

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
GOVERNANCE AND PERFORMANCE REVIEW COMMITTEE

Saturday, October 31, 2009

8:38 a.m.

Crown Plaza Philadelphia - Center City
1800 Market Street
Philadelphia, Pennsylvania

COMMITTEE MEMBERS PRESENT:

Thomas R. Meites, Acting Chairman
Herbert S. Garten
Michael McKay
Frank B. Strickland, ex officio

OTHER BOARD MEMBERS PRESENT:

Jonann C. Chiles
Thomas A. Fuentes
Laurie Mikva
Bernice Phillips-Jackson
Sarah M. Singleton (by telephone)

STAFF AND PUBLIC PRESENT:

Helaine M. Barnett, President

Karen M. Dozier, Executive Assistant to the President

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

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

Karen J. Sarjeant, Vice President for Programs and
Compliance

Charles Jeffress, Chief Administrative Officer

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

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

Thomas Coogan, Assistant Inspector General for
Investigations, Office of the Inspector General

John Constance, Director, Government Relations and
Public Affairs Office

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

Kathleen Connors, Executive Assistant, Government
Relations and Public Affairs Office

Julie A. Reiskin, LSC Board Nominee

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

Julie Strandlie, Standing Committee on Legal Aid &
Indigent Defendants (SCLAID), American Bar
Association

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

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

2 (8:38 a.m.)

3 CHAIRMAN MEITES: I will call to order the
4 meeting of the governance and performance review
5 committee. In Sarah's absence, I am -- oh, Lillian was
6 the chair. She has not been replaced. So I have been
7 asked to preside at this meeting.

8 I'll accept a motion to approve the agenda.

9 M O T I O N

10 MR. McKAY: So move.

11 CHAIRMAN MEITES: Herb?

12 MR. GARTEN: Second.

13 CHAIRMAN MEITES: Moved and seconded. All in
14 favor say aye.

15 (A chorus of ayes.)

16 CHAIRMAN MEITES: And next is approval of the
17 minutes of our last meeting on July 25th. A motion to
18 approve? Herb, second?

19 MR. GARTEN: Second.

20 MR. McKAY: I didn't move because I do want --

21 M O T I O N

22 CHAIRMAN MEITES: All right. I will move it.

1 Is there any discussion?

2 MR. McKAY: Yes. Mr. Chairman, I would like
3 to ask that the minutes be amended to read that I was
4 present, but as a member of the committee, not as a
5 board member. I had to ask the chairman of the entire
6 board whether or not I was still a member because the
7 minutes reflected otherwise.

8 CHAIRMAN MEITES: All right.

9 MR. McKAY: But I am still a member, so I move
10 that the minutes be amended.

11 CHAIRMAN MEITES: All right. With that
12 amendment, can I have a motion to approve the minutes?

13 M O T I O N

14 MR. McKAY: So move.

15 MR. GARTEN: Second.

16 CHAIRMAN MEITES: And the minutes are
17 approved.

18 All right. The next item is consider and act
19 on performance review of the Inspector General. There
20 is the Inspector General.

21 Good morning, sir. State your name, please.

22 MR. SCHANZ: Good morning, Mr. Chairman.

1 CHAIRMAN MEITES: I'm informed by those who
2 know that this agenda item is in fact to start the ball
3 rolling on your performance review. Is that your
4 understanding?

5 MR. SCHANZ: Yes, sir.

6 CHAIRMAN MEITES: All right. It may be
7 helpful if you would just briefly remind us what we did
8 the last time.

9 MR. SCHANZ: Well, this has been an issue of
10 some import since I've been on board for about a year
11 and a half now. What we did agree to do is measure my
12 performance vis-a-vis the OIG work plan. Those
13 documents were provided to you electronically. I have
14 hard copies of everything I'll be talking about today
15 if you would like to see those.

16 But annually, the Office of the Inspector
17 General puts together a work plan with input from
18 stakeholders, from the board, from staff, and from our
19 own risk assessments, and the experience of our
20 auditors and investigators and inspectors. That work
21 plan has been reduced to writing, which you will have a
22 hard copy of or you do have an electronic copy of.

1 What we agreed to do is assess annually, and
2 this is an opportune time to do that because I've just
3 issued a semiannual report listing OIG activities for
4 the last six-month period. So I also provided to you
5 electronically the last two semiannual reports, which
6 will give you a snapshot of the work that my office has
7 performed in the last year, the last federal fiscal
8 year, which ties nicely with the OIG audit and
9 investigative work plan that I previously provided
10 to you.

11 Now, we can go through it in detail if
12 necessary. I don't believe it is necessary, but I'm
13 prepared to speak to any aspect of the work that the
14 OIG performed during the fiscal year '09 ending
15 September 30th.

16 Most of that -- in fact, all of that -- is
17 captured in the semiannual report to Congress that I've
18 provided to you. And we do have hard copies of that.
19 It's now bound and it looks very nice. And I like to
20 commend my staff for working hard because they're the
21 ones that make me look good or make me look bad, and
22 I'm here to report they're making me look good.

