversight, and figure  
3 out the best way to do that.

4 Frankly, from my point of view, whether it's  
5 called the one common entity with some subparts or it's  
6 three entities that have better coordination is really a  
7 matter of just semantics. And I would leave it to the  
8 recommendation of the President, in conjunction with the  
9 Chair, to figure out what's the best way to jump-start  
10 the change.

11 What was most striking to me, was that nobody,  
12 disagreed that we need a change. We need a change that  
13 deletes with this perceived problem about the quality of  
14 the fiscal oversight, on the one hand, which can only be  
15 solved by better communication and collaboration with the  
16 other parts, and the problem of repetition and  
17 inefficiency. Nobody disagreed with that.

18 And I love that when I see that in comments,  
19 that there is just absolute consensus on that. And now  
20 we're talking about implementation and the best way to do  
21 it. So that's number one.

22 Number two was, there were several people who

1 commented on where does quality of services fit? And I  
2 think that that's something that the Board itself raised  
3 in conversations with the members of the Fiscal Oversight  
4 Committee (sic).

5 I would look forward to making sure that the  
6 questions of quality of services are folded into any of  
7 the reforms that we implement, and that that's very, very  
8 high up in our considerations about how to proceed.

9 Then finally, I think that there were some very  
10 notable comments, particularly from NLADA, about the  
11 competencies that we need internally in the organization  
12 to be able to perform the functions. And I took those as  
13 very, very serious, and I think that that has real  
14 consequences for how jobs are defined, how there's in-  
15 house opportunities for growth, how there's performance  
16 evaluations, and how there's hiring of different staff  
17 where necessary and appropriate.

18 I take that very seriously. And let's be  
19 frank. The challenges that this organization has faced  
20 by external review cannot be afforded in the future. We  
21 cannot afford to have questions raised about the  
22 efficiency and effectiveness of the internal management

1 of this organization. Our own viability is on the line,  
2 and that has to be impeccable. I don't think that  
3 there's anyone disagreed with that, either.

4 So that's what I took away from the comments.  
5 And I think that there was great advice in them.

6 I did not myself take the time, and I wonder if  
7 someone else will, to read with care the ABA standards  
8 for monitoring and evaluating the provision of legal  
9 services to the poor and compare that with the Fiscal  
10 Oversight Committee. That seems to be a task that one  
11 should pursue that's beyond my competence.

12 CHAIRMAN LEVI: We'll assign that to Terry  
13 Brooks.

14 (Laughter.)

15 MR. MADDOX: Can I just add one comment to echo  
16 Martha's comments and David's as well? Deierdre Weir,  
17 who was writing in her capacity as chair of the civil  
18 policy group for NLADA, had an interesting comment that I  
19 hadn't really thought about.

20 And I think it's one that we will want to have  
21 some -- take care that when we implement the  
22 recommendations, assuming we do, when we think about it,

1 that is that what she called a triple focus in program  
2 visits, I think she says, "will be terribly disruptive  
3 through program operations, and may well be overwhelming  
4 to the program's executive directors," who they expected  
5 to respond to inquiries related to all three program --  
6 or aspects of the visit.

7 And then she suggested making sure that the  
8 visits and the functions are truly integrated. I thought  
9 that was an insightful comment. And I met Deierdre on  
10 the Presidential Search Committee and I know that she's  
11 got a lot of experience and insight into the whole  
12 grantee experience. So I think that's well worth  
13 considering.

14 CHAIRMAN LEVI: Gloria?

15 PROFESSOR VALENCIA-WEBER: I took the report  
16 and the responses to it into account, and still reach  
17 four main points of concern.

18 One, I agree and echo what's been said, that we  
19 need to change how physical oversight is taken care of.  
20 How is the real dilemma we're facing now, whether you  
21 merge existing units and other things. But we do need to  
22 change that.



1           As to quality of services being sacrificed  
2 because of fiscal processes and accountability, I don't  
3 think we ever walk away from that. I think the charge of  
4 this Board is to see that a high quality of services is  
5 delivered to all of the people we provide civil  
6 representation to.

7           It doesn't matter what other sorts of things we  
8 do interveningly at the corporate level, to some extent  
9 how we're doing the fiscal oversight. That was, to me,  
10 the commitment we undertook at the time we took our oath.  
11 And that's why we raise in our discussions, how is that  
12 quality of services to be established? How do we  
13 determine its occurring?

14           It's why at times in our discussions we raise  
15 questions of how presumptions of quality of services  
16 rendered in an urban setting may not fit the rural  
17 setting, may not fit those special populations that we're  
18 legislatively charged to provide services to, the Native  
19 Americans and the migrants. But now we also face,  
20 increasingly, the rural poor, even if that's not in our  
21 statutory charge. And the quality question is pervasive  
22 in our duties.

1           Thirdly, in the reports, we have issues of  
2 competency. Clearly about, within the corporate staff,  
3 who we need to train possibly within present staff as  
4 well as the kinds of skill and knowledge we will expect  
5 from new staff to be hired to carry out our fiscal  
6 oversight mandate with a far better level of not just  
7 professional performance but that is externally respected  
8 as fiscal oversight at the best professional level.

9           Then we also have the question of competency  
10 with regard to what's already been touched on, that if  
11 we're doing this, we're also importing it to our  
12 grantees.

13           From the time I've arrived on this Board, I've  
14 been concerned about what we provide in the way of  
15 training to our grantee boards, many of whom have no  
16 access, because of the geographical demographic  
17 characteristics of the area they operate in, without  
18 access to some of the professional skills for the boards  
19 that we might find in more urbanized, sophisticated  
20 settings. So we have to expect that we're going to  
21 devote some assets and some effort to grantee board  
22 training.

1           Finally, as to the whistleblower and how  
2           internal staff concerns are addressed, perhaps  
3           wrongfully, I attribute some of these concerns to the  
4           nature of the prior corporate climate and administration.

5           But I also see that continues to be a concern.  
6           And that's already been raised in our audit committee and  
7           how, to the degree that's a charge that we're going to  
8           have to deal with, we will eventually have to bring it  
9           back to the whole Board.

10          So I think we need to discuss it across several  
11          levels, including within the Fiscal Oversight Committee,  
12          continuing dialogue if there is one. But right now, I  
13          obviously have no proposal to that. I think we have, in  
14          some ways we're going to address that.

15          MR. GREY: One of the things that I have really  
16          come to appreciate is when you have individuals whose  
17          knowledge, skill, and experience are brought to bear on a  
18          problem like -- not a problem, but a review to -- well,  
19          no, an opportunity to review this issue --

20          CHAIRMAN LEVI: Right.

21          MR. GREY: -- that the most challenging  
22          discussion was challenging ourselves. And this group did

1 not let anybody slip around the corner and say, well,  
2 we'll just overlook that comment.

3 And I think if more people could have observed  
4 that, there would be a different feeling about the  
5 conclusions that were reached because it was very  
6 thorough. But a lot of the criticism that was put in the  
7 comments was a little bit about, you know, I think what  
8 you all are really doing is rearranging the chairs on the  
9 Titanic. And that, I think, is a fair criticism based on  
10 past experience.

11 So I did not take that personally, or I did not  
12 take that as an affront or challenge the wisdom of the  
13 group by knowing what we did. I think it was based on  
14 what experiences people have had in the past. And I  
15 think that that will only be changed by a culture of  
16 excellence and high expectation and transparency and  
17 accountability, which is what this is all about at the  
18 end of the day.

19 So I can't say I thoroughly enjoyed the  
20 comments, but I thought they were -- David put a nice  
21 spin on it, I think. But I understood the comments  
22 completely.

1           The last comment that Vic -- by the way, the  
2           Office of Information Management is confusing because we  
3           have a -- because there's an Office of Information  
4           Technology. We might want to think about the Office of  
5           Data Management because that's basically what we're  
6           trying to manage.

7           And it is different than information  
8           technology, so that's something to think about. I  
9           thought the comment about combining all of that, on the  
10          surface, was a reasonable comment until you understand  
11          what the difference is.

12          But the other -- I think there is some proof in  
13          the pudding about sending three types of reviews out at  
14          the same time that we need to be very careful about. But  
15          I think it helps to have all three under the same  
16          management if you're going to try to achieve this level  
17          of synchronization for getting the best result by way of  
18          analysis and audit.

19          If three people are operating in three  
20          different silos, the coordination is just a problem,  
21          which is what we observed. And so hopefully that  
22          question is a question we will keep in mind as we think

1 about the process that's used and the training that we  
2 employ because I think Gloria made a good point. If we  
3 don't train properly for this, we're begging the question  
4 of, what did we do?

5 But this is very important to people to  
6 understand what they're supposed to do, how they're  
7 supposed to do it, and then are held accountable for  
8 doing it. Thank you.

9 CHAIRMAN LEVI: Julie, and then Martha.

10 MS. REISKIN: I'd just be interested in either  
11 of you guys or the task force members to comment on --  
12 there was a comment that -- and I don't remember who made  
13 it -- but that we're -- it was about the life cycle of  
14 the grant, and that it's little bit different because we  
15 don't really have competition, and how that may or may  
16 not -- does that matter?

17 Could you guys just comment on that, that  
18 issue? We're not like a -- this isn't like a foundation  
19 where there's the true life cycle of the grant beginning  
20 with the RFP and the true competition, if that matters.

21 MR. HOFFMAN: I don't remember that comment.

22 And can I ask you to say just a tiny bit more about what

1 the point was behind it?

2 MS. REISKIN: The point was when you -- there  
3 was a lot in the report about the life cycle of a grant,  
4 and that generally it starts with an RFP, and then you  
5 choose. And then there's outcomes and you measure that,  
6 and then maybe you make a different choice next time, you  
7 know, in a typical foundation -- I think, looking at the  
8 foundation world.

9 In our situation there isn't -- there generally  
10 isn't competition. It's usually the same funder, the  
11 same fundee, recipient, for many, many years, and it's a  
12 pretty drastic situation when that's going to change.

13 So I think the comment was, given that, given -  
14 - and just to get someone else to do it is a big deal  
15 because there's so many requirements. So given that,  
16 we're not looking at a typical competitive funding world.  
17 It does make the whole regulator/ funder/fundee  
18 relationship different.

19 MR. HOFFMAN: My comment informed in part from  
20 my experience at the City of Chicago, which managed about  
21 between a half a billion and billion dollars in grants,  
22 was -- I think this is a common scenario for government

1 grantors, where it's less of a competitive environment  
2 and there's often a public interest component in  
3 continuing the funding in general.

4 But I don't think it changes the fundamentals  
5 of needing to ensure, as the grantor, that both in terms  
6 of the management of the money and in terms of the  
7 quality of the services, that the folks on the grantee  
8 level are doing a good job.

9 MS. REISKIN: Right.

10 MR. HOFFMAN: And I do think that this goes  
11 precisely to the issue of how do you properly combine and  
12 integrate those two functions in LSC? And again, not  
13 that there's any magic to how you do the org chart. But  
14 there -- and you need to have those functions distinct in  
15 certain ways in terms of judging quality programs and  
16 making sure that risk and the money is managed properly.

17 But if you ignore the right way to integrate  
18 them and to see the way people should be talking to each  
19 other and the right kind of synergies, neither is doing  
20 as good a job as it should be.

21 So I grant the point that there's a difference  
22 between it's not competitive an environment. But it



1 doesn't mean that the Board -- and at the grantee level  
2 everything can't be as high-quality as possible in terms  
3 of making sure that things are done properly.

4 FATHER PIUS: And I think the task force was  
5 aware of the life cycle aspect of this, certainly aware  
6 of the way it worked. And I think part of it was is  
7 looking at it and saying, maybe this -- maybe the way  
8 we're doing it isn't the best way to do it, and that we -  
9 - I mean, we're not going to be a fully -- we're going to  
10 have five people competing for this.

11 But it should look more like a grant process,  
12 in part in that at the beginning of the process, we  
13 should in the grant application provide more of what our  
14 expectations are. And we can signal what our  
15 expectations are, even from the beginning of the grant  
16 process, or even in the renewal process.

17 I think part of the message of the task force  
18 is we should take that more seriously, take that role  
19 more seriously instead of just assuming that it's going  
20 to be the same person applying it again, not that it's  
21 going to be a fully competitive process, but it should  
22 move a little bit more in that direction.

1           That was my thought. That was my memory. And  
2           it was John Mayer's criticism. It's page 104 of the  
3           board book.

4           CHAIRMAN LEVI: Martha?

5           DEAN MINOW: Well, just two thoughts. On the  
6           specific issue of thinking what the experience of the  
7           grantee will be, that will obviously be part of our  
8           inquiry both about our internal organization but then  
9           very specifically training and planning for those  
10          sessions.

11          It does seem to me it's hardly better to have  
12          uncoordinated repeated visits of different sectors of the  
13          same organization asking for overlapping information than  
14          it is to have too many questions asked during one visit.  
15          We want neither of those.

