

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

TELEPHONIC MEETING
OF THE BOARD OF DIRECTORS

OPEN SESSION

Tuesday, May 17, 2011

11:00 a.m.

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

BOARD MEMBERS PRESENT:

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

STAFF PRESENT AT THE CORPORATION'S OFFICES:

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

James J. Sandman, President (by telephone)

Kathleen Connors, Executive Assistant to the President

Rebecca Weir, Assistant General Counsel, Office of
Legal Affairs

David L. Richardson, Treasurer and Comptroller

John Constance, Director, Office of Government
Relations and Public Affairs (by telephone)

Stephen Barr, Media Relations Director, Office of
Government Relations and Public Affairs

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

Janet LaBella, Director, Office of Program Performance

Elizabeth Arledge, Analyst/Coordinator (Special
Projects & LRAP), Office of Program Performance

Willie Abrams, Program Counsel III, Office of Program
Performance

Jeffrey E. Schanz, Inspector General

Joel Gallay, Special Counsel to the Inspector General

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

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

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

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

2 (11:00 a.m.)

3 CHAIRMAN LEVI: Let me call the duly noticed
4 telephonic meeting of the Legal Services Corporation
5 Board of Directors to order, as published in the
6 Federal Register, with notice properly given.

7 And I ask that the agenda be approved. Can I
8 have a motion to that effect?

9 M O T I O N

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

12 CHAIRMAN LEVI: Second?

13 PROFESSOR KECKLER: Second.

14 CHAIRMAN LEVI: All in favor?

15 (A chorus of ayes.)

16 CHAIRMAN LEVI: The agenda is approved.

17 And now we need to -- we've been sent a
18 copy -- I think all Board members received a copy of
19 the Inspector General's Semiannual Report, together
20 with a draft transmittal letter.

21 Are there any questions or issues? Does the
22 Inspector General want to talk for a minute about the

1 report?

2 MR. SCHANZ: Well, this is Jeff Schanz. We do
3 appreciate the support of the new Board, and working
4 with management on some of the issues that you'll read
5 about in the Semiannual Report has worked pretty well
6 for us.

7 I think both the President and the IG have the
8 same expectations of improving the Corporation as best
9 we can, and I've enjoyed Jim Sandman's full support in
10 getting information that I need to be able to present
11 this report and to continue working collaboratively
12 within the context of my three C's.

13 CHAIRMAN LEVI: Any questions from any members
14 of the Board?

15 MS. BROWNE: This is Sharon Browne. I do have
16 a question for the Inspector General regarding table 2
17 on page 20.

18 MR. SCHANZ: Okay. We have it in front of us,
19 Sharon. What is your question?

20 MS. BROWNE: Well, I notice that a lot of the
21 questioned costs are listed in different areas of your
22 table, so I found that confusing. It looks like there

1 are more questioned costs than there actually are
2 because of that duplication.

3 For example, on B and D, you have the same
4 numbers. And I understand the different of why they're
5 listed in that way, but it does cause the table to look
6 like there are more questioned costs than there
7 actually are.

8 Is there any way to simplify the table, maybe
9 make a third column so that you don't have all the
10 duplicated costs?

11 MR. GALLAY: We can understand -- this is Joel
12 Gallay -- the reason for your reaction. Many of us
13 have the same reaction. Unfortunately, the tables are
14 structured strictly in accordance with the statute.
15 The statute regarding the semiannual reports goes into
16 surprising detail in terms of the presentation of data
17 required in each of the reports. So our presentation
18 kind of tracks that without a lot of options.

19 MR. SCHANZ: And you'll find that in each IG's
20 report. We used the same sequencing in the Department
21 of Justice for years.

22 MR. FORTUNO: I think the contents are

1 prescribed in Section 5 of the Inspector General Act.

2 MR. GALLAY: That's correct.

3 MS. BROWNE: All right. Thank you. But then
4 is there any way -- you have footnote 1, which says
5 that on D, that the OIG referred these questioned costs
6 to management after the close of the reporting period.

7 Is it possible to put the footnote 1 also after the
8 same figure in B as in D?

9 MR. GALLAY: To clarify, there are no changes
10 that will be made to the report itself. If you wish to
11 make -- the purpose of this meeting is to discuss what
12 the contents of the Board's letter will be. And if you
13 take a look at page 2 of the letter, the third
14 paragraph discusses that very item and makes a
15 clarification as to why that footnote is there.

16 That amount of questioned costs was part of a
17 report issued during the period, and the footnote was
18 intended to make clear that there was not a separate,
19 specific referral to management, even though that was
20 part of the report.

21 Dutch, if you want to speak to that a little
22 further?

1 MR. MERRYMAN: Right. As far as putting a
2 footnote there at B, what we're responding to that is
3 what reports were issued and what questioned costs were
4 in those reports. And that's exactly what was in the
5 report.

6 The D footnote was put there because the
7 report was a little bit unusual, and I wanted to make
8 sure that the readers of the report recognized that it
9 was not referred to management during the reporting
10 period, and that they had not taken action on something
11 they should have taken action on because this was a
12 headquarters report, and usually, with a headquarters
13 report, the question about the report is the referral
14 to management at the time.

15 But the TIG grant report a little bit
16 different in that it was a headquarters report, but it
17 cited specific grants that had to be handled through
18 the grant process. When I went back to look at the
19 semiannual numbers and to update them, I looked at that
20 and said, these really should be referred formally to
21 OCE. It's a different process than what management
22 goes through.

1 And so I did it at that time to get the
2 information together to refer formally to OCE because
3 of the grantee. That's why there's a difference in
4 time. Headquarters reports, usually the referral is
5 through the report. Grantee questioned costs are
6 usually through OCE, and we usually issue a separate
7 letter.

8 When I discovered we hadn't sent a separate
9 letter to OCE, then we put one together. But I wanted
10 to make clear that although it's associated with the
11 report, we did not get it -- we did not make the
12 referral formally to management until after the close
13 of the period.

14 Now, on the next report will be another
15 footnote to make sure there's no misunderstanding based
16 on the facts of what happened, that this would not be
17 something we'll put as considered open. We'll indicate
18 that our numbers do not track specifically from report
19 to report, but to make sure that people know that
20 management has been working, if we're not finished with
21 it already, and that management is taking action.

22 MR. GALLAY: Just to get back to -- this is

1 Joel again -- to the transmittal letter, in the middle
2 of that third paragraph on the second page is the real
3 directly clarifying language, where it says, "Although
4 the subject audit report with questioned costs was
5 issued during the period, a questioned costs referral
6 was not made to management until after the close of the
7 reporting period, as noted in the footnote to table 2."

8 MR. MADDOX: Excuse me. This is Victor
9 Maddox. Joel, I'm not finding that letter you're
10 referring to. Where is that?

11 MR. GALLAY: That letter should have been
12 contained in an e-mail to the Board members --

13 CHAIRMAN LEVI: It was. It was on Thursday,
14 May 12th at 5:30, Vic. It's not part of the Semiannual
15 Report one. It's a later e-mail.