1 CHAIRMAN MEITES: So if I understand what
2 you're suggesting, a first step for this committee
3 would be to just take what you promised to do what you
4 report you've actually done.

5 MR. SCHANZ: Correct.

6 CHAIRMAN MEITES: Put one against the other,
7 at least the first six months of what you've done, and
8 then get back to you and ask you why you didn't do
9 this, or is this all you did on that, or that looks
10 like you accomplished what you sent out to do; Is that
11 correct? That's --

12 MR. SCHANZ: I defer to the board and to the
13 committee, but that is one method that we could use to
14 assess my performance.

15 CHAIRMAN MEITES: Yes. What makes some sense
16 to me is that we not proceed -- this is what I always
17 say, but it really does make sense that the committee
18 perhaps has a meeting, whether -- I don't care if it's
19 public or not. It doesn't really matter. But we go
20 through amongst ourselves the various points and then
21 meet with you or talk with you by phone -- I don't know
22 if a meeting is necessary -- with any questions we

1 have.

2 MR. SCHANZ: I think that's a prudent course
3 of action. I would welcome that. We do meet
4 quarterly, so we can do essentially -- I mean, now I
5 have a full year of effort that the Office of the
6 Inspector General has conducted.

7 CHAIRMAN MEITES: Well, my concern, Jeff, is
8 that we likely will not be around in January, and our
9 successors won't have a clue as to how to assess you
10 because they've not met you.

11 Now, it's possible that they could assess you
12 just on the paper. But what do you all think, that we
13 should proceed expeditiously now, maybe have a
14 committee meeting and just get this done so we can
15 leave it with our successors?

16 MR. MCKAY: I think it's a great idea and an
17 important idea because our IG's been on the job for a
18 year and a half, and I think it would be an important
19 starting point for the new board to work from. But
20 obviously, I'd be anxious to hear from Laurie, who's
21 now here.

22 But certainly if we were to do a review, now

1 that he's been on the job for a year and a half,
2 instead of the new board starting from scratch, they
3 could at least have the benefit of our insight, such as
4 it is, of the review of the IG.

5 CHAIRMAN MEITES: Herb?

6 MR. GARTEN: I agree.

7 CHAIRMAN MEITES: Vic? Is Vic here?

8 MR. SCHANZ: He just stepped out.

9 CHAIRMAN MEITES: Well, I just have a
10 question. What do we -- what does our committee have
11 to do to have a meeting in the next 30 days or so? Do
12 we have to issue notices and so on? Charles says yes,
13 but that could be done. If we agree on a date, you all
14 take care of getting whatever official notices are
15 required?

16 We could do it by phone. Do you want to do it
17 in person? Phone would be better, I think.

18 MR. MCKAY: I think so.

19 CHAIRMAN MEITES: And you will, of course,
20 make sure you're available.

21 MR. SCHANZ: Right.

22 CHAIRMAN MEITES: All right. Why don't we do

1 this. Why don't -- our intention will be to have a
2 meeting. Let's find a convenient date, tell Vic what
3 it is, set it up, make sure that's good for you, and
4 proceed.

5 MR. SCHANZ: Okay.

6 CHAIRMAN MEITES: I'd do one thing, though:
7 Send the members of the committee, in hard copy, all
8 the documents that are germane to this so we all
9 have -- forgetting what we did or didn't print out,
10 send us all a package as soon as you can this coming
11 week with the documents that you've mentioned and
12 anything else you think we should be looking at.

13 MR. SCHANZ: Okay.

14 CHAIRMAN MEITES: All right? Is that -- okay.
15 We'll proceed on that basis.

16 Next is distribution of forms and
17 instructions. John? And I'll circulate some dates,
18 and you all let me know if it's good.

19 MR. CONSTANCE: We have enough chairs up here
20 for a full jury, Mr. Chairman.

21 CHAIRMAN MEITES: Hold on one second, John.

22 Laurie? I'd like you to be on that if you're

1 available.

2 Go ahead, John.

3 MR. CONSTANCE: Mr. Chairman, for the record,
4 I'm John Constance, director of government relations
5 and public affairs, and have been providing staff
6 support to this committee over the course of the last
7 year.

8 I would direct everybody's attention to page
9 53 of the board book. And I'll just summarize what
10 you have before you. If you'll recall, GAO had
11 recommended -- in looking at board governance at LSC
12 in August 2007 report, they had recommended that LSC
13 put together a board evaluation or self-evaluation
14 program.

15 In looking at corporate governance standards
16 and looking at how this is done with other
17 organizations, it would seem that the two instruments
18 have two separate and distinct purposes. The board
19 member individual -- stress
20 individual -- self-evaluation is an annual opportunity
21 for a board member to look at their service on the
22 board and do a self-assessment as to what things they

1 could do to improve, and also what support the
2 Corporation could provide to them in the way of
3 training to help their performance on the board.