16          So at the moment, we don't have a good  
17          practice. So I would again assimilate my comment on this  
18          to my comment on the earlier point. No one is  
19          disagreeing thought our current potential visitors from  
20          our organization to grantees who have not consulted with  
21          other aspects of our organization. Is it a good  
22          practice? It's not a good practice.

1           So that's just for starters. And then that  
2 leads to my more general comment. If we were starting  
3 from scratch to design our internal organization, would  
4 it look like its current structure? I don't think anyone  
5 thinks that.

6           What's so helpful about the hard work of the  
7 Fiscal Oversight Committee is it got us outside of our  
8 own path-dependent, this is how it is, this is how it's  
9 always been, this is how it's got to be, to look at what  
10 are the best practices in other organizations.

11           And based on that, I think we're in a much  
12 better position now to build an effective organization.  
13 And that's not going to be fun. It's going to require  
14 change. Nobody likes change. I hate change. But that's  
15 the fact, and that's what we need to do, and that's what  
16 we're about.

17           CHAIRMAN LEVI: So we can ask the rest of the  
18 task force to sift through the comments and give  
19 suggestions. But we can also ask, I think, management  
20 now to tell us what and how they would proceed as it  
21 relates to the report so that we don't slow down.

22           I really am not interested in holding this all

1 the way to January. And so I'm going to ask Jim how he  
2 would propose that we proceed so that we can get this  
3 done with alacrity.

4 PRESIDENT SANDMAN: Well, I'd look first to the  
5 co-chairs of the task force to see what additional input,  
6 if any, they would like from other members of the task  
7 force, or if they would like to respond in any way to the  
8 comments received, whether your bottom line is that you  
9 have any adjustments to the report or not.

10 MR. GREY: Well --

11 CHAIRMAN LEVI: I think we could give the --  
12 ask the members of the task force, have one more call  
13 among them, if you wish, and see whether they wish to  
14 make some adjustments based on the report.

15 MR. GREY: Well, we did ask for comments, so we  
16 ought to find out what they are --

17 CHAIRMAN LEVI: Yes.

18 MR. GREY: -- and then make that known, make  
19 those comments known.

20 MR. MADDOX: It may well be that after  
21 receiving those comments, we can assimilate them and make  
22 a decision based on the collective input; or we may have

1 to have another telephone conference. I think we should  
2 just reserve that option.

3 But I think we ought to also give them -- did  
4 we give them a time frame for comments?

5 CHAIRMAN LEVI: I think we should ask them get  
6 their comments in --

7 MR. MADDOX: Right.

8 CHAIRMAN LEVI: -- get back to you back by the  
9 end of October, which is just a couple of weeks, and that  
10 gives a few weeks to --

11 MR. GREY: Staff to organize it.

12 CHAIRMAN LEVI: -- the staff to review it.

13 Yes?

14 MS. REISKIN: Well, I was just thinking. I  
15 mean, I assume it's not like this whole thing gets  
16 implemented like in a day. So it'll be implementation in  
17 phases, and I assume some of it'll be like pilots or  
18 testing in some --

19 CHAIRMAN LEVI: Well, that's what we're asking  
20 management --

21 MS. REISKIN: Right. Well, will they get back  
22 to us with an outline or -- is that how it works?

1           PRESIDENT SANDMAN:  If the Board were to adopt  
2           the recommendations of the task force in something close  
3           to the form that they've been presented, my proposal  
4           would be, then, to come up with an implementation plan to  
5           suggest to the Board.

6           I agree with you that this is something that  
7           would have to happen over time.  A lot of this is in the  
8           details, and there are going to be different levels of  
9           implementation at different periods of time.

10          CHAIRMAN LEVI:  Okay.  Well, then, here's what  
11          I'm going to suggest.  The task force members have until  
12          October 31st to give their input.  And during the month  
13          of November, we will digest those and come up with a  
14          schedule with Vic and Robert as to how to integrate  
15          those, or either have a task force call, maybe a week  
16          into November, something like that, and with Raina and  
17          see whether that requires some tweaking to the report.

18          At the same time, I would like management to  
19          get busy with its plans now.  It doesn't need to wait for  
20          the entire report to be tweaked.  I think you can see  
21          what's coming.  You can see the sense of the Board.  And  
22          so there's no reason to be sitting on hands.

1           So I think that in November, we can come to  
2           some conclusions as a board, and by the end of November,  
3           have decided what process, whether we're adopting it as  
4           is, with a tweak, with this change, with that. And then  
5           management can give us a recommendation to proceed from  
6           that.

7           How does that sound?

8           MR. GREY: That works.

9           MS. MIKVA: I just -- I'm looking at the  
10          President's suggested plan for moving forward. And it  
11          did say that -- and I don't know if this was in the  
12          notice and comment -- that there would be -- we would  
13          take public comment here. And igs I wanted to know if we  
14          didn't want to do that at this point on this issue.

15          CHAIRMAN LEVI: We're not ready for that.  
16          Well, public comment is here.

17          MS. MIKVA: Right.

18          CHAIRMAN LEVI: Well, that's --

19          DEAN MINOW: But it's on the whole meeting.

20          CHAIRMAN LEVI: Public comment is on the  
21          meeting. Does it say we would take public comment here?

22          MS. MIKVA: It says this on the President's

1 suggested --

2 CHAIRMAN LEVI: Yes. I don't -- are there any  
3 folks that wish to come up and comment now, other than  
4 what you've given us in writing?

5 (No response.)

6 CHAIRMAN LEVI: Anybody on the phone?

7 (No response.)

8 CHAIRMAN LEVI: But I think there may be yet  
9 another opportunity for public comment as we get moving  
10 along here. I'm not trying to foreclose that.

11 MR. DE LA TOUR: Can you all hear me?

12 MR. MADDOX: Another 30-day period?

13 CHAIRMAN LEVI: No. I don't think we have to  
14 do that.

15 Is somebody on the phone?

16 MR. DE LA TOUR: Can you all hear me? I'm on  
17 the phone.

18 CHAIRMAN LEVI: Who is this?

19 MR. MADDOX: We can hear you.

20 MR. DE LA TOUR: You can hear me? Okay. Thank  
21 you very much. This is David de la Tour. I'm the  
22 president of the union at LSC.



1                   CHAIRMAN LEVI: We received your letter.

2                   MR. DE LA TOUR: Pardon?

3                   CHAIRMAN LEVI: We received your written  
4 report.

5                   MR. DE LA TOUR: Excellent.

6                   CHAIRMAN LEVI: Do you have anything in  
7 addition to that that you wish to offer?

8                   MR. DE LA TOUR: Right. I would like to  
9 clarify something since I think one of the comments made  
10 was in response to something that we wrote.

11                   The internal experience of the past and what we  
12 experienced here from the review, I think, was the main  
13 point we were trying to make, not that the task force  
14 itself lacked a depth and breadth of people with good  
15 experience, because clearly it did.

16                   It's that the interview of LSC staff was very  
17 thin, and especially on the fiscal side, it involved two  
18 of the newest persons. I think there's a comment to that  
19 in there. And I wanted to put that comment to emphasize  
20 that was our concern because not knowing and not having a  
21 lot of discussion about what the compliance function has  
22 been apart from the financial is what -- there's a detail

1           lacking in the report that made people a little  
2           concerned.

3                        So I just wanted to clarify, there was no  
4           discussion that there wasn't the requisite skill. It's  
5           just that we know that a lot of people were not  
6           interviewed. And although they did interview most  
7           management, that's not necessarily going to be a  
8           consistent message between that and some staff.

9                        Thank you very much.

10                      CHAIRMAN LEVI: Thank you.

11                      MR. GREY: Well, Mr. Chairman, I just think for  
12           the record we felt that to the degree that information  
13           about our processes was solicited, that we got not only,  
14           I thought, a fair amount of information, but that it was  
15           sufficient to understand the tasks that we had in  
16           reviewing the current process versus one that might give  
17           us a better outcome.

18                      CHAIRMAN LEVI: Any other comments or  
19           questions? I think we've outlined a plan.

20                      Laurie, since you have that schedule and I  
21           don't, what does it say is the next -- not that piece, on  
22           the fiscal oversight one.

1 MS. MIKVA: Oh, I'm sorry.

2 CHAIRMAN LEVI: What does it say is next?

3 MS. MIKVA: What does it say is next?

4 Management and task force chairs -- no, sorry. Board  
5 meets to decide whether to accept, modify, or reject.

6 CHAIRMAN LEVI: All right. Well, we've done --  
7 we're doing that. Okay. Thanks very much. And thanks  
8 to the task force.