16 MR. GALLAY: That would have been from John
17 Constance, I believe.

18 CHAIRMAN LEVI: Yes.

19 MR. CONSTANCE: That's correct.

20 MR. MADDOX: Thursday, May 12th?

21 CHAIRMAN LEVI: Yes. You're on the list.

22 MR. GALLAY: And that's really the focal point

1 of this meeting, is to address that transmittal letter,
2 which is the document coming from the Board to the
3 Hill.

4 MR. FORTUNO: The draft letter has a date of
5 May 30, 2011, and it's addressed to the Honorable Tom
6 Harkin, Chairman, HELP Committee.

7 MR. MADDOX: Okay. Well, somebody needs to
8 send that to me again.

9 FATHER PIUS: I just sent it to you.

10 MR. MADDOX: I do not see it.

11 FATHER PIUS: I just sent it to you.

12 MR. MADDOX: Thank you.

13 PROFESSOR VALENCIA-WEBER: This is Gloria,
14 with a question. Hello?

15 MR. FORTUNO: Yes.

16 CHAIRMAN LEVI: Go right ahead.

17 PROFESSOR VALENCIA-WEBER: Does the
18 report -- whenever it's issued and wherever it goes, is
19 it always accompanied by that May 30 letter to Senator
20 Harkin?

21 MR. FORTUNO: The IG's SAR? Actually, the way
22 they're done now, we have a -- I wouldn't call it

1 "bound," but there's a booklet form of the IG's
2 Semiannual Report.

3 PROFESSOR VALENCIA-WEBER: Right.

4 MR. FORTUNO: This letter is a separate -- we
5 would like to see it attached to the IG's SAR whenever
6 anyone has that. But there's no way of ensuring that
7 they will always be kept together, and in fact, folks
8 may just get one or the other without having the
9 complete set. We will keep the two documents together.

10 MR. CONSTANCE: This is John --

11 MR. FORTUNO: But whether anyone who reads
12 either one of these documents in the future in the
13 future will have both documents at the same time,
14 there's no way of knowing.

15 MR. GALLAY: Just to clarify again, this is
16 pursuant to the procedures set forth in the statute.
17 The IG issues his report to the Board, the agency in
18 other cases, which then has 30 days to transmit that
19 report together with its -- the agency's report, the
20 Board's report, to the Hill.

21 MR. FORTUNO: The operative language --

22 MR. GALLAY: Vic's got the operative language

1 right there in front of him.

2 MR. FORTUNO: -- appears in, again, Section 5
3 of the Inspector General Act, which reads, "Semiannual
4 reports of each inspector general shall be furnished to
5 the head of the establishment" -- for IG Act purposes,
6 the Board of Directors; that's clear.

7 And in any event, "The semiannual reports of
8 each inspector general shall be furnished to the head
9 of the establishment involved not later than April 30
10 and October 31 of each year, and shall be transmitted
11 by such head to the appropriate committees or
12 subcommittees of Congress within 30 days after receipt
13 of the report, together with a report by the head of
14 the establishment." And then it goes through what our
15 report does.

16 But yes. The IG submits the report to the
17 head of the establishment, i.e., the Board. The Board
18 then has prepared, and once it's voted on it, has that
19 second report -- that is, the report of the
20 Board -- which accompanies the IG's report transmitted
21 to the appropriate committees of Congress.

22 MR. SCHANZ: And then the bound report -- this

1 is Jeff -- the bound report is listed on the IG's
2 website.

3 MR. GALLAY: Along with -- we were just
4 confirming with Dave -- that the website does include
5 the transmittal letter --

6 PROFESSOR VALENCIA-WEBER: Oh, it does?

7 MR. GALLAY: -- as part of a single PDF.

8 PROFESSOR VALENCIA-WEBER: Thank you.

9 CHAIRMAN LEVI: We've got a little issue that
10 I've just been alerted to. The Federal Register has
11 the correct dial-in for this meeting, pass code, and
12 those who used it are on the call.

13 If you looked at what was sent out to the
14 Board on May 11th, apparently it has a different pass
15 code, and it doesn't work. And Robert Grey just called
16 me --

17 DEAN MINOW: Oh, dear.

18 CHAIRMAN LEVI: -- asking why he couldn't get
19 in. And that must mean -- so that unfortunately, that
20 conference code on the thing that -- there are two
21 conference codes that were given. And I think what the
22 issue is, it says, "To be used for the private

1 briefing," so there's confusion. And they've been
2 using that as opposed to the other number.

3 PROFESSOR KECKLER: John, this is Charles
4 Keckler. That confused me for a few minutes. That's
5 why I joined late.

6 CHAIRMAN LEVI: Yes. It's not incorrect.
7 It's for if we were having a private briefing
8 afterwards. You see, there was a mistake -- well, it's
9 just how it looks on the thing. But Charles, you got
10 on?

11 MR. CONSTANCE: John, this is John Constance.
12 I mean, I called in based on that as well, and I can
13 see where that could happen. But the instruction does
14 clearly say --

15 CHAIRMAN LEVI: The regular notice has the
16 number.

17 MR. CONSTANCE: Yes.

18 CHAIRMAN LEVI: But they're reading a cover
19 page.

20 MR. CONSTANCE: Right.

21 CHAIRMAN LEVI: So I don't know if anybody
22 else -- is Robert Grey on?

1 MR. GREY: Yes.

2 MR. MADDOX: What you might have someone do,
3 John, is log into that number on the e-mail as the
4 leader, maybe Rebecca or somebody, and then just tell
5 everybody as the leader to drop off that call.

6 MR. GREY: Good idea.

7 CHAIRMAN LEVI: I don't know that -- well,
8 okay. Did you --

9 MR. MADDOX: Maybe Kathleen or one of the
10 staff people can log in as a leader.

11 CHAIRMAN LEVI: We're missing two Board
12 members. Right? We're missing Martha and --

13 DEAN MINOW: I'm on. I'm on. This is Martha.

14 CHAIRMAN LEVI: Oh, did the same thing happen?
15 Okay. So do we have -- maybe we have a full Board
16 right now.

17 MS. CONNORS: Father Pius, are you on the
18 line?

19 FATHER PIUS: I am, thank you.

20 MS. CONNORS: Okay. Great.

21 CHAIRMAN LEVI: So I think we've got the full
22 Board.

1 MR. FORTUNO: So Robert Grey, Martha Minow,
2 and Father Pius are all three on the line.

3 CHAIRMAN LEVI: Right.

4 MR. FORTUNO: Is there anyone who's missing?

5 CHAIRMAN LEVI: Charles and Robert are on, so
6 I think that's it.

7 MR. MADDOX: Is Laurie Mikva here?

8 CHAIRMAN LEVI: No, she isn't.

9 MR. FORTUNO: I guess Laurie would be the one
10 who's missing. We'll go ahead and check with Laurie to
11 make sure that she hasn't dialed into the --

12 MR. MADDOX: And what about Harry?

13 MR. FORTUNO: Harry's on the line. He's got
14 his phone on mute because he's in transit and he didn't
15 want to --

16 MR. KORRELL: This is Harry. I'm here.

17 CHAIRMAN LEVI: Okay. The wonders of modern
18 technology.

19 MR. FORTUNO: And I think that folks from the
20 IG shop were explaining how the report is handled.

21 Were you done?

22 MR. GALLAY: Yes. I think we're done.

1 CHAIRMAN LEVI: Any other questions from the
2 Board regarding the report?

3 MR. FORTUNO: Was that responsive to your
4 question?

5 PROFESSOR VALENCIA-WEBER: Very much so.

6 MR. FORTUNO: They're not one bound document.
7 Unfortunately, the way it's being done is we've got
8 two separate documents. But I think that wherever
9 possible, we're trying to have the two together. But
10 it is possible that someone who's looking at the hard
11 copy will have one or the other but not the benefit of
12 both.