4 The overall board self-evaluation, on the
5 other hand, looking at the overall board of directors
6 and doing an assessment of that, is typically designed
7 in these kinds of circumstances as an effort to set
8 goals for the new year, to take a look as a board with
9 what the board would be doing going forward.

10 Last year was the first year we administered
11 this. By virtue of how experienced the sitting board
12 was last year, I would say that the individual
13 self-assessments really didn't lay out, you know, much
14 in the way of a training agenda. I mean, the current
15 board obviously has enough experience that briefings at
16 board meetings, updates at board meetings, seemed to be
17 adequate from a training and orientation standpoint.
18 And the feedback that we received from the individual
19 assessments affirmed that.

20 The board self-assessment, the overall board
21 self-assessment, on the other hand, Chairman BeVier
22 took all of that input. We distilled it down to five

1 possible areas or five possible goals for the board to
2 take up. And the two goals that the board decided on
3 in their last January meeting were, number one, the
4 continued emphasis on oversight; and two, to work
5 toward an orientation program for a new incoming board.
6 Those were the two goals that came out of the January
7 meeting.

8 We're now back to the October cycle again,
9 Mr. Chairman, and have now the opportunity to move
10 forward. I might add that there was a great deal of
11 discussion at the January board meeting about privacy
12 issues associated with these forms, and a concern about
13 laying out, you know, one's personal feelings on these
14 and, moving forward, how they would be used.

15 In laying out for GAO what we feel is the
16 self-evaluation process that the board has, we
17 expressed a concern about actually sharing the forms
18 with GAO, and expressed to them our desire to just
19 provide them summary information as we had provided
20 back to the board. And they immediately accepted
21 that position.

22 So one of the questions, I think, that we had

1 had in the January meeting, at least for purposes of
2 the first experience we've had with this the first
3 year, has been resolved, you know, certainly to our
4 satisfaction and we would hope to yours.

5 So that's where we are. We're beginning the
6 cycle again. As I had mentioned to you yesterday,
7 Mr. Chairman, you know, I think -- I mean, this
8 committee, obviously, and the board can make up their
9 mind. Given the fact that the first instrument, the
10 self-assessment, the individual self-assessment
11 instrument, is designed to inform training for the next
12 year, it was to me, you know, a question as to the
13 utility of that particular form this year.

14 As far as the overall board assessment,
15 whether there is a new board in January or not, my
16 assumption would be they would want to know from this
17 board's perspective, going forward, what you would see
18 as possible goals, as possible directions that they
19 could take.

20 So along those lines, the overall board
21 assessment may have -- clearly still has utility this
22 year. But I would offer it for your consideration, you

1 know, which or both of these we would administer.

2 We're ready to proceed to administer, you know, both
3 the forms in any way you would recommend.

4 CHAIRMAN MEITES: I have kind of a point to
5 add to what you said. I was one of the board members
6 concerned at the January meeting about the design of
7 these forms. And part of it was privacy since we've
8 learned that Congress can have pretty much anything it
9 wants. But it was also a concern about whether, in its
10 present format, this kind of form is likely to elicit
11 candid answers, even amongst ourselves.

12 And it occurs to me, looking at the forms, as
13 for the second point, if we were to eliminate the
14 responder's name, since we're the only ones who are
15 going to be answering it, I think that may increase the
16 utility of the responses.

17 And I don't -- as I think about it, you know
18 who the universe of us is, and it's only us who are
19 getting the forms. It's not as if someone who isn't
20 entitled is going to supply one. And if we don't have
21 to put our names, I'm going to say much nastier things
22 about Herb than I otherwise would.

1 (Laughter.)

2 MR. CONSTANCE: Well, given the fact that I'm
3 going to get to read them, I would encourage that.

4 CHAIRMAN MEITES: So my suggestion is -- I
5 have two suggestions. One is to get rid of the names.
6 And two, on the self -- the board form, which is an
7 excellent form, some of these questions are very
8 open-ended. To just pick one, "8. Board meetings
9 facilitate focus and progress on important
10 organizational matters." A perfectly good question.
11 One through five.

12 I think it would be helpful if there were room
13 in this form to explain answers like that. If it's a
14 low answer, you should say, if your answer is below 3
15 to any question, please explain, because there is
16 something in that person's mind.

17 So with those two changes, let me --

18 MR. CONSTANCE: Could I just -- excuse me,
19 Mr. Chairman. If I could just say, you know, we
20 certainly, for purposes of this year, could just invite
21 folks to attach. You know, we wouldn't have to change
22 the form. We could just invite folks to make an

1 attachment.

2 And as to the individual self-assessment, one
3 would be evaluating themselves.

4 CHAIRMAN MEITES: Yes. My sense, and I agree
5 with you, that since we're not going to be around and
6 it is a self-evaluation for self-improvement, I don't
7 see the utility of that. But let me open it to
8 comments.