9 I wonder, just before we turn to public  
10 comment, I was told today that Linda Perle, who's sitting  
11 over there -- Linda, why don't you come up to the table?  
12 This is apparently your last meeting and you're retiring.  
13 It's sort of a shock to me since we're graduates of the  
14 same -- at the same time from the Harvard Law School.

15 MS. PERLE: So you know how old I am.

16 (Laughter.)

17 CHAIRMAN LEVI: So for all of you, Linda has  
18 essentially served as NLADA's general counsel for matters  
19 involved LSC. She's been a great friend of the  
20 Corporation through many years. She's dedicated, really,  
21 her life to helping low income Americans gain access to  
22 civil justice.

1           In addition to serving as an advisor to NLADA,  
2 Linda is the Director of Legal Services at CLASP, and at  
3 CLASP she has written extensively about the LSC  
4 legislative and regulatory framework. She co-authored, I  
5 think, a book you all may have seen, on "Civil Legal  
6 Assistance, a History," with Alan Houseman.

7           She joined CLASP in 1988 after working at LSC  
8 in several capacities, including as an assistant general  
9 counsel. She was instrumental in a study of the delivery  
10 system during her years at LSC from '75 to '83. She's  
11 active in the D.C. Bar.

12           She's a current member of the Steering  
13 Committee for the D.C. Bar's Section on Courts, Lawyers,  
14 and Administration of Justice, a past member of the D.C.  
15 Bar's Board of Governors, member of the Pro Bono  
16 Committee, and past member of the Joint Task Force on  
17 Technology for Legal Services Providers, the Committee on  
18 Pro Bono for Small and Mid-Sized Law Firms.

19           Her goal is to retire in early 2012, and we  
20 certainly are going to miss her. She's brought a deep  
21 understanding of civil legal assistance to our Board over  
22 many years, our predecessor boards, and ensures that we

1 understand many perspectives in the field.

2 She went to college at the University of  
3 Pennsylvania, and as I say, she graduated from Harvard  
4 Law School with me. And I think it's only appropriate  
5 that we recognize her today and thank her for all her  
6 work.

7 (Standing ovation.)

8 MS. PERLE: Thank you very much. I know it's  
9 late and I'm not going to keep you. I want to know that  
10 having worked for most of my professional career with the  
11 legal services community, and having been a camp follower  
12 of the LSC Board --

13 (Laughter.)

14 MS. PERLE: -- for 24 years, this has been --  
15 it's been a great honor and joy to be part of this  
16 community and to have worked with LSC, both the Board and  
17 the staff. Many members of the staff I've known for  
18 many, many years. And it's just been a great career.  
19 And I will miss it, but I am looking forward to doing all  
20 sorts of fun things.

21 CHAIRMAN LEVI: Well, we'll try to find ways to  
22 bring you out of retirement.

1 (Laughter.)

2 MS. PERLE: I'm not moving to --

3 CHAIRMAN LEVI: Alaska.

4 MS. PERLE: -- Patagonia or anything.

5 MS. REISKIN: Or Rome.

6 MS. PERLE: Right, or Rome. Right. So I will  
7 be around, and I hope that we'll continue to have lots of  
8 opportunities to see one another. Thank you very much.

9 CHAIRMAN LEVI: Thank you.

10 MR. SAUNDERS: Mr. Chairman, if I might, I  
11 would be remiss not to say a word and thank you for your  
12 very warm words. I know of no one that has worked with  
13 or depended on Linda more, other than Alan, than I have.  
14 And I just wanted to say on your record the great  
15 admiration I have for her competence, her commitment, her  
16 boundless energy.

17 I would not hesitate to say that few people, if  
18 anyone, has done more to ensure the compliance of your  
19 grantees than has Linda Perle. She not only tells them  
20 when their ideas are off-base, she's always been there in  
21 a supportive role. I've already heard today from many of  
22 them who are engaged in withdrawal pains already. Oh,

1 no, Linda can't leave.

2 And my final point is just that as  
3 irreplaceable as she will be, we are underway in terms of  
4 planning that replacement capacity. We maintain a  
5 working relationship with Alan and CLASP. We are looking  
6 internally to ensure that we have the same careful,  
7 confident analysis when we comment with you, that you can  
8 rely on the kind of careful analysis that Linda's  
9 brought.

10 It's an emotional time for me because she's  
11 such a dear friend and colleague. And I really  
12 appreciate your and the Board's recognizing this  
13 important moment for us.

