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LEGAL SERVICES CORPORATION

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MEETING

OF THE

BOARD OF DIRECTORS

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COLUMBIA ROOM  
HYATT REGENCY WASHINGTON  
400 NEW JERSEY AVENUE, N.W.  
WASHINGTON, D. C.

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THURSDAY, DECEMBER 16, 1982

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BOARD MEMBERS PRESENT:

- WILLIAM F. HARVEY Chairman
- DONALD P. BOGARD
- CLARENCE V. MC KEE
- HAROLD DE MOSS
- ROBERT STUBBS
- GEORGE E. PARAS
- WILLIAM J. OLSON
- HOWARD H. DANA, JR.
- ANNE L. SLAUGHTER
- DAVID SATTERFIELD
- FRANK DONATELLI
- DAN RATHBUN

A G E N D A

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PAGE NO.

Adoption of Agenda	4
Executive Session pursuant to Federal Register Notice	6
Public Comments	24
Introduction of Legal Services Corporation President, Donal P. Bogard	42
Approval of minutes of October 29 & 30, 1982 Board Meeting	42
Board action on Committee Recommendations	
Grant terms and conditions - Mr. McKee	47
Funding allocations	55

P R O C E E D I N G S

1  
2 CHAIRMAN HARVEY: The 28th meeting of our Board  
3 in 1982 is about to convene. Our purpose here on this  
4 day and tomorrow is to support and fund a program of  
5 legal services.

6 Our Board is most supportive of it and has been  
7 dedicated to it, and on these important days, we intend  
8 to see that our contracts and the contracts with the field  
9 programs and the agencies so dependent upon us are granted  
10 and delivered.

11 If the members of the Board would please turn  
12 to our tentatively revised agenda -- I think the members  
13 have before you the Board book -- please turn to our  
14 tentative revised agenda.

15 The Chair will entertain a motion for the adop-  
16 tion of the tentative revised agenda as the agenda for  
17 our meeting.

18 MR. PARAS: So moved.

19 MR. DONATELLI: Second.

20 CHAIRMAN HARVEY: The motion has been made and  
21 seconded to adopt the tentative revised agenda. A dis-  
22 cussion of the motion.

23 MR. DANA: Mr. Chairman?

24 CHAIRMAN HARVEY: Howard?

25 MR. DANA: May I inquire as to the purpose of the

1 Executive Session, which is the next item on our agenda?

2 CHAIRMAN HARVEY: Yes, you certainly can. The  
3 purpose of the Executive Session is principally to discuss  
4 litigation in which we are now involved. I have a sub-  
5 stantial amount of information to relate to the Board on  
6 that subject, from our attorneys, and other personnel  
7 matters which will be raised at that time.

8 MR. DANA: Mr. Chairman, there are probably  
9 several hundred people here and, if it relates to litiga-  
10 tion and other personnel matters, I would move that item  
11 2 on the agenda be placed after item 5, and that we take  
12 it up at the end of the day.

13 (Applause.)

14 CHAIRMAN HARVEY: All right. Discussion on the  
15 amendment?

16 (No response.)

17 Hearing none, those in favor signify by saying  
18 aye.

19 (Chorus of ayes.)

20 CHAIRMAN HARVEY: Opposed, same sign.

21 (Chorus of nos.)

22 CHAIRMAN HARVEY: Division, please? Those in  
23 favor, raise their hands.

24 (Show of hands.)

25 Those opposed, same sign.

1 (Show of hands.)

2 The amendment fails. Those in favor of the  
3 motion, signify by saying aye.

4 (Chorus of ayes.)

5 Those opposed, same sign.

6 (Chorus of ayes.)

7 The Chair rules that the motion passes. The  
8 Board will recess to its Executive Session, and return  
9 when that business is completed.

10 VOICE: Mr. Chairman, I would like to speak  
11 before the Board goes into Executive Session.

12 MR. PARAS: Point of order, Mr. Chairman.

13 CHAIRMAN HARVEY: Yes?

14 MR. PARAS: I don't believe we -- I believe you  
15 need a formal motion to go into Executive --

16 CHAIRMAN HARVEY: We have adopted the agenda.

17 MR. PARAS: We have adopted the agenda, but now  
18 we need the formal motion.

19 CHAIRMAN HARVEY: Do you present a motion to  
20 that effect?

21 MR. PARAS: -- and I do present such a motion,  
22 which I understand is very technical in nature, and I will  
23 need a little help on the specific terms, the magic words  
24 that that motion must contain, but please incorporate them  
25 into my motion.

1 CHAIRMAN HARVEY: This is correct. Is there a  
2 second to this?

3 MR. DONATELLI: Second to what?

4 CHAIRMAN HARVEY: To go into Executive Session.

5 MR. DANA: I am concerned about the subject  
6 matter that we would undertake in that Executive Session,  
7 and I am -- I understand that one of the subjects is the  
8 lawsuit, but you have alluded to several others, and I  
9 want to be sure that it is clear what --

10 CHAIRMAN HARVEY: Howard, I will explicitly  
11 state it for you, as of now.

12 MR. DANA: Fine.

13 CHAIRMAN HARVEY: You will note that in your  
14 agenda, a portion of the meeting will be closed so that  
15 the Board can discuss, number one, litigation; number two,  
16 personnel matters.

17 Closing of the meeting under these circumstances  
18 is authorized by 45 CFR 1622.5(a) and (e) and (h). The  
19 motion for Executive Session has been made and has been  
20 seconded.

21 VOICE: Mr. Chairman, I would like to speak  
22 on that motion.

23 CHAIRMAN HARVEY: Just a moment, please, Miss.

24 It has been moved and seconded that a portion --

25 VOICE: Mr. Chairman, I would like to speak on

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1 the motion, please. I am one of a body of persons that  
2 has come here to address this Board. This is a public  
3 group, and we have the right to address it, and we would  
4 like to have the opportunity to address it. May I have  
5 the floor, please?

6 CHAIRMAN HARVEY: I will call on you in due  
7 course. Thank you.

8 VOICE: Mr. Chairman, I would like to talk to  
9 you before that vote because I feel that it is very vital  
10 that we at least have some opportunity for democracy here,  
11 that we get to speak before you take the vote.

12 After the vote, there is no sense in speaking  
13 about a motion.

14 CHAIRMAN HARVEY: Madam, I am required to read  
15 the following statement to you. It has been moved and  
16 seconded that a motion -- that a portion of this meeting  
17 be closed so that the Board can discuss litigation and  
18 personnel matters.

19 45 CFR 1622.6 states that no portion of any  
20 meeting shall be closed to public observation "except by  
21 recorded vote of a majority of the members".

22 As your name is called, please vote on this  
23 motion.

24 VOICE: Mr. Harvey, I would like to speak before  
25 you take a vote of the Board. I mean, you know, it makes

1 no sense for you to sit there and talk about motions, if  
2 you don't give the public an opportunity to speak.

3 I think we have a right to find out what you plan  
4 to do in Executive Session, and we'd like to have our say  
5 before you take that vote.

6 CHAIRMAN HARVEY: Mr. Cook --

7 VOICE: Especially when it regards the personnel  
8 matters that are going to be considered that consider,  
9 among other things, Mr. Bogard accepting the contract as  
10 President of the Corporation.

11 I think this audience here and the clients  
12 here have a right to know what specifically will be in-  
13 cluded on the agenda in the Executive Session to which the  
14 public is barred.

15 (Applause.)

16 CHAIRMAN HARVEY: You do, indeed, and when we  
17 return from this session, we will be happy to explain it  
18 to you in great detail.

19 VOICE: Mr. Chairman --

20 CHAIRMAN HARVEY: The Chair rules that the  
21 question was called for, and I want to proceed to a vote.

22 VOICE: Mr. Harvey, the Bogard contract is no  
23 longer an Executive Session matter. It is common knowl-  
24 edge. It is even up on the Hill. I don't see why you've  
25 got to go into Executive Session to discuss this contract.

1 It is common knowledge to everybody in this room, every-  
2 body across the country.

3 CHAIRMAN HARVEY: The question has been called  
4 for. Mr. Donatelli, how do you vote?

5 MR. DANA: Excuse me, Mr. Chairman, may a Board  
6 member inquire --

7 CHAIRMAN HARVEY: Howard, I am calling for a  
8 vote.

9 MR. DANA: May a Board member ask a question?

10 CHAIRMAN HARVEY: Yes.

11 MR. DANA: Will General Counsel be permitted to  
12 remain with us throughout the Executive Session, to advise  
13 us as to whether or not we are acting legally under the  
14 law?

15 CHAIRMAN HARVEY: I think that the Board should  
16 determine that in Executive Session, and call General  
17 Counsel if that is the determination.

18 MR. DANA: Mr. Chairman, unless our General  
19 Counsel is with us, I will vote against this motion for  
20 that reason, and that reason alone. I will vote against  
21 the motion anyway, but I urge my fellow Board Members to  
22 make sure they have a lawyer with them before we go into  
23 Executive Session.

24 CHAIRMAN HARVEY: All right. I appreciate your  
25 advice. Mr. Donatelli?

1 VOICE: Mr. Harvey, because this decision will  
2 affect clients, we also ask that clients, at least two  
3 clients, be allowed into the Executive Session meeting.

4 MR. DONATELLI: Yes.

5 CHAIRMAN HARVEY: Mrs. Slaughter?

6 MRS. SLAUGHTER: No.

7 CHAIRMAN HARVEY: Mr. Olson?

8 MR. OLSON: Yes.

9 CHAIRMAN HARVEY: Mr. Paras?

10 MR. PARAS: Are you calling, sir?

11 CHAIRMAN HARVEY: Yes.

12 MR. PARAS: I am in favor.

13 CHAIRMAN HARVEY: Mr. DeMoss?

14 MR. DE MOSS: No.

15 CHAIRMAN HARVEY: Mr. McKee?

16 MR. MC KEE: Aye.

17 CHAIRMAN HARVEY: Mr. Stubbs?

18 MR. STUBBS: Aye?

19 CHAIRMAN HARVEY: Mr. Dana?

20 MR. DANA: No.

21 CHAIRMAN HARVEY: Mr. Satterfield?

22 MR. SATTERFIELD: Aye.

23 CHAIRMAN HARVEY: Mr. Rathbun?

24 MR. RATHBUN: Aye.

25 CHAIRMAN HARVEY: The vote is sustained, for

1 Executive Session. The rule is now to charge that Mary  
2 Wieseman, the Acting General Counsel of the Corporation,  
3 with the duty to certify publicly that the meeting is  
4 closed, stating the relative exemptions. Mary Wieseman.

5 VOICE: Mr. Chairman, your Executive Session  
6 affects me and is a part of what is happening to me and  
7 others across the nation.

8 If you go into Executive Session, clients should  
9 be able to go in their with you and hear the decision that  
10 is being made about them.

11 And I am a client, and I insist to be a part  
12 of the Executive Session.

13 CHAIRMAN HARVEY: Ladies and gentlemen, I think  
14 you will find we have very good news to report when this  
15 session is concluded.

16 VOICE: Mr. Harvey --

17 CHAIRMAN HARVEY: Mrs. Hamilton, I have called  
18 upon Mary Wieseman to speak, and she has to certify the  
19 closing of the portion of the meeting under 45 CFR 1622.5  
20 (a), (e) and (h). Mary, do you so certify?

21 VOICE: No.

22 MR. DANA: Mr. Chairman, may I ask a question  
23 of our General Counsel before she reads her decision?

24 CHAIRMAN HARVEY: Well, the vote has been taken,  
25 and I want the General Counsel --

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1 MR. DANA: I understand, but may I ask a question  
2 of our lawyer?

3 MR. OLSON: I would urge we proceed to get the  
4 ruling, if that is the next order of business.

5 MR. DANA: Well, as soon as we have the ruling  
6 we will adjourn, and I would like to ask a question in  
7 the open meeting of our lawyer.

8 CHAIRMAN HARVEY: Just a moment. Mary, I am  
9 calling upon you for your ruling.

10 VOICE: Mr. Harvey, LeaAnne came in here and tried  
11 to run the press out before the meeting started because  
12 she didn't want the press here, now you come in and go  
13 into Executive Session. What are you trying to do,  
14 exclude us from what you are doing?

15 VOICE: Right.

16 VOICE: It's all open. You don't have to go  
17 into Executive Session because you testified before the  
18 Congressional Committee about a lot of this stuff you  
19 are going into Executive Session to talk about, and  
20 another thing that's open to the nation.

21 MS. WIESEMAN: The General Counsel is required  
22 to certify that under the statutory standards that the  
23 Executive Session may be held. There has been a vote by  
24 the Board to hold the Executive Session, by a majority  
25 of the Board.

1 I certify that insofar as the Executive Session  
2 relates solely to internal personnel rules and practices  
3 of the Corporation, it may be closed to the public; and,  
4 insofar as it specifically concerns the Corporation's  
5 participation in civil action or proceeding, it may be  
6 concluded in Executive Session.

7 CHAIRMAN HARVEY: Thank you. We will proceed  
8 now to our Executive Session and return shortly.

9 MR. DANA: May I have an opportunity to ask a  
10 question at this time?

11 CHAIRMAN HARVEY: Yes, of course, Howard.

12 MR. DANA: Mary, can we discuss, appropriately  
13 discuss in Executive Session, the terms and conditions of  
14 the contract with -- that has been entered into with the  
15 President of the Corporation, a matter which is now of  
16 public record?

17 MS. WIESEMAN: In my opinion, Mr. Dana, the  
18 question that that contract would not relate entirely  
19 to internal rules and practices of the corporation.

20 MR. DANA: So that we could not discuss it in  
21 Executive Session?

22 MS. WIESEMAN: If that is the subject of  
23 Executive Session.

24 MR. DANA: Thank you.

25 CHAIRMAN HARVEY: Members of the Board, we will

1 now proceed to our Executive Session.

2 VOICE: Dean Harvey, if I may, before you pro-  
3 ceed --

4 CHAIRMAN HARVEY: We will return to your com-  
5 ments in just a moment.

6 VOICE: -- just so there is clarification for  
7 the hundreds of people who have traveled, some from all  
8 across this country and Puerto Rico, to participate in  
9 this meeting, I think we are owed a minimal amount of  
10 respect and answers to some very simple questions.

11 One, as a result of Mr. Dana's question and  
12 Ms. Wieseman's response, are we to assume that nothing  
13 will be discussed in this Executive Session except  
14 litigation?

15 CHAIRMAN HARVEY: We will be happy to give you  
16 a report on the Executive Session as soon as we return.

17 VOICE: Dean Harvey, my sense is that if people  
18 are truly concerned, on the Board, about the views of the  
19 people in the Legal Services community, that they would  
20 choose to hear from the Legal Services community on the  
21 issues, before they deliberate.

22 Unfortunately, when we are left constantly in  
23 the dark, have no idea what you choose to discuss in  
24 Executive Session, we cannot participate in a meaningful  
25 fashion.

1           Forget technicalities. As a matter of basic  
2 human respect for other people -- clients, workers and  
3 people that care about this program -- I would ask that  
4 you answer our question honestly and openly, what are  
5 the topics you are going to discuss in the meeting?

6           If they involve Mr. Bogard, there are a large  
7 number of people here who you should hear from prior to  
8 making a decision on his contract.

9           CHAIRMAN HARVEY: Thank you. We will announce  
10 the topics when we return. That is the purpose of the  
11 Executive Session, and we will return very quickly, if  
12 possible.

13          VOICE: Dean Harvey, it is not the purpose of the  
14 Executive Session not to announce to the public what you  
15 are going to discuss in the Executive Session.

16          VOICE: I think there is also a basic question  
17 that we have a Board that has two more days of power.--

18          VOICE: I feel like I'm being denied my con-  
19 stitutional rights.

20          VOICE: -- who is attempting to act and bind  
21 Legal Services programs for years to come. One of the  
22 facts considered is Mr. Bogard's contract, providing  
23 him benefits for 1983, though this Board only has power  
24 to sit one more day and a half.

25           (Whereupon, at 2:30 p.m., the Board of Directors

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1 went into Executive Session.)

2 (Whereupon, at 3:55 p.m., the Board of Directors'  
3 meeting was reopened.)

4 CHAIRMAN HARVEY: Ladies and gentlemen of the  
5 audience, the Board is now reconvened after its Executive  
6 Session.

7 The Chair is pleased to announce the following  
8 decisions, or report on the Executive Session, first, that  
9 the Board discussed the litigation pending against it in  
10 the United States District Court and the United States  
11 Court of Appeals for the District of Columbia, brought  
12 by certain plaintiffs upon the advice of counsel.

13 Secondly, the Board discussed a personnel  
14 matter concerning one prominent officer in the Corporation.  
15 There was one other personnel matter discussed, and the  
16 Board moved forth, the Board moved in Executive Session  
17 not to discuss in Executive Session President Bogard's  
18 contract, but rather to bring that question from Executive  
19 Session to the floor at this time.

20 Mr. Paras, I recognize you.

21 MR. PARAS: Thank you, Mr. Chairman. I believe  
22 we are all familiar with the fact that --

23 CHAIRMAN HARVEY: You have a motion to present?

24 MR. PARAS: Yes, I have a motion to present.

25 A contract was executed on November 10, 1982, a letter

1 contract between Donald Bogard, as President of this  
2 Corporation, and William Harvey, as Chairman of the Board  
3 of Directors, in behalf of this Corporation.

4 I now move that that contract, which is in  
5 writing and with which we are all very familiar, be approved,  
6 ratified and confirmed.

7 CHAIRMAN HARVEY: Is there a second to that  
8 motion?

9 MR. OLSON: Second.

10 CHAIRMAN HARVEY: The motion is made and  
11 seconded, Mr. Paras' motion. Any discussion?

12 MR. DONATELLI: Mr. Chairman?

13 CHAIRMAN HARVEY: Mr. Donatelli?

14 MR. DONATELLI: Would Mr. Paras accept a friendly  
15 amendment, to change the wording? Would the maker of  
16 the motion accept a friendly amendment, to change the  
17 word "ratify" to "re-ratify"? There are many of us that  
18 believe that this is a binding contract already, and so  
19 the word "ratify" has an unnecessary connotation.

20 MR. PARAS: Oh, yes.

21 CHAIRMAN HARVEY: Did you second the motion?

22 MR. OLSON: I seconded the motion, and that's  
23 acceptable to me, sir.

24 CHAIRMAN HARVEY: Very well. The motion made --

25 VOICE: Before passage of the motion, could I

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1 e heard, please?

2 CHAIRMAN HARVEY: George, would you reread your  
3 motion, please, for the full house?

4 MR. PARAS: The motion is that the contract, in  
5 writing, the letter agreement, executed on November 10,  
6 1982, by this Corporation, through its Chