

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

MEETING OF THE BOARD OF DIRECTORS  
OPEN SESSION

Tuesday, November 23, 2010

11:30 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  
Laurie Mikva  
The Reverend Joseph Pius Pietrzyk, O.P.  
Julie A. Reiskin  
Gloria Valencia-Weber  
Victor M. Fortuno, Interim President and General  
Counsel (ex officio)

## STAFF PRESENT AT THE CORPORATION'S OFFICES:

Kathleen Connors, Executive Assistant to the President  
Patricia Batie, Acting Corporate Secretary and FOIA  
Officer, Office of Legal Affairs

John Constance, Director, Office of Government  
Relations and Public Affairs

Janet LaBella, Director, Office of Program Performance

Willie Abrams, Program Counsel III, Office of Program  
Performance

Danilo A. Cardona, Director, Office of Compliance  
and Enforcement

William P. Sulik, Program Counsel III, Office of  
Compliance and Enforcement

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

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

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

## C O N T E N T S

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1. Approval of agenda	4
2. Approval of minutes of the Board's open session meeting of October 19, 2010	4
3. Consider and act on Board of Directors' proposed comments on the Inspector General's Semiannual Report to Congress for the period of April 1, 2010 through September 30, 2010	6
4. Public comment	13
5. Consider and act on whether to authorize an executive session of the Board to address items listed below under Closed Session	13
CLOSED SESSION	
6. Approval of minutes of the Board's closed session meeting of November 5, 2010	
7. Briefing on Management's plans for addressing reported problems at one of LSC's grantees	
8. Briefing on status of Management's response to the Inspector General's audit report regarding the Technology Initiative Grants ("TIG") program	
9. Consider and act on other business	
10. Consider and act on motion to adjourn meeting	

Motions: 4, 5, 13, 14

## 1 PROCEEDINGS

2 (11:30 a.m.)

3 CHAIRMAN LEVI: This is a duly noticed meeting  
4 in the Federal Register. The first part of the meeting  
5 will be the open session, and then there will be a  
6 closed session.

7 Can I have a motion to approve the agenda?

8 MOTION

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

11 CHAIRMAN LEVI: Second?

12 MS. MIKVA: Laurie Mikva. Second.

13 CHAIRMAN LEVI: All in favor?

14 (A chorus of ayes.)

15 CHAIRMAN LEVI: Then there's -- the minutes of  
16 the last open session, which was held in Louisville,  
17 were enclosed. Is there any question or issue with  
18 them? Otherwise, can we have a motion to approve them?

19 MS. REISKIN: I have a small issue. This is  
20 Julie Reiskin. When the guests from Alabama,  
21 Louisiana -- it says that they were discussing the  
22 problems of lost wages, lost profits, and all of that.

1 They also discussed, I thought, extensively difficulty  
2 clients were having with the process that was set out  
3 by BP, with the claims process. And I don't know if  
4 that should be in the minutes or not. I kind of  
5 thought it should be, but if other people don't agree,  
6 that's fine. That's just how I felt.

7 CHAIRMAN LEVI: No. I think you're right  
8 about that.

9 PROFESSOR VALENCIA-WEBER: Hi. This is Gloria  
10 Valencia-Weber joining.

11 CHAIRMAN LEVI: Good. We could certainly add  
12 a clause there, Vic, couldn't we?

13 PRESIDENT FORTUNO: Yes.

14 CHAIRMAN LEVI: Just at the end.

15 PRESIDENT FORTUNO: We'll amend the minutes to  
16 so reflect.

17 CHAIRMAN LEVI: So that's a -- what you're  
18 doing, Julie, is you're moving to approve the minutes  
19 with a short amendment there?

20 M O T I O N

21 MS. REISKIN: Yes.

22 DEAN MINOW: Do you want a second?

1           CHAIRMAN LEVI:  Yes.

2           DEAN MINOW:  Second.  Martha Minow.

3           CHAIRMAN LEVI:  All in favor?

4           (A chorus of ayes.)

5           CHAIRMAN LEVI:  All right.  Now item 3.  I  
6 believe we turn to you, Vic, for this.  And could you  
7 tell us a little bit about the draft response and the  
8 report?

9           PRESIDENT FORTUNO:  Actually, the proposed  
10 response was prepared largely by John Constance.  So if  
11 John's on the line, I'll let him go ahead and do the  
12 introduction.  Otherwise I'll go ahead and take it  
13 over.  John?