14 CHAIRMAN LEVI: Thank you, Don. Another round  
15 of applause.

16 (Applause)

17 CHAIRMAN LEVI: And I'd also like to recognize  
18 Ruth Ann Schmitt, who's here. She is the head of the  
19 Illinois IOLTA program. She should have been on the  
20 agenda. Do you want to come up and say a word or two?  
21 And as is our tradition when we are in various states,  
22 the head of the IOLTA program does have a spot on the

1 agenda, and for some reason, we forgot to do that. So I  
2 apologize.

3 MS. SCHMITT: No problem. Thank you very much.  
4 It is interesting to me. The first meeting of the LSC  
5 Board that I attended was run by the then-president  
6 Hillary Clinton, the chairman. And so it's sort of nice  
7 to see all these Illinois roots back on the Board because  
8 we do have a few of them. So thank you.

9 I so appreciate the work that you have  
10 undertaken, this Board, to bring LSC along in the world  
11 that IOLTA has been in for some years, the foundation  
12 world and the business of making grants and truly  
13 watching what's going on in those grants and assuring  
14 quality, efficiency, and effectiveness.

15 And I spoke with Jim when he first came on at  
16 the LSC, and I know that he has brought a lot of great  
17 ideas from the for-profit world. And I'm looking forward  
18 to being real partners in the future.

19 So thank you. I know we're looking at a  
20 terrible, terrible time. I suppose you are to some  
21 extent, too. But as you know, interest rates were about  
22 dead with lack of money in the IOLTA world. So we're all



1 in a big struggle right now to keep our programs going.

2 Thank you very much.

3 CHAIRMAN LEVI: Thank you.

4 (Applause)

5 CHAIRMAN LEVI: And now Martha with a quick  
6 report on the Pro Bono Task Force.

7 MS. MINOW: Actually, I'm going to turn it to  
8 my co-chair, Harry.

9 CHAIRMAN LEVI: Harry and Martha.

10 MR. KORRELL: I'll give you a quick report.

11 After our meeting at Harvard, I think as some you know,  
12 we broke into five working groups, one dedicated to  
13 looking at best practices/urban, one best practices/  
14 rural, one looking at technology issues, one looking at  
15 obstacles to increasing pro bono work, and a fifth group  
16 focusing on developing some of the next big ideas that  
17 could transform pro bono work as we know it.

18 Each of these groups has co-chairmen. In  
19 addition, the board members have been involved with these  
20 groups as well -- John Levi, Sharon Browne, Julie  
21 Reiskin, Dean Minow, and myself, each working with one or  
22 two of these subgroups. In addition, DLA Piper is

1 providing staffing, along with help from Mattie Cohan at  
2 LSC, providing staffing for each of these working groups.

3 They've been meeting by telephone, some of them  
4 as much as every two weeks. As I said, DLA Piper is  
5 providing the staff support and coordinating these calls.  
6 They involve brainstorming, researching, gathering data,  
7 assigning sub-tasks to individuals or pairs of  
8 individuals in these groups.

9 The goal is for us to generate a report which  
10 will be largely compiled and drafted, I think, by DLA  
11 Piper some time in February. That report will have  
12 reports for each of these working groups, reporting to us  
13 what they have found -- what they have found that looks  
14 good, what they have found that looks bad, and some  
15 suggestions for making improvements and strategies for  
16 implementing the same.

17 The goal is to be able to begin implementing  
18 some of these things between that February report and  
19 when we report to Congress in April.

20 CHAIRMAN LEVI: Not to Congress. You report to  
21 us.

22 MR. KORRELL: I'm sorry.

1 MS. MINOW: Well, it's in timing --

2 MR. KORRELL: I'm sorry. I apologize.

3 MS. MINOW: -- for Congress.

4 MR. KORRELL: Correct.

5 CHAIRMAN LEVI: The one thing I've been  
6 thinking about, though, is we're going to have that  
7 report. Then we may want to keep the task force going  
8 for quite a long time with other ideas coming along. But  
9 who knows. That's just out there.

10 MS. MINOW: Maybe new co-chairs at that time.

11 CHAIRMAN LEVI: In any event, so the public,  
12 any questions for Harry? Comments?

13 (No response.)

14 CHAIRMAN LEVI: Do you have the names of the  
15 co-chairs for the subcommittees?

16 MR. KORRELL: I don't have them handy.

17 MS. MINOW: We can send them to people.

18 CHAIRMAN LEVI: Well, we'll send them to  
19 people. But it's quite a group. There are ten of them.  
20 They're working hard.