13 CHAIRMAN LEVI: Can the Board --

14 DEAN MINOW: I thought the explanation was
15 very good.

16 MR. FORTUNO: Thanks. John?

17 CHAIRMAN LEVI: For the purposes of the
18 Board's own ability to keep these things straight, when
19 you send us the final submission, can you attach the
20 letter to it?

21 MR. FORTUNO: Oh, absolutely. Once the Board
22 settles on the wording of the transmittal letter, we'll

1 go ahead and finalize it, send it up to the appropriate
2 committees of Congress, and of course be sending copies
3 of the IG's SAR with the transmittal letter both to
4 each Board member as well.

5 CHAIRMAN LEVI: Well, what I meant is you also
6 send us the booklet, the report. I was hoping that you
7 could put the letter right in the front flap there so
8 we -- something like that.

9 MR. FORTUNO: Yes. Sure.

10 CHAIRMAN LEVI: So that we don't have to be
11 checking for two different e-mails.

12 MR. FORTUNO: No. We'll staple it onto the
13 front cover.

14 CHAIRMAN LEVI: Thank you.

15 Any other questions about the report itself or
16 the transmittal letter?

17 FATHER PIUS: Can I ask a question, John, a
18 couple questions?

19 CHAIRMAN LEVI: Father Pius, go right ahead.

20 FATHER PIUS: First, just in the number of the
21 independent audits, the IPA reports that the IG
22 reviewed, the last one had 98 reports. I assume that

1 was a year-long period for that 98, and this reporting,
2 this report, is only 22.

3 So I'm just wondering what the difference
4 between 98 and 22, why such a big drop. I assume it's
5 the reporting period?

6 MR. MERRYMAN: There are different reporting
7 periods involved, yes. Most reports come in at the end
8 of April for review. And then there's three
9 other -- four other reporting periods throughout the
10 year where lesser amounts come in.

11 MR. GALLAY: But just to clarify, it wasn't
12 that the prior report was a twelve-month reporting
13 period and this was a six-month. The difference is the
14 larger volume of IPA reports that happened to occur in
15 that reporting period.

16 FATHER PIUS: And that's pretty typical every
17 year?

18 MR. SCHANZ: Yes, it is.

19 MR. GALLAY: Yes. Every year.

20 FATHER PIUS: And then in the section on
21 oversight of IPA audits, you changed the language a
22 little bit from something that you would call "audit

1 service reviews" to "recently initiated quality control
2 reviews." I was wondering what the difference of that
3 was.

4 MR. MERRYMAN: Well, the big different is that
5 when the audit service reviews were first developed,
6 they were focused on, and almost exclusively focused
7 on, the compliance area.

8 And what we're decided to do is to expand both
9 financial and compliance. And we felt the best way to
10 do that and the amount of time that would take is to
11 start a new process with contracts so we can cover more
12 ground and get to more IPAs to see if we have any
13 problems out there by looking up both the financial and
14 the compliance.

15 So that's the big difference between the two.

16 One, it will now include a full financial evaluation
17 as well as compliance, and will also be contracted out.

18 FATHER PIUS: And the contracted-out ones, at
19 least for this term, there were two IPAs that you did
20 the more in-depth targeted quality control reviews?

21 MR. MERRYMAN: That is correct. That was a
22 separate contract because of concerns about frauds that

1 have occurred and control problems at grantees. These
2 are high-risk grantees. We plan to continue the
3 targeted one as needed, and we will be looking at
4 another contract for two more, possibly, in the very
5 near future, which will be separate from the routine
6 coverage, which we're going to try to get on a
7 four-year cycle to make sure we get everybody.

8 FATHER PIUS: So all 22 were subject to this
9 changed quality control review rather than the old
10 audit service review?

11 MR. MERRYMAN: No. We have just started the
12 process. We have -- the 22 reports that came in are
13 subject to the quality control reviews as soon as we
14 get the contract in place. We did not conduct quality
15 control reviews on those 22 at this time.

16 FATHER PIUS: Got it. Okay.

17 That's all I had, John.

18 CHAIRMAN LEVI: Any other questions?

19 (No response.)

20 CHAIRMAN LEVI: Can we have a motion to
21 approve the --

22 //

1 M O T I O N

2 DEAN MINOW: So moved. It's Martha. So
3 moved.

4 FATHER PIUS: Seconded.

5 CHAIRMAN LEVI: Okay. Second. It's both the
6 report and the transmittal letter?

7 FATHER PIUS: No. It's just the transmittal
8 letter.

9 CHAIRMAN LEVI: Just the transmittal letter.
10 That's right.

11 MR. SCHANZ: On the transmittal letter -- this
12 is the IG -- I just have a wordsmithing issue. And I
13 mentioned this at a Board meeting, and I got a chuckle,
14 that we're the Office of Inspector General instead of
15 the Office of the Inspector General.

16 On page 2 of the transmittal memo, you'll see
17 in the bottom paragraph when we're talking about CALS,
18 each of the 21 recommendations of the LSC's Office of
19 Inspector General. I would recommend taking out "the."

20 CHAIRMAN LEVI: That's fine.

21 MR. FORTUNO: And it may be a good idea to
22 make sure that everyone's looking at the same document

1 if we confirm, is it -- at the top of the document,
2 that is, the letter to Senator Harkin, does it read,
3 "Draft No. 3, 5/13/2011, 10:39:22 a.m."?

4 MR. MADDOX: No.

5 MR. GALLAY: No.

6 DEAN MINOW: No.

7 FATHER PIUS: That time stamp will change
8 based on when you opened it. Ignore the time stamp.
9 Just look at the draft number.

10 MR. FORTUNO: Oh, okay.

11 DEAN MINOW: My draft number is 5/12, but it's
12 Draft 3, and it has that language in --

13 MR. FORTUNO: All right. I pulled the --

14 FATHER PIUS: As long as it's Draft 3. The
15 time stamp will change depending on when you opened it.

16 MR. FORTUNO: Okay. So we're all looking at
17 Draft 3, then, and that's what's been voted on?

18 MR. MADDOX: Correct.

19 MR. FORTUNO: All right. Good. Just wanted
20 to be clear on that.

21 CHAIRMAN LEVI: Well, because -- all right.

22 MR. FORTUNO: No, no.

1 CHAIRMAN LEVI: My cover e-mail from John
2 Constance at 5:33 on Thursday, May 12, says, "Board's
3 SAR Transmittal Draft, V.4." But I'm assuming that
4 really what was attached -- because the attachment says
5 Draft 3. Is that just a mistake in the cover e-mail?