9 Mike? Herb? Do you see any reason for the
10 self-evaluation form?

11 MR. McKAY: Well, have we decided whether or
12 not our name's going to be on it?

13 CHAIRMAN MEITES: Well, let's assume they're
14 not on it.

15 MR. McKAY: No.

16 CHAIRMAN MEITES: Okay. Herb? Any reason --

17 MR. GARTEN: I have mixed feelings about it.

18 CHAIRMAN MEITES: Well, if you see any utility
19 on it, we'll keep it because --

20 MR. GARTEN: I think a self-evaluation is
21 always helpful.

22 CHAIRMAN MEITES: Well --

1 MR. CONSTANCE: That's fine. You know, the
2 one thing I would point out for the record, just as
3 we're making a record of this particular proceeding,
4 going forward, while I understand the individual
5 personal self-assessment, you know, maybe not requiring
6 one's name, if that's what we're talking about doing,
7 the problem from our perspective and I think the
8 problem from the board's will be if an individual
9 indicates that they feel a need for training or a
10 particular kind of training. There would be some
11 utility in being able to get back to that individual.

12 CHAIRMAN MEITES: Well, we can accomplish that
13 again by saying, you know, if you rate yourself below 3
14 on any of these questions, please identify yourself so
15 that we can talk to you about it.

16 MR. CONSTANCE: I would agree. And the
17 overall board assessment, I don't know that there's any
18 particular reason for folks identifying themselves.

19 CHAIRMAN MEITES: Right. And thinking about
20 it, it may be useful to have the self-assessment. This
21 is where a board that's fully experienced ends up, and
22 for the future board, at least, it gives them something

1 to measure themselves against. So let's do both.

2 MR. CONSTANCE: All right.

3 CHAIRMAN MEITES: Take the names off. If
4 you get an answer below 3, explain, on the board
5 assessment. If you give an answer below 3 on the
6 self-assessment, contact us. Mike, is that okay?

7 MR. McKAY: Sounds great. Let's do it.

8 MR. GARTEN: Sure.

9 MR. CONSTANCE: That's fine. Thank you. We
10 can go ahead -- well, I'm going to ask Kathleen -- you
11 know, I know you have copies in your board book. But
12 we're just going to pass out, you know, the individual
13 ones, and also make them available to the other board
14 members, so that we don't have to proceed with that
15 farther. Thank you.

16 CHAIRMAN MEITES: All right.

17 MR. McKAY: I'd like the record to reflect
18 I've already filled mine out.

19 CHAIRMAN MEITES: He gave himself very fair
20 grades.

21 MR. McKAY: Before we go on to the next item,
22 can we go back No. 3?

1 CHAIRMAN MEITES: Performance review. Please.

2 MR. McKAY: And you made a comment,
3 Mr. Chairman, that I think we should clarify on the
4 record, or make clearer on the record, that we've asked
5 Laurie to participate on this, in this process.

6 I think that's very important because I think
7 our goal is to try to lay a good foundation, what we
8 think is a good foundation, for the next board. And I
9 don't think there's a better way than having Laurie
10 participate with us. So I'm glad that you made that
11 suggestion.

12 CHAIRMAN MEITES: Thank you.

13 Next item is report on orientation for new
14 board members. Vic and John?

15 MR. CONSTANCE: If I could read an agenda, I'd
16 have a lot less travel time.

17 Mr. Chairman, if we could proceed, let me tell
18 you where we think we are at this point. And I have a
19 document that's in draft at this point that we will
20 share based on this conversation.

21 If you will recall, we over the course of
22 several board meetings have gathered information from

1 the board as to their feelings about what would be the
2 most comprehensive curriculum, what would be the most
3 comprehensive list of materials that would go into an
4 overall orientation and training program for new board
5 members.

6 That has been put together into a read-only
7 wiki at this point, with online access by code word.
8 And so what would be a voluminous paper document is now
9 available electronically.

10 It was our intention also -- the order in
11 which we laid out the material in the wiki is also
12 designed to be the logical order that we would go
13 through the material in a face-to-face orientation, and
14 that there has been every intention of having such a
15 face-to-face orientation with new board members.

16 We had a date set for Director Mikva to come
17 in and have such an orientation. We in the interim
18 felt that it was beginning to appear as though we would
19 have more board members confirmed. Our estimation of
20 the future was inaccurate, and so we're now back
21 looking at the possibility of accommodating something
22 just for Director Mikva in terms of that orientation.

1 In the meantime, we have had a conversation
2 with GAO about this particular recommendation to the
3 board, and have laid out for them and explained to them
4 where we are, where we're intending to go in terms of
5 this orientation, and there has been an exchange of
6 conversations and opinions on that.

7 I think they understand where we are, and that
8 a curriculum has been developed, a plan has been
9 developed. They do, I believe, understand the
10 connection between what we just talked about, and that
11 is board self-assessment and board training, that one
12 in fact informs the other going forward and will inform
13 the other when a new board comes into place.

14 I would just offer for your observation, if we
15 could look ahead to next October, the new board has
16 come in. Orientation program has been done.
17 Self-assessment instrument is administered. At that
18 point, we know whether the orientation worked, whether
19 there are areas that we need to go back and do
20 additional training or additional orientation. So, you
21 know, that really going forward in a normal program
22 year, or whatever a normal program year is, will be

1 where we are.

2 So that's been explained. The document that I
3 describe, which is kind of an outline of both the wiki,
4 the curriculum, and the steps that I've just described,
5 we have in draft form, and that's really what we're,
6 you know, intending to go forward with at this point.

7 CHAIRMAN MEITES: All right. A couple
8 questions. Just give me an overview of this
9 orientation. It will be conducted by the two of you?

10 MR. FORTUNO: Among others, I would think.

11 MR. CONSTANCE: Yes. I mean, what we have
12 talked about is that we would be the coordinators of
13 that. There clearly would be, you know, other members
14 of the LSC staff that would be essential to do some of
15 that face-to-face orientation.

16 But in terms of the governance issues, this is
17 the governance guy. You know, I would essentially be
18 involved in a coordinating capacity. But, you know,
19 the governance material would be explained completely
20 by Vic.

21 And then as we go through, you know, the
22 budget process, obviously we're talking about Dave and

1 Charles. When we're talking about the regulatory
2 process, we're back with OLA. When we're talking about
3 oversight, you know, that will be Karen and her folks
4 explaining, you know, the way we move forward with
5 that.

6 So, I mean, there will be a process that we
7 would go through based on the topic and subject.

8 CHAIRMAN MEITES: Now, as part of the
9 orientation, is there a presentation on how the board
10 operates -- why we have committees, why we have the
11 committees meet the way we do, at the same time as the
12 board meeting? Let me go back a step.

13 We inherited a way of doing business. We
14 didn't invent it. We do business the same way as our
15 predecessors do. And I suspect they do business the
16 way their predecessors do.

17 This is not the only way to run a railroad.
18 You could have committee meetings apart from the board.
19 You could have them on alternate Tuesdays in Cleveland.
20 We don't, but we have never considered how to run this
21 organization.

22 And I would suggest to you that as part of the

1 orientation -- fortunately, Laurie and now Julie have
2 at least seen the board and been on the board. But I
3 think it would be helpful as part of this orientation
4 that there be someone from the board, probably Frank,
5 who explains how we operate and assure them that it's
6 not written in stone, and do something that we didn't
7 do is, do you want to do it this way?

8 So I would ask you to make sure that in your
9 orientation -- does that make sense, Laurie? -- that
10 there be a component where an experienced, existing
11 board member explains what we do on Friday, what we do
12 on Saturday, and why we think it works, and why we
13 don't think it works.

14 Mike, go ahead.

15 MR. McKAY: And I'd like to -- I fully support
16 that suggestion. I would augment it by adding that the
17 presentation from the board representative should
18 include not just how things are operated -- and it
19 isn't cast in stone; of course, the new board can
20 operate however way they wish -- but also the unique
21 responsibilities of the board.

22 I think it's important that the new board hear

1 at least that perspective from an outgoing board member
2 rather than just staff because the board has the
3 responsibility of setting the policy for the staff.
4 And I think it's important for the new board to hear
5 that from outgoing board members rather than staff.

6 CHAIRMAN MEITES: Herb?

7 MR. GARTEN: Last Saturday at this exact time
8 I was asked to make a ten-minute presentation on the
9 federal role, and particularly Legal Services
10 Corporation, as part of a panel discussion on what's
11 happening at the federal and state level before 250
12 leaders of the Maryland bar, local bars, county bars,
13 minority bars, in Solomons, Maryland.

14 And in preparing for this ten-minute
15 presentation before a panel discussion, as so often
16 happens when you have to give a speech or a
17 presentation, you wind up learning a lot and putting a
18 lot of things together.

19 So I had about 18 inches pile of materials
20 that I've accumulated over the last six and a half
21 years that I thought was material. And I went through
22 them and I found one paper, one presentation, that I

1 think would be worthwhile you sending to all the
2 prospective board members immediately.

3 And it was put out by CLASP, the Center for
4 Law and Social Policy, written by Alan Houseman. Linda
5 Perle is here today. And it's 29 pages, and I think
6 it's the best I've read over the years describing what
7 we do in our function. And I think it would be
8 worthwhile to disseminate this to these people.

9 And I'm sure -- I don't know whether Linda
10 gave this to me or whether it came in the mail or what
11 the source was. But I'm sure it's available. And it's
12 very recent. It's July 2009.

13 MS. PERLE: Which document is it? What is it
14 called?

15 MR. GARTEN: It's called "Civil Legal Aid in
16 the United States: An Update for 2009." Twenty-nine
17 pages, by Mr. Houseman, Director, Center for Law and
18 Social Policy, dated July 2009.

19 CHAIRMAN MEITES: As usual, Herb is the
20 favorite child. I would urge that we all receive a
21 copy of that. I'd like to see it as well.

22 MR. GARTEN: I think you'd find it worthwhile.

1 CHAIRMAN MEITES: All right. With that, we
2 wish you godspeed on teaching them everything we didn't
3 know and found out through experience.

4 The next item and the last action item --

5 MR. McKAY: Oh, I'm sorry. There's one other
6 issue. I noticed again, in preparing for the hearing
7 on Tuesday, the GAO's comment about the wiki. And by
8 the way, did you ever think, John, that 30 years ago
9 you'd be saying the term wiki?

10 MR. CONSTANCE: My daughters would be rolling
11 on the floor laughing to hear it pass my lips, I'm
12 sure.

13 MR. McKAY: But I observed -- and frankly, I
14 kind of thought the same way, that it seemed to be a
15 lot of materials. I didn't see anything that was there
16 that was unimportant. I'm wondering if you've given
17 any consideration to prioritizing the materials, or if
18 you've already prioritized them, so that the new board
19 members could be told, at least from your perspective,
20 you know, we know there's a lot of materials here. But
21 if you're going to prioritize, here are the more
22 important things you ought to be looking at.

1 MR. CONSTANCE: Yes. I would say that one of
2 the things that we attempted to do in terms of the
3 order in which the items are on the wiki is basically
4 to mirror basically chronologically how we would
5 present the material, with a brief history of LSC
6 first, today's LSC organization second, roles and
7 responsibilities of the board of directors, board
8 meetings, budgets, the regulatory process, oversight,
9 Government Accountability Office reports, litigation
10 reports, recent history of LSC, and then what we have
11 here is the catch-all, which I think we would still
12 present on as other reference materials.

13 But I think the point is well taken that when
14 we do this as a face-to-face, and I certainly accept, I
15 think, the excellent recommendation that the board
16 would participate in this face-to-face, would be
17 compressed time. Everybody's pretty busy.

18 So we would certainly have to look at that
19 order and be sure that we were working through our
20 priority, you know, kind of process.

21 CHAIRMAN MEITES: All right. Tom, please.

22 MR. FUENTES: Mr. Chairman, I would like to

1 suggest that maybe a primer of parliamentary procedure
2 be offered or located. I think that that is so
3 important that the protocol and the knowledge of the
4 basics -- of course, it would be up to them to decide
5 whether they'd like to have a session on the topic.
6 But we were a real learning curve in this organization
7 for parliamentary procedure.

8 (Laughter.)

9 MR. FUENTES: And I think that it would well
10 serve the board.

11 CHAIRMAN MEITES: That's a terrific idea. I
12 actually was driven by the depth of my ignorance to try
13 to understand Robert's Rules of Order, which is
14 impenetrable, absolutely impenetrable. But there must
15 be something between nothing and Robert's, which you
16 all can locate, a simple guide to how a board operates
17 within the rules. Good. Very good. Thank you.

18 All right. Next item --

19 MS. SINGLETON: Mr. Chairman, could I address
20 that issue?

21 CHAIRMAN MEITES: Please, Sarah. Go ahead.

22 MS. SINGLETON: I do have a book in my office

1 that has got the title something like Simplified
2 Robert's Rules, which I would be glad to share with
3 whoever is compiling this wiki or whatever we're going
4 to call it.

5 But I think that we ought to recommend a
6 further step, which we were lucky enough to have
7 Mr. Fuentes as our unofficial parliamentarian. But I
8 really think that there ought to be someone on the
9 board whose charge it is to make sure we're in
10 compliance with things, not only Robert's rules but
11 other things that we have to comply with in terms of
12 meetings.

13 And I know that we rely on Vic on this. But I
14 think it's good to have a second set of eyes who is
15 always questioning whether or not we've complied with
16 what we need to comply with. And I would suggest that
17 that be an official position of the board.

18 CHAIRMAN MEITES: Sarah, I think that's a good
19 idea. If you could send the title of that book to John
20 Constance, he'll pass that on. And with our successors
21 perhaps including the Dean of Harvard Law School and
22 the most recent President of the American Bar

1 Association, we would hope we could find someone who
2 knows proper procedure. And I'll leave it to our
3 successors --

4 MS. SINGLETON: Oh, don't count on that.

5 (Laughter.)

6 MR. FUENTES: Tom, just if I could add a
7 comment bibliography-wise. There are all kinds of
8 splendid books on parliamentary procedure, some simple
9 and then the original.

10 I happen to have had the privilege of being
11 involved in student government, and for three years
12 during college studied parliamentary procedure. They
13 used to actually have classes with parliamentary
14 procedure. And it was as serious as any other class.
15 And it has certainly well served my own involvement in
16 so many boards through the years.

17 In those days, we had the privilege of once
18 having as a guest lecturer Mr. Roberts, the son of the
19 author of Robert's Rules. And that was very
20 insightful. But there are also lecturers who come and
21 give -- I mean, there are professionals who come and
22 give such training. The Republican Federated Women out

1 our way every year have a seminar on parliamentary
2 procedure to teach leadership.

3 CHAIRMAN MEITES: It's like taking accounting
4 in law school. It's something that you never think you
5 need to know, but you do.

6 MR. FUENTES: You bet.

7 CHAIRMAN MEITES: Well, we'll pass that on,
8 and you all have heard our views of the importance of
9 that.

10 Okay. Next and last action item is consider
11 and act on amendment to committee charter to add
12 responsibility for oversight of LSC's compensation
13 plan. You all are going to talk on that as well?
14 Please.

15 MR. CONSTANCE: Mr. Chairman, essentially,
16 where this recommendation originates is from the
17 current GAO audit that's going forward and reviewing
18 the recommendations that have been made in the August
19 2007 and December 2007 GAO reports to LSC.

20 One of the recommendations in the
21 governance -- in the first GAO report, August 2007, was
22 to establish a compensation committee function to

1 oversee compensation matters involving LSC officers and
2 overall compensation structure, either through creating
3 a separate compensation committee or by rewriting the
4 charter of its annual performance review committee.

5 In reviewing what we currently have in the
6 charter, and what we have currently is the charter
7 statement that says, for the governance and performance
8 review committee, it says, "Subject to review and
9 approval by the board, the committee shall annually
10 review and report to the board on the performance and
11 compensation of the President and Inspector General."

12 It has been felt by GAO that that clearly
13 needs to be broadened. And the resolution that you
14 have, page 59 of the board book, is what we're bringing
15 today as our recommendation to broaden that statement
16 and to basically cover this recommendation by GAO.

17 CHAIRMAN MEITES: I have an initial question.
18 Who are the officers of the Corporation?

19 MR. FORTUNO: That would be the president, the
20 two vice presidents, the treasurer, and that's
21 it -- and the chief administrative officer.

22 CHAIRMAN MEITES: Okay. The president, two

1 vice presidents, treasurer, and --

2 MR. FORTUNO: Chief administrative officer.

3 CHAIRMAN MEITES: You are not an officer of
4 the Corporation?

5 MR. FORTUNO: Yes. As vice president for
6 legal affairs, I'm one of the two vice presidents.

7 CHAIRMAN MEITES: So you're one of the two
8 vice presidents?

9 MR. FORTUNO: Yes, I am. The bylaws provide
10 specifically that the officers shall be -- I'm sorry.
11 There's a secretary as well -- that the officers shall
12 be president, corporate secretary, treasurer, and such
13 other officers as the board shall from time to time
14 determine. And it's that "as shall from time to time
15 determine" that covers the two vice presidents that
16 were created by the board.

17 CHAIRMAN MEITES: Okay. Helaine is the
18 president. You are the vice president of legal
19 affairs.

20 MR. FORTUNO: Yes.

21 CHAIRMAN MEITES: The other vice president is?

22 MR. FORTUNO: Karen Sarjeant.

1 CHAIRMAN MEITES: And then the treasurer is
2 David?

3 MR. FORTUNO: David Richardson.

4 CHAIRMAN MEITES: Charles is chief
5 administrative officer?

6 MR. FORTUNO: That's correct.

7 CHAIRMAN MEITES: Who is the secretary?

8 MR. FORTUNO: I am.

9 CHAIRMAN MEITES: Okay. Herb, please.

10 MR. GARTEN: Vic, just refresh me. Do we have
11 any assistant secretaries?

12 MR. FORTUNO: No.

13 CHAIRMAN MEITES: Okay. So we're talking
14 about five people.

15 MR. FORTUNO: That's correct.

16 CHAIRMAN MEITES: The GAO report, however, as
17 it was just read to us, wanted us -- recommended we go
18 deeper into the body of the Corporation. Your
19 resolution does not provide for that. What are the
20 reasons for or against going more deeply into the
21 compensation structure?

22 MR. JEFFRESS: Mr. Chairman, this is Charles

1 Jeffress, chief administrative officer. Actually, the
2 resolution does provide to go more deeply into the
3 Corporation. It says, "The committee shall annually
4 review LSC's compensation plan."

5 CHAIRMAN MEITES: Ah, I see.

6 MR. JEFFRESS: And that plan includes the
7 whole salary structure for the Corporation.

8 CHAIRMAN MEITES: All right. Is there a
9 document called Compensation Plan?

10 MR. JEFFRESS: No. It is within the employee
11 handbook. There is a chapter on salary -- a section on
12 salary administration, and a number of subsections.

13 CHAIRMAN MEITES: Okay. So that's what -- by
14 adopting this resolution, that is what we would focus
15 on?

16 MR. JEFFRESS: That's correct.

17 CHAIRMAN MEITES: But presumably, the handbook
18 doesn't set out the numbers of what people get paid, or
19 does it?

20 MR. JEFFRESS: It only sets the ranges for
21 each band. It does not set individual salaries.

22 CHAIRMAN MEITES: So this resolution

1 would -- as you understand the resolution, we would
2 look at the ranges that are prescribed. But we
3 wouldn't go into Joe Smith, who's at the 70th
4 percentile, and say Joe Smith should be at the 72nd
5 percentile?

6 MR. JEFFRESS: No. You'd only do that for the
7 officers of the Corporation. You would not do that for
8 individual employees.

9 CHAIRMAN MEITES: Okay. We understand it now.
10 Is it your view that this resolution is congruent with
11 what the GAO wants us to do?

12 MR. CONSTANCE: Yes, it is.

13 MR. GARTEN: Is there value in having a
14 specific reference to what they're directing us to?

15 CHAIRMAN MEITES: Well, I think our
16 conversation here makes that point. We were just told
17 that -- you've run this by the GAO and they are
18 satisfied with it?

19 MR. CONSTANCE: Yes.

20 CHAIRMAN MEITES: Well, that's --

21 MR. GARTEN: Okay. I'm satisfied.

22 CHAIRMAN MEITES: Okay. Mike?

1 MR. McKAY: Yes.

2 CHAIRMAN MEITES: Any other comments? All
3 right.

4 MS. MIKVA: I have a comment.

5 CHAIRMAN MEITES: Laurie, please.

6 MS. MIKVA: When would this be done if this
7 resolution were adopted?

8 MR. JEFFRESS: That would be up to the
9 governance and performance review committee to decide
10 at what point during the year they wanted to do that.
11 But the presumption is there would be an annual review.

12 CHAIRMAN MEITES: Mike?

13 MR. McKAY: And I was going to wait till we
14 voted on this, but Laurie makes a good point and
15 something that I'm concerned about. And that is the
16 new board walking in not aware of all that this board
17 has done to respond to the GAO audits, and then have
18 the new board get blindsided.
19 Obviously -- potentially.

20 Obviously, it is staff's responsibility, it
21 seems to me, to tickle all these issues to make sure
22 that the appropriate committee addresses it in a timely

1 manner. And maybe this gets back to the orientation.

2 That should include the GAO audits.

3 I'm reminded again, and you all are, I'm sure,
4 going to regret this. But in my preparation for the
5 hearing on Tuesday, I noted that several of the GAO
6 audit items were left open because we approved the
7 appropriate policies, but they're keeping it open to
8 make sure we execute them.

9 And what concerns me is that we're going to be
10 gone, and the board is going to be chugging along, and
11 the GAO is going to swing in and say, you guys aren't
12 executing. The board's going to say, well, jeez, we
13 didn't know anything about it.

14 So I think it's really important that all the
15 work that we've done to try to comply with the GAO
16 audit and, frankly, to operate things a little better,
17 is the new board's properly briefed. And then implicit
18 in Laurie's question is these things are tickled so
19 that the board can address them in a timely manner.

20 CHAIRMAN MEITES: Why don't we do it more
21 specifically. Why don't you all prepare a calendar of
22 what each committee is obliged to do on a periodic

1 basis. And your job is, before that date, to remind
2 that committee that it's supposed to, at its next
3 meeting, do whatever it's supposed to do.

4 Okay. Laurie?

5 MS. MIKVA: One more thing on this. It seems
6 to me, especially in view -- well, especially in view
7 of the search for an executive director, that these
8 numbers in and of themselves wouldn't be that
9 meaningful.

10 Is there a way to get a comparison to
11 comparable officers at other organizations? And is
12 there a way to suggest, you know, various possibilities
13 for adding to compensation?

14 MR. JEFFRESS: Charles Jeffress, chief
15 administrative officer. Yes, of course there is a way
16 to do that. This board went through that in the search
17 for the Inspector General, looked at comparables' in
18 considering pay for the Corporation, looked at
19 comparables; did so in the salary for the President.
20 And certainly that kind of information could be put
21 together.

22 Typically, what we look at are the federal

1 general schedules and then the salaries for other
2 federal entities that maybe federally chartered
3 enterprises or organizations that are not federal
4 employees but nevertheless chartered by Congress or
5 appropriated to Congress.

6 So that kind of information can be put
7 together and made available.

8 CHAIRMAN MEITES: Laurie, I think just
9 remember that for our successors. I know we did it,
10 and I know that's an absolutely standard way of setting
11 compensation. The problem is it's a ratchet that only
12 goes one way. And according to commentators, it's one
13 reason why salaries on Wall Street are so high, is that
14 they compare them to people whose salaries are already
15 too high. But that's not our problem.

16 (Laughter.)

17 CHAIRMAN MEITES: Okay. With that discussion,
18 I'll take a motion to recommend this resolution to the
19 board.

20 M O T I O N

21 MR. MCKAY: So move.

22 MR. GARTEN: Second.

1 CHAIRMAN MEITES: All in favor?

2 (A chorus of ayes.)

3 CHAIRMAN MEITES: No opposed. We will do
4 that.

5 All right. That is our action agenda. Public
6 comment?

7 (No response.)

8 CHAIRMAN MEITES: New business?

9 (No response.)

10 CHAIRMAN MEITES: And hearing none and none, I
11 will accept a motion to adjourn.

12 M O T I O N

13 MR. GARTEN: So moved.

14 CHAIRMAN MEITES: And we are in adjournment.

15 (Whereupon, at 9:25 a.m., the committee was
16 adjourned.)

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