21 Terry? This is public comments. We're sort of  
22 jumping around here.

1 MR. BROOKS: Yes. Thank you. Just to --

2 CHAIRMAN LEVI: In light of the fact that board  
3 members are coming and going here right now.

4 MR. BROOKS: Just to quickly add a couple of  
5 footnotes and followup on earlier discussions.

6 Julie had asked for printouts of the charts,  
7 and so I have copies to pass around.

8 MS. REISKIN: Thank you very much.

9 MR. BROOKS: There's an incredible amount of  
10 detail and work behind these aggregate presentations, and  
11 I'll be happy to work with you or your staff in the  
12 future if you want detail on that.

13 To follow up on what Jim said about the access  
14 to justice effort, as he indicated, ABA has been working  
15 with that group for quite a period of time. And  
16 actually, he as usual is able to be much more succinct  
17 than we are. We published a paper back in about 2005 or  
18 '06 with 12 lessons from state access to justice  
19 commissions. So he's got it down to seven.

20 I know he didn't crib from that because I just  
21 went to it on the web, and that link is dead.

22 (Laughter.)

1           MR. BROOKS: But it is on our website. I'm  
2 going to also pass around a couple of additional web  
3 resources. One is the Access to Justice Resource Center,  
4 which has a lot of documents on the movement, a list of  
5 all the commissions. And as Jim indicated, we have been  
6 working to find a point of entry in additional states and  
7 have a couple of states that are prospects at this point.

8           During the last year, we did work closely with  
9 the Conference of Chief Justices. They passed a  
10 resolution calling on all states to adopt an access to  
11 justice commission. We got a lot of phone calls after  
12 that, and we've been working with a couple of states on  
13 that because all the chiefs went home and said, whoa,  
14 we're supposed to be doing this, so let's get on the  
15 stick here. So we welcome the opportunity to work more  
16 closely with you on that.

17           Also on the sheet I'm passing around is our pro  
18 se unbundling resource center and the URL for that, and  
19 copy of the front page of that website. Tracy Loynachan,  
20 who's on our staff, is the architect of that, along with  
21 Will Hornsby, who's the staff counsel to our Standing  
22 Committee on the Delivery of Legal Services, which works

1 mostly with moderate income people.

2 So I wanted to just take the opportunity to  
3 follow up on the panel earlier today at the CBA and let  
4 Tracy tell you a little bit about what's in the pro se  
5 unbundling resource center and the clearinghouse  
6 materials that we have.

7 CHAIRMAN LEVI: Well, that's fine, as long as  
8 she can do it in two minutes.

9 MS. LOYNACHAN: I will do it very quickly.

10 CHAIRMAN LEVI: Okay.

11 MS. LOYNACHAN: As Terry said, we do have a  
12 collection on line. We call it the pro se unbundling  
13 resource center. There we have a wide variety of  
14 resources available related to pro se representation. We  
15 have court rules, ethics opinions. We have a list of  
16 self-help centers across the country. You can go to that  
17 page, click on a link, be taken to self-help center.

18 We also do, in addition to the online  
19 resources, maintain a listserv. It's a state access to  
20 justice listserv. And we send out material on that  
21 listserv, but it's also an opportunity for individuals  
22 across the country to have some dialogue about what's

1 happening in their jurisdiction, questions about scope  
2 representation, questions about self-help centers.

3 So we do have a number of resources available,  
4 and the committee does respond to technical assistance  
5 requests as well.

6 MR. BROOKS: Questions?

7 (No response.)

8 MR. BROOKS: Thank you.

9 MS. MINOW: That was great.

10 CHAIRMAN LEVI: That was less than two minutes.

11 MS. MINOW: Very helpful. Thank you.

12 CHAIRMAN LEVI: Okay. Thanks so much.

13 Can we have -- any other public comment?

14 (No response.)

15 M O T I O N

16 MS. MINOW: May I move for a --

17 CHAIRMAN LEVI: Closed session.

18 MS. MINOW: -- closed session?

19 MR. MADDUX: Second.

20 CHAIRMAN LEVI: All in favor?

21 (A chorus of ayes.)

22 CHAIRMAN LEVI: I think we didn't consider and

1 act on other business. Does anybody have any?

2 (No response.)

3 CHAIRMAN LEVI: No? Okay.

4 (Whereupon, at 3:45 p.m., the board adjourned  
5 to executive session.)

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