6 MR. FORTUNO: John?

7 CHAIRMAN LEVI: There isn't a Draft 4, is
8 there?

9 MR. CONSTANCE: Everyone received the same
10 copy.

11 CHAIRMAN LEVI: Good. Okay. With that, all
12 in favor?

13 (A chorus of ayes.)

14 CHAIRMAN LEVI: Opposed?

15 (No response.)

16 CHAIRMAN LEVI: All right. Thank you, Mr.
17 Inspector General, and the transmittal is done.

18 Now we can move to the next item on the
19 agenda, which is, there's a resolution in front of you
20 regarding the Helaine Barnett Fellowship Program. And
21 I'd ask that if there's any questions -- Vic, do you
22 want to give a quick overview on this?

1 MR. FORTUNO: Very quickly, this was a
2 contribution that was received by LSC -- I'm sorry.

3 CHAIRMAN LEVI: This was sent -- I'm sorry.
4 This was sent at 6:15 yesterday evening, and if you
5 open that, you'll find the draft resolution in there,
6 and you'll also find a brief memo which explains the
7 issue. And I just was asking if, for the purposes of
8 the Board here, it could be summarized quickly. And I
9 don't care who does it, whether it's Jim or Vic.

10 PRESIDENT SANDMAN: Go ahead, Vic.

11 MR. FORTUNO: Okay. During Helaine Barnett's
12 tenure, the Corporation received a donation of \$25,000.
13 It was to fund a discretionary fund that -- it's LSC
14 money, but it's to be spent at the discretion of the
15 president.

16 Some of that money was spent as Helaine's
17 tenure came to a close. There was remaining about
18 \$16,500. She proposed to the Board devoting this money
19 to the establishment of a fellowship with New York
20 University, her Alma Mater.

21 We did have a fellow. We had one fellow for
22 one year. Remaining funds were just about enough to

1 fund a second year. Helaine was in touch with us, and
2 indicated that she had a preference for the fellow to
3 travel and participate in site visits.

4 The proposal that had been presented to the
5 Board back '09 and was voted on by the Board was fairly
6 specific, that only the fund money -- that is, the
7 donated money -- would go to this purpose. No LSC
8 funds other than that would go to it. Helaine's
9 proposal would involve LSC funds going to it to pay for
10 travel. So there was some discussion about how that
11 might be accommodated.

12 Ultimately, what came out of it was Ms.
13 Barnett proposed that she would forego her salary for
14 teaching a course at NYU and ask the law school to use
15 those funds to pay the salary of the fellow, and that
16 we would take the money that was here at LSC, and
17 instead of using that for the fellow's salary, would
18 use that to fund the travel and other activities of the
19 fellow while here.

20 That, in a nutshell, is the proposal. Because
21 the proposal submitted to the Board back in '09 was
22 fairly specific, it was felt that to make this kind of

1 change really warranted bringing it back to the Board
2 to get the Board's consent. And that's what this
3 resolution seeks to do.

4 Is that about it, John?

5 CHAIRMAN LEVI: Yes, it is. And my
6 understanding is that based on -- I think there's about
7 \$7900, the money that currently exists in the fund
8 would, assuming that NYU continues to make a fellow
9 available in this way, that would cover two to three
10 years of expenses in connection with the fellowship.
11 And I have reason to believe that there will be
12 continuing support for this.

13 So with that, are there questions?

14 DEAN MINOW: Yes. It's Martha. I have
15 questions about this.

16 I'm a little confused about then who's the
17 donor and who's controlling this. I'm also confused
18 about are we making a decision that will extend beyond
19 this current amount of money because there may be
20 future money. It seems a little haphazard to me.

21 CHAIRMAN LEVI: No. We're not making a
22 decision, only as it relates to -- NYU apparently is

1 going to pay the stipend for the student, the law
2 student. And there are funds that I guess exist of
3 \$7900 which will not be depleted this year. This will
4 have to be revisited at some point when and if those
5 funds run out.

6 DEAN MINOW: I just -- it seems to me at this
7 point if the idea really is -- this is an NYU
8 fellowship for NYU students, and NYU should have the
9 burden of administering it. And we should just give
10 them the money, and that's it. The end. We have no
11 control over any of it. We have no control over
12 selecting the person.

13 CHAIRMAN LEVI: We don't have any control over
14 selecting the person, but we're --

15 DEAN MINOW: Or figuring out if the money is
16 going to be used for travel --

17 MR. FORTUNO: Actually --

18 DEAN MINOW: -- or the money's going to be
19 used for a stipend or --

20 CHAIRMAN LEVI: No, no, no, no, no. No. The
21 NYU money is used only for the stipend. Our money is
22 used to support the student going out on a field visit.

1 That's all our money goes to. And that's the Helaine
2 Barnett Fund money.

3 PRESIDENT SANDMAN: What happens when that
4 runs out?

5 CHAIRMAN LEVI: Well, that's --

6 MR. FORTUNO: In terms of -- if I may -- this
7 is Vic -- just in terms of the selection, the process
8 that was presented to and approved by the Board in '09
9 calls for a committee of three, consisting of Helaine
10 Barnett, the Dean of NYU Law School, and a
11 representative of LSC, to interview and make a
12 recommendation based on those interviews to the
13 President of the Corporation, who then goes ahead and
14 extends the offer.

15 So that's the selection process. In terms of
16 what happens when these funds are depleted, the
17 structure that was envisioned, that was proposed and
18 was voted on by the Board originally, provided that so
19 long as these funds remained, that this program could
20 continue. But once this fund was depleted, there would
21 have to be a decision as to whether to continue it and
22 how to fund it.

1 I think the one thing that was clear at the
2 time back in '07 was that the Board was not prepared to
3 authorize the expenditure of LSC funds other than those
4 funds that had been donated and were in this
5 discretionary account. But what remains there is less
6 than \$8,000 right now.

7 CHAIRMAN LEVI: Do you have a fellow for this
8 summer?

9 MR. FORTUNO: Yes, we do. And in fact, the
10 fellow was selected in accordance with the process that
11 was set out in the proposal that was approved by the
12 Board in '09, was interviewed -- in fact, Janet
13 LaBella, who's sitting here with us today, was one of
14 those who was there for the interviews. They made a
15 recommendation, and then their recommendation was
16 accepted, and the Corporation extended an offer to the
17 fellow, who accepted the offer.

18 We would now have to work out something that
19 supersedes that if this resolution is adopted.

20 CHAIRMAN LEVI: No. We're not going to do
21 that. I don't want --

22 DEAN MINOW: That's what I don't understand.

1 CHAIRMAN LEVI: -- to spend much more of the
2 Board's time on this.

3 MR. GREY: Martha -- let me pick up on
4 Martha's question. This is Robert. Once the funds are
5 depleted, those costs that were being borne by the
6 fund, will they be assumed by NYU? I guess that's the
7 question.

8 CHAIRMAN LEVI: Well, we don't know. That's a
9 few years off.

10 MR. FORTUNO: I don't think we have a
11 commitment to any more than -- is it one year?

12 MS. LABELLA: Helaine said that there will be
13 two years of her salary donated for the purpose of the
14 fellowship. Beyond that, I don't think there's been
15 any commitment.

16 MR. FORTUNO: And we would have to work out a
17 memorandum of understanding with NYU to clarify that.
18 But it sounds like it's of limited duration, limited to
19 two years.

20 MR. GREY: Fine. All right. Well, that
21 makes --

22 PROFESSOR VALENCIA-WEBER: This is Gloria.

1 Can I ask some questions?

2 MR. FORTUNO: Please.

3 PROFESSOR VALENCIA-WEBER: I have some of
4 Martha's concerns as well. If what we're saying is
5 that the LSC obligation is capped at the \$7,900 that
6 remains in that Barnett account, I don't see that
7 stated in the proposed resolution.

8 And you just discussed another area of
9 concern, of what happens after that money is depleted
10 and how we or NYU are bound to further continuation of
11 this fellowship. I myself, working in the law school
12 environment, I want more certainty about what it is
13 we're engaging in.

14 And even if we don't know whether NYU will
15 stay committed after the two years that Helaine donates
16 her salary, we can at least be explicit about the terms
17 of our involvement and the amount of that involvement.

18 MR. FORTUNO: NYU has --

19 MS. BROWNE: This is Sharon.

20 MR. FORTUNO: I'm sorry, Sharon. Go ahead.

21 MS. BROWNE: Well, I just want to mention that
22 in the memo that accompanied the resolution, there

1 doesn't seem to be any confirmation with NYU that
2 they're even willing to go into this type of an
3 agreement. Do we have any follow-up on that?

4 MR. FORTUNO: What's happened is we were
5 fairly far along this process. We already had a
6 contract with the fellow, and it was, I have to admit,
7 late in the process that we were contacted and asked by
8 Helaine if we would consider this alternative approach.

9 So we are trying to accommodate her here, but
10 we don't have a lot of the information we would like to
11 have. And in fact, we feel that we need to speak with
12 the intern and with NYU. There needs to be some clear
13 understanding as to what our respective roles and
14 obligations are, what we're committing to.

15 Helaine has asked that communications be
16 through her. So I was going to be calling her today,
17 this afternoon, after this meeting, to --

18 DEAN MINOW: I just find it very puzzling. I
19 find it very puzzling. We have an agreement with an
20 existing intern --

21 MR. FORTUNO: Yes.

22 DEAN MINOW: -- who was going to be paid, and

1 now we're going to undo that and have NYU pay for it.
2 I just don't -- I don't understand that, and I think
3 that --

4 CHAIRMAN LEVI: That's not what's happening,
5 Martha. We have an understanding with an NYU intern
6 that NYU is going to pay. That's my understanding.
7 And I think that's the way they ran this fellowship
8 thing this year because I think Helaine probably knew
9 that this was what was happening. And then she asked
10 us to pay --

11 DEAN MINOW: Well, Vic just said he had to
12 undo the contract. That's what I'm not clear about.

13 MR. FORTUNO: No. We extended the -- LSC
14 extended the offer pursuant to the plan that had been
15 adopted by the Board in '09. What's changed is that we
16 were shy a few dollars here. It looked like if we had
17 the fellow here for the entire term, it would run about
18 \$8500. We were short of that.

19 Helaine Barnett had offered to make up the
20 difference, and we proceeded on that understanding and
21 tried to reduce that understanding to writing. But
22 somewhere in the course of that, she came back with a

1 different proposal and suggested that we change the
2 arrangement so that NYU would now -- and this was the
3 first time that the notion of NYU actually paying for
4 the fellow came up, was in Helaine's recent proposal.

5 So that under that proposal, NYU would now be
6 paying the salary of the fellow, and that would be paid
7 instead of paying Helaine a compensation for teaching a
8 class that she teaches at NYU. This is a recent
9 development, and it comes after the agreement had been
10 entered into between us and the fellow.

11 So that's why I was saying that if this goes
12 through, then we need to supersede -- we need to be in
13 touch with the fellow and enter into a superseding
14 agreement that would provide that the fellow is
15 compensated by NYU.

16 DEAN MINOW: I don't know how we can do that
17 without a written promise from NYU to pay for a fellow
18 whom we've already offered a job to.

19 MS. BROWNE: And this is Sharon Browne.

20 CHAIRMAN LEVI: Should we write a letter?

21 MS. BROWNE: Not only that, the letter says
22 that this is a temporary employee with LSC who also

1 received workers' compensation, unemployment, and other
2 similar employee benefits. Is NYU going to make those
3 arrangements as well?

4 MR. FORTUNO: We don't know. We haven't been
5 in touch with them. Helaine specifically asked that
6 communications be through her, so that's why --

7 CHAIRMAN LEVI: Wait a minute. You know, the
8 law school world is full of stipended programs, and
9 Martha, for example, knows this. Harvard law students
10 go to work for all kinds of not-for-profits with a
11 stipend from Harvard.

12 DEAN MINOW: Correct. Correct. And we pay
13 for it. We don't have anyone else paying for. We
14 don't ask anybody at the organization to do something
15 like this. This is crazy.

16 CHAIRMAN LEVI: Yes. So the problem is that
17 we're being asked, with very late notice -- and
18 frankly, this is being asked of the full Board. So as
19 governance matter, I need to say to the staff here,
20 this is the kind of thing, if there are this many
21 issues, and open issues, this is committee work before
22 it comes to the full Board.

1 By the time it gets to the full Board, all of
2 the questions that have been put out here, which all
3 make sense, need to have been vetted and properly
4 addressed so that by the time it gets to the full
5 Board, they're all dealt with.

6 MR. FORTUNO: Actually, I think what --

7 CHAIRMAN LEVI: I don't want to take up the
8 time of this group of people over a \$7900 fellowship
9 with this many open questions. But what I think --

10 MR. FORTUNO: Oh, no, I agree. In fact, we
11 had declined the proposal by Ms. Barnett. But I guess
12 she --

13 CHAIRMAN LEVI: No. But that's not a good
14 answer, either, because there's money for 7900 here.
15 Somebody was offered a job. That's really
16 embarrassing. And we need the help. So it may be that
17 we want to have more than NYU involved in providing
18 stipended fellows here.

19 But from my standpoint, here it is -- our
20 summer program at this firm began a week ago. I'm
21 assuming this fellow's coming any day.

22 MS. LABELLA: June 1st.

1 MR. FORTUNO: And we were proposing to proceed
2 as planned, having her start under the agreement that
3 we'd entered into with her. And we had communicated
4 that to Ms. Barnett, but I understand that she asked
5 that the rest of --

6 CHAIRMAN LEVI: Well, I don't think that she's
7 the employer, so I think --

8 DEAN MINOW: She's not the employer.

9 CHAIRMAN LEVI: She's not the employer.

10 DEAN MINOW: She's not NYU.

11 CHAIRMAN LEVI: We need to communicate with
12 NYU, and she's going to have to allow that.

13 MS. BROWNE: What I think is that I was
14 uncomfortable with that.

15 DEAN MINOW: This is time-sensitive, I
16 understand, and so I think you may have to do something
17 quicker to make sure that the individual gets paid for
18 the amount of time that we said we'd pay. But I don't
19 think that this is the way to do it, and I think we
20 should delegate it to you, Vic, or Jim or somebody to
21 work this out and maybe make one plan for this current
22 year, and let's work up a plan for the future. But

1 this is kind of crazy.

2 PROFESSOR VALENCIA-WEBER: This is Gloria.

3 And I would second all this that's been commented on,
4 including that we have to deal directly with the
5 university law school. They are, in fact, the people
6 who would become obligated. And at this point,
7 deference to Helaine as the only way to get information
8 is not appropriate for what we have to do for the
9 fellow who is going to be starting any time.

10 MR. FORTUNO: Yes. I agree. I think that's
11 very well taken.

12 CHAIRMAN LEVI: So you don't really need a
13 motion here today, or do you?

14 PROFESSOR VALENCIA-WEBER: I do not feel ready
15 to vote on anything.

16 CHAIRMAN LEVI: I'm asking Vic, actually. I
17 mean, we've got somebody starting here June 1. What do
18 you need from us?

19 MR. FORTUNO: I think that we have a program
20 that was presented to and approved by the Board of
21 Directors back in '09, and I think we can proceed as we
22 had been planning on doing under that structure. I

1 think that the only thing we would need a vote on now
2 would be --

3 CHAIRMAN LEVI: Well, but wait a minute. We
4 don't need to double pay the student.

5 MR. FORTUNO: No, no.

6 CHAIRMAN LEVI: The student's going to be
7 paid, apparently, by NYU. So the question is --

8 MR. FORTUNO: The current agreement calls for
9 LSC to pay the student.

10 CHAIRMAN LEVI: Yes. But what I'm saying is
11 that if the student is receiving a stipend from NYU,
12 why do we want to use these funds for that purpose? We
13 don't need to do that.

14 DEAN MINOW: May I suggest that we as a Board
15 adopt a resolution that directs the staff to work this
16 out according to the best business practices, and avoid
17 any conflicts of interest, and make sure that there are
18 plans to pay for this individual, and that we have
19 plans going forward, and that we're not going to
20 resolve this by committee.

21 MR. FORTUNO: I think that's sufficient.

22 PROFESSOR VALENCIA-WEBER: Yes.

1 MR. FORTUNO: I think that's good.

2 CHAIRMAN LEVI: Yes. I think that's the way
3 to do. And then in the future, if you have to tweak
4 this, you have our authority.

5 DEAN MINOW: But there should always, with any
6 kind of an arrangement with another entity, be plans
7 with the entity, not with an intermediary who doesn't
8 have legal responsibility.

9 MR. FORTUNO: Yes.

10 MR. MADDOX: John, what do you mean when you
11 say "in the future, they have our authority"? I'm not
12 really prepared to --

13 CHAIRMAN LEVI: Well, what I'm saying is I
14 don't want to be called back about whether or not
15 they're paying for a travel expense related to the
16 person going to a site visit.

17 MR. MADDOX: I don't, either. I would like to
18 know more about the program, if it's going to continue
19 into the future.

20 DEAN MINOW: Yes.

21 CHAIRMAN LEVI: Yes. I'm talking about right
22 now for this person who's starting in two weeks.

1 MR. MADDOX: All right. So if we do nothing,
2 the plan that's been in place in the previous year is
3 going to continue. Isn't that right, Vic?

4 CHAIRMAN LEVI: Well, yes. But the problem
5 is, Vic, as I understand it, then the 7900 that we have
6 is going to be used to pay the salary, where we've
7 got --

8 DEAN MINOW: And it's a shortfall from what we
9 promised.

10 CHAIRMAN LEVI: And we have the salary being
11 paid already by NYU. So this --

12 MS. LABELLA: No. No, that's not correct.

13 CHAIRMAN LEVI: That's not correct?

14 DEAN MINOW: The proposal is to have the
15 salary paid by NYU, but it has not happened.

16 MS. LABELLA: That's right. And with the
17 shortfall, Helaine generously agreed to pay from her
18 personal funds that amount in addition to any costs
19 above and beyond the \$8200 salary that LSC may incur.

20 CHAIRMAN LEVI: Wait a minute.

21 PROFESSOR KECKLER: I think that's -- this is
22 Charles Keckler. I think that's very generous, and I

1 think that would seem to resolve the issue for this
2 summer. With regard to her additional interest in
3 donating her salary and the willingness of NYU to do
4 that, I mean, it just seems like it's a timing issue.

5 If they would be willing, both Helaine and
6 NYU, to fund people starting next summer, that would be
7 great. It seems like we can handle a shortfall for
8 this summer in the current program, and perhaps start
9 NYU's payments next summer.

10 UNIDENTIFIED ON PHONE: -- scholarship Helaine
11 Barnett was to give.

12 CHAIRMAN LEVI: I can't hear that.

13 MR. MADDOX: No. I didn't hear that, either.

14 PRESIDENT SANDMAN: Who was talking?

15 MR. FORTUNO: Hello?

16 (No response.)

17 CHAIRMAN LEVI: Am I misunderstanding, Vic? I
18 thought -- Victor Fortunio. I thought that NYU and
19 Helaine Barnett were saying, we are not paying Helaine
20 Barnett this year. And in lieu of that, we are going
21 to -- we, NYU, are paying the law student.

22 MR. FORTUNO: No. That's what she --

1 CHAIRMAN LEVI: And we're asking you -- wait a
2 minute -- and we're asking you to use the 7900, or a
3 small piece of it, to defray the expenses connected
4 with their site visits. That's what I thought was
5 being proposed for this year. Am I incorrect?

6 MR. FORTUNO: That's Helaine Barnett's
7 proposal, yes.

8 CHAIRMAN LEVI: But that's also NYU's propose,
9 as I understand.

10 DEAN MINOW: We don't know, it sounds like.

11 CHAIRMAN LEVI: Can we confirm that?

12 MR. FORTUNO: We've not spoken with them.

13 CHAIRMAN LEVI: Can we confirm that? Well,
14 can we confirm that --

15 MR. FORTUNO: Well, it was --

16 CHAIRMAN LEVI: Can we confirm -- I think this
17 is a simple matter. Can we confirm that?

18 MR. FORTUNO: We can do so, yes.

19 CHAIRMAN LEVI: If we can confirm that, then
20 NYU is going to pay the law student's salary. They're
21 going to have to work out whatever the employment law
22 issues are as to who's responsible. But I say,

1 university stipend law students at not-for-profits all
2 across this country, there must be a methodology.

3 So why would we then want to expend our funds
4 when funds are being offered by NYU to pay this salary?

5 As to the expenses, we will understand what they are
6 and you will use this other fund for that purpose. Is
7 that fair? For this year only. And could we get an
8 understanding as to that? And then we'll revisit how
9 we restructure it or deal with it for the future. But
10 why would we say to NYU, we don't want your 8200?

11 MR. FORTUNO: If you want to do that, I think
12 that what may work is that if we have authorization to
13 proceed either of two ways. That is, we can try to
14 work this out with NYU, with NYU directly, the
15 institutional or the party that would be committing
16 these funds. If we can work these terms out with NYU,
17 then we do so along the lines you've just indicated;
18 that is, NYU would pay the stipend. We would pay some
19 expenses here, provided that it was within the
20 seventy-some-odd hundred dollars that remain in the
21 fund.

22 CHAIRMAN LEVI: Well, I was told it was below

1 3,000.

2 MR. FORTUNO: No funds outside of that special
3 fund would be used for any of this.

4 If that can't be worked out because we're
5 short on time here, if for whatever reason we can't
6 work out the details with NYU, then we proceed on the
7 course that was already charted. That is, the fellow
8 has a letter agreement with us. We've extended an
9 offer. She's accepted it. She'll come and join us as
10 scheduled, and we would pay up to the amount that's in
11 the fund right now, the \$7900.

12 If Helaine is still willing to contribute the
13 additionally \$600, then we would of course welcome that
14 generous gesture. If for some reason or other that
15 doesn't work out, we would have to explain to, I think,
16 the fellow that we could have her here through most of
17 the period, but that what we have is the \$7900
18 available to pay because as I understand it, we have no
19 authorization to go outside of that fund to pay the
20 fellow.

21 DEAN MINOW: That's correct.

22 CHAIRMAN LEVI: I thought I heard you say

1 earlier that Helaine would have made up that
2 difference.

3 MR. FORTUNO: Yes. She's very kindly offered
4 to do so. So we would be looking for her to do that.

5 DEAN MINOW: But she's also now clearly come
6 up with another way to avoid doing that, and --

7 CHAIRMAN LEVI: Right.

8 MR. FORTUNO: And that's what I said. If for
9 whatever reason --

10 CHAIRMAN LEVI: Because she's seeing that
11 there's an opportunity --

12 DEAN MINOW: So we don't have that before us.

13 CHAIRMAN LEVI: She's seeing that as an
14 opportunity -- I spoke with Helaine; she called
15 me -- to extend this fellowship for a longer period of
16 time, and that's what she was hoping to accomplish.
17 She's doing this out of a spirit of goodwill towards
18 LSC.

19 DEAN MINOW: But we want to -- right. Right.

20 CHAIRMAN LEVI: And I think we need to
21 remember that.

22 DEAN MINOW: We want to be supportive of that,

1 but --

2 CHAIRMAN LEVI: And I'm a development person,
3 and I want to be gracious and supportive of her
4 intentions here and try to work with the generosity of
5 the donor. But at the same time, there is confusion as
6 to who's doing what here and what the Board has
7 approved in a prior iteration -- not our Board; this is
8 a different board -- and what the expectation that the
9 student has.

10 DEAN MINOW: And what NYU's role is.

11 CHAIRMAN LEVI: Right. Because one of the
12 other issues that I think that Helaine was concerned
13 about was, okay. If you get to the 8500 from the fund
14 that exists and her payment, then that student will not
15 be able to go on a site visit, which she thought was
16 unfortunate, because there's no money to pay for
17 expenses. Is that correct?

18 MR. FORTUNO: That's correct.

19 CHAIRMAN LEVI: That's my understanding.

20 MR. FORTUNO: The authority at this point is
21 limited to paying from within that fund.

22 CHAIRMAN LEVI: So she thought it was a better

1 experience, and that's what she was proposing. But you
2 know, again --

3 MR. FORTUNO: But if you'd like, as I said,
4 that alternative of authorize us to do one or the
5 other -- that is, if we can work it out with NYU on
6 terms that are to the President's satisfaction; I
7 think, ultimately, we need to have the President's
8 approval -- if he's satisfied with the terms that we
9 work out, then we can go ahead and arrange for NYU to
10 pay the stipend and we pay other expenses.

11 If for whatever reason that can't be worked
12 out or can't be worked out to the President's
13 satisfaction, then we simply proceed on the course
14 that, as I said, we'd already charted for ourselves
15 under the program that was approved in '09.

16 CHAIRMAN LEVI: Okay. Is there a motion to
17 that effect? Do you need a motion?

18 MR. FORTUNO: Yes. Otherwise, I think we have
19 to proceed with the agreement we currently have with
20 the law clerk -- or with the fellow.

21 //

22 //

1 M O T I O N

2 MR. GREY: This is Robert Grey. Move it.

3 MS. MIKVA: Second.

4 CHAIRMAN LEVI: Okay. Martha seconded?

5 MS. MIKVA: No. Laurie.

6 CHAIRMAN LEVI: Laurie seconded. Okay. Any
7 more discussion?

8 (No response.)

9 CHAIRMAN LEVI: All in favor?

10 (A chorus of ayes.)

11 CHAIRMAN LEVI: Opposition?

12 (No response.)

13 CHAIRMAN LEVI: Okay. I think that -- let's
14 see. We have a staff report now on the natural
15 disasters in Alabama and Mississippi. And we are
16 running out of time here. Do we have the call for more
17 than an hour?

18 MR. FORTUNO: Willie and Elizabeth are here,
19 and I think they understand that this has got to be
20 short. And they're signaling that this will be no more
21 than five minutes.

22 MS. ARLEDGE: Hi, everyone. This is Elizabeth

1 Arledge. John Eidleman is not in the office today, so
2 he asked me to brief you very quickly, at the
3 Chairman's request, on what's going on with our
4 grantees in some of these states that have been hit
5 with some of these storms and the flooding and so
6 forth. So I will make this very quick because, in
7 fact, at this point in the process, there is not a lot
8 to say.

9 The good news is that our grantees have all
10 been very lucky. None of them sustained any property
11 damage or staff injuries. Everyone's safe. The
12 Huntsville office in Alabama was without power for a
13 few days, but that was the worst of it for our
14 grantees. So that was a very good thing.

15 We have been in pretty much daily contact with
16 one grantee or another every day for the last few
17 weeks. And what we've been trying to do is make sure
18 that they have the support that they need from us in
19 terms of connecting with their local FEMA
20 representatives, with their Red Cross representatives.

21 And because of the work that's been done since
22 Katrina and because of the states that are

1 involved -- which, just briefly, are Alabama,
2 Mississippi, Tennessee, Arkansas, Louisiana, Georgia,
3 North Carolina, and Virginia, and I believe Kentucky as
4 well -- they have all been through this before in the
5 last few years and so they have these relationships on
6 the ground, which is very good for them in terms of
7 going ahead and getting in a position to respond to the
8 requests for legal assistance when those come.

9 And in terms of what our programs do to
10 respond, the bulk of the requests for the kind of
11 assistance that our grantees can provide tend to not
12 even start coming in until about a month after the
13 disaster. And so the states that experienced tornadoes
14 are geared up and ready to start responding to
15 requests; and in fact, Alabama said they have already
16 started to receive a few requests, primarily related to
17 custody issues where a parent is deceased as a result
18 of a tornado, which is a tragic thing.

19 But those are the kinds of requests that
20 they're getting first. But they'll also have to deal
21 with housing, public benefits, lost property documents
22 and identification, and that sort of thing. And they

1 expect those requests to start coming in in the next
2 few weeks.

3 So they've just really organized themselves
4 and made the connections they need to on the ground.
5 They're all collaborating with their local emergency
6 responders, and they're ready to go. It's really, I
7 think, as good as it could be. Willie, I don't know
8 what you want to add to that.

9 MR. ABRAMS: In those states where we have
10 multiple grantees, they are collaborating with one
11 another in terms of looking to the future of how to
12 respond and what their expectations are. And they've
13 all asked us just to be aware that the onslaught of the
14 demand for their services is likely to be at least 30
15 days away.

16 So they're not receiving as many demands at
17 this time. But we will stay in touch with them, and
18 we'll keep the Board and LSC management updated.

19 MS. MIKVA: This is Laurie Mikva. Has anybody
20 made a request for -- as I recall, there's emergency
21 funds. Have any of the grantees made a request? And
22 if not, is that something to expect here?

1 MR. ABRAMS: We are expecting to receive
2 requests. No one has made a request as of this date.

3 MR. FORTUNO: We do have an emergency
4 inspection grant funds account so that we have do have
5 funds from which we could funded that kind of emergency
6 request.

7 CHAIRMAN LEVI: Aren't there FEMA funds now
8 also in this disaster?

9 MR. ABRAMS: Yes, there are.

10 CHAIRMAN LEVI: And before we would have to
11 expend ours, would we have an opportunity to get some
12 of them?

13 MR. ABRAMS: No. The FEMA funds would go to
14 other necessities like housing and recovery for
15 residence. The emergency LSC funds will go to grantees
16 to help meet the increased legal demands and to help
17 maintain our grantees' capacity to provide civil legal
18 assistance.

19 MS. ARLEDGE: And there is also a 30-plus year
20 partnership between FEMA and the ABA to provide what's
21 called disaster legal services on the ground. And when
22 that is invoked in a federal disaster situation, then

1 the local Young Lawyers division gets \$5,000 basically
2 to set up a hotline so that they coordinate volunteer
3 lawyers.

4 And also now our grantees also are part of
5 that process, not at a national level but on the
6 ground, depending on what their relationship is. But
7 in all of these states, they have those relationships.

8 So it's a coordination between the private bar
9 and Legal Services on the ground, with some funding
10 from FEMA to help pay for a hotline, is usually how
11 that works.

12 CHAIRMAN LEVI: Well, we remember the board
13 meeting. That's why I raised the question. But that
14 has not happened yet?

15 MS. ARLEDGE: That is happening -- that is --

16 CHAIRMAN LEVI: So in other words, when the
17 FEMA -- I'm sorry.

18 MS. ARLEDGE: So it's being set up in some of
19 these states. But again, that money doesn't go
20 directly to our grantees. It goes to set up a hotline.
21 And then cases, as appropriate, are funneled to our
22 grantees through that hotline. But it's basically a

1 way to help handle the increase or the influx of demand
2 for services.

3 MR. FORTUNO: This is Vic. The sort of thing
4 that we fund out of our emergency and other special
5 grants account is if a program is hit by a disaster and
6 they need an emergency generator. I think that there
7 was an application for a grant at one point for an
8 emergency generator. And so we will fund that kind of
9 thing.

10 It's to help the program stay up and in
11 operation and continue to provide services.

12 MS. LABELLA: It can also be for additional
13 staff -- this is Janet LaBella -- if they're expecting
14 an increase in demand because of a disaster. And we
15 have funded that in the past as well.

16 CHAIRMAN LEVI: Any questions? Comments?

17 MR. CONSTANCE: This is John Constance.

18 CHAIRMAN LEVI: Yes?

19 MR. CONSTANCE: And I would just add that we
20 are keeping Congress, and particularly our committees
21 of interest, fully and currently informed going forward
22 on this. While emergency funds might not be available,

1 it's always a very, very good opportunity to remind
2 folks of what we do and what our folks do on the
3 ground.

4 So the Alabama delegation, the Mississippi
5 delegation, everybody up in Mississippi and Memphis in
6 particular, are certainly getting reminders daily from
7 us as to what the progress is and what we're doing.

8 CHAIRMAN LEVI: In those two states, are there
9 any non-LSC programs?

10 MR. ABRAMS: Yes. In Mississippi, there's the
11 Mississippi Center for Justice. There's the
12 Mississippi Volunteer Lawyer Program. In Louisiana,
13 there's several law school-related legal clinics, and
14 the Louisiana State Bar Foundation funds --

15 CHAIRMAN LEVI: I knew Louisiana had. I meant
16 Alabama and Mississippi.

17 MR. ABRAMS: In Alabama, there's the Southern
18 Poverty Law Center, and there's an Alabama Appleseed.
19 But I think in Alabama we can expect our grantee to
20 really take the overwhelming majority of civil legal
21 requests. I am aware that the Alabama Bar Foundation
22 has also set up an emergency response apparatus.

1 CHAIRMAN LEVI: When we have other programs
2 like this, do we act to coordinate them?

3 MR. ABRAMS: It's more of a collaborative
4 arrangement, where dating back at least to Katrina and
5 aftermath of that is that these organizations all see
6 themselves as partners who need to coordinate and
7 collaborate on their responses.

8 So they do come together and begin discussions
9 about what to expect and to talk about a division of
10 labor. And that is taking place in Mississippi,
11 Louisiana, and Alabama is reaching out to other
12 partners as well.

13 CHAIRMAN LEVI: I'm sure this must duplicate
14 the Feinberg group's work.

15 MR. ABRAMS: The law school work is continuing
16 and, as you know, there's a coalition of organizations
17 there. And I would expect that, depending on the level
18 of devastation, the flood waters eventually produced,
19 all of those organizations may very well be involved in
20 a response in that respect.

21 MS. ARLEDGE: It's certainly a double whammy.
22 This is Elizabeth again. I just want to let you all

1 know that we will be convening one of our national
2 disaster calls in a couple of weeks, and will have
3 someone from all of these states reporting. And we'll
4 be sure to let you know when that's happening so that
5 if you want to sit in on the call, you can.

6 MS. MIKVA: That's great. Thank you.

7 MS. ARLEDGE: We'll keep you posted.

8 CHAIRMAN LEVI: Any other questions?

9 Comments?

10 (No response.)

11 CHAIRMAN LEVI: Okay. Thank you very much.

12 Public comment?

13 (No response.)

14 CHAIRMAN LEVI: Any other business?

15 (No response.)

16 CHAIRMAN LEVI: Okay. Do I have a motion to

17 adjourn?

18 M O T I O N

19 PROFESSOR KECKLER: So moved.

20 MR. GREY: Second.

21 CHAIRMAN LEVI: Thank you very much.

22 (Whereupon, at 12:10 p.m., the board adjourned.)