14          MR. CONSTANCE:  I am on the line, Vic.  This  
15 is John Constance, director of government relations and  
16 public affairs.  Can you hear me?

17          CHAIRMAN LEVI:  Yes.

18          MR. CONSTANCE:  Okay.  First of all, let me  
19 acknowledge the able assistance here of Joel Gallay and  
20 Dutch Merryman, who were very good about assisting and  
21 providing input to the draft that you have before you  
22 today.

1           This is a management transmittal that is  
2 required by law that goes with the semiannual report to  
3 Congress. We use it as such, and it transmits the  
4 semiannual report to the Hill with such comments as  
5 management cares to add. So that's really the  
6 structure, for those of you who have not been through  
7 this before. That's the structure of what you have  
8 before you today.

9           As to this particular draft, we have also  
10 added something that makes us really fully compliant  
11 with the law now. It was something that the IG had  
12 brought to our attention. It's on page 2 of the draft  
13 that you have before you, the second full paragraph,  
14 which provides reporting on the questioned costs, and  
15 the fact that those questioned costs that were still on  
16 the books during the last reporting period, management  
17 is reporting that LSC has either collected or not been  
18 charged for those questioned costs. So that's a new  
19 addition to this particular draft.

20           We will certainly open the floor, I would  
21 assume, Mr. Chairman, to any amendments, corrections,  
22 or questions. Happy to respond.

1           CHAIRMAN LEVI: Any questions or comments for  
2 John as to the letter, the draft letter that we all  
3 received?

4           MS. REISKIN: This is the November 10th, is  
5 the most recent --

6           CHAIRMAN LEVI: I guess that's --

7           MR. CONSTANCE: That would be correct.

8           PRESIDENT FORTUNO: No. Actually, what we're  
9 looking at here is draft number 5 dated 11/23/2010, and  
10 the time was 10:35.

11          CHAIRMAN LEVI: Is this draft number 5?

12          MR. CONSTANCE: What I would say is this, Vic.  
13 The Board only received one draft. And in terms of  
14 what they received in an e-mail last week that you  
15 received, Julie, is the draft that is before us today.

16          MS. REISKIN: I thought it's a good letter.  
17 Very clear.

18          CHAIRMAN LEVI: Well, I have to sign it, so I  
19 want to make sure everybody feels good about it.

20          PROFESSOR VALENCIA-WEBER: This is Gloria.  
21 Can I ask, once we approve the draft, what is the next  
22 step?

1           CHAIRMAN LEVI: I sign it and it goes to Tom  
2 Harkin.

3           MR. CONSTANCE: That's correct. It's  
4 distributed to the Hill, to the chairman, to the  
5 ranking member, and we do a pretty wide distribution.  
6 That's the required pathway of the letter. But we do a  
7 wide distribution of it on the Hill, as certainly does  
8 the IG with the semiannual report itself.

9           FATHER PIUS: Vic, just one question. Sorry,  
10 I got distracted for a second.

11           In terms of the -- regarding the audits, the  
12 first bullet point, there was Board action on that as  
13 well. Is that going to be reflected in the draft  
14 letter?

15           CHAIRMAN LEVI: Well, the Board action -- the  
16 report is as of September 30th. I don't know -- is  
17 this like an audit letter that lawyers do that's  
18 updated as of the time of the letter?

19           PRESIDENT FORTUNO: No. This is supposed to  
20 cover a specific period, a six-month period, a  
21 semiannual report. And while we can note things that  
22 have occurred since the close of the reporting period,

1 I think that we should point out that while it's  
2 something that occurred immediately following the close  
3 of the period, that it was outside of the reporting  
4 period.

5 So we can note it if it's desired. But the  
6 focus here is on the six-month period ending, what is  
7 it, September 30th.

8 CHAIRMAN LEVI: Well, don't we make -- if you  
9 go to page 2, in that big paragraph there, the  
10 semiannual -- that starts semiannual report, the last  
11 sentence certainly could cover -- I thought it was  
12 meant to, in a way. But if we want to add a few words  
13 there, Father Pius, I suppose we could.

14 FATHER PIUS: Oh, I was looking really at the  
15 bullet points. We tend to in these bullet points  
16 mention when we've actions subsequent to the reporting  
17 period. And I know we had a specific Board action on  
18 the issue of the temporary employees, and I was  
19 wondering, for the sake of consistency, whether that  
20 should be included.

21 I mean, it'll be mentioned in the next  
22 semiannual report, so I'm not that concerned. But --

1           CHAIRMAN LEVI:  On the temporary employees?

2           FATHER PIUS:  Yes.

3           PROFESSOR VALENCIA-WEBER:  This is Gloria.  I  
4 see what Father Pius is raising because if you look at  
5 the bullet points that follow, they do include action  
6 taken after the end of the reporting period.

7           PRESIDENT FORTUNO:  We can amend it, revise it  
8 to include a reference to the matter being taken up by  
9 the Board in closed session at I guess it was the  
10 Louisville meeting, and that we're proceeding with  
11 corrective steps.  I wouldn't get too specific, but I  
12 think that clearly noting that the matter has been  
13 taken up by the Board and that we're proceeding with  
14 resolution of this isn't inappropriate.

15           I think we would just note that it's outside  
16 the reporting period, but relevant and close enough to  
17 the end of the reporting period that we thought it  
18 significant to note.

19           CHAIRMAN LEVI:  Well, I see their question  
20 because you've got like the second bullet point,  
21 you -- and in the fourth bullet point, we talk about  
22 things that happen on October 27th.  So that's outside

1 the reporting period, too.

2 MR. CONSTANCE: Well, I mean, it should be  
3 noted everything including this transmittal is outside  
4 the reporting period. So I guess anything that we can  
5 amend or update along those lines would be fine. We'll  
6 just need the exact -- the language or the words. And  
7 Vic, if you can provide us that, that would be great.

8 PRESIDENT FORTUNO: Sure. Do you want to do  
9 that now or simply submit something to the chairman  
10 once we have the sense of the Board? I think it's  
11 fairly straightforward. I think that my understanding  
12 is that what we are being asked about is  
13 including -- just adding some additional language that  
14 would note that on -- and what was the date of the  
15 Louisville meeting closed session? Was that October  
16 19th?

17 CHAIRMAN LEVI: Yes.

18 PRESIDENT FORTUNO: On October 19th, this  
19 matter was reviewed with the board of directors, and  
20 management is proceeding with appropriate corrective  
21 measures.

22 CHAIRMAN LEVI: I think that sounds great.

1 FATHER PIUS: I think that's fine.

2 PRESIDENT FORTUNO: I think that, on its face,  
3 makes it clear that it's outside the reporting period.

4 DEAN MINOW: I think that's a good solution.

5 PRESIDENT FORTUNO: Okay.

6 CHAIRMAN LEVI: Anything else on this report,  
7 or the letter?

8 (No response.)

9 CHAIRMAN LEVI: Do I then hear a motion  
10 to -- do we approve the letter? Is that what we do?

11 PRESIDENT FORTUNO: Yes.

12 CHAIRMAN LEVI: Okay. Can I have a motion to  
13 approve the report (sic), as amended?

14 M O T I O N

15 FATHER PIUS: So move. This is Father Pius.

16 PROFESSOR VALENCIA-WEBER: I'll second. This  
17 is Gloria. I'm sorry, I have a cold.

18 CHAIRMAN LEVI: All in favor?

19 (A chorus of ayes.)

20 CHAIRMAN LEVI: Any opposition?

21 (No response.)

22 CHAIRMAN LEVI: Thank you, everybody.

1 Public comment?

2 MR. SAUNDERS: No, sir.

3 PRESIDENT FORTUNO: We will now put this on  
4 letterhead and arrange for the chairman's signature to  
5 be affixed, and then we will see to the delivery of  
6 this report along with the IG's SAR as one package  
7 delivered to the appropriate committees and  
8 subcommittees of Congress.

9 CHAIRMAN LEVI: Sounds good to me.

10 So now we have to consider and act on whether  
11 to authorize an executive session of the Board to  
12 address the items listed below in the closed session.  
13 And if I hear a motion and we approve it, then we all  
14 have to hang up and redial into the closed number.

15 M O T I O N

16 DEAN MINOW: So moved. Martha Minow.

17 MS. REISKIN: Where is that number? I cannot  
18 find it.

19 CHAIRMAN LEVI: On the same page as the other  
20 number. It's just next to it.

21 So moved. Second?

22 MS. REISKIN: Second.

1           CHAIRMAN LEVI: All in favor?

2           (A chorus of ayes.)

3           CHAIRMAN LEVI: All right. See you in a  
4 second.

5           (Whereupon, at 11:43 a.m., the Board adjourned  
6 to executive session.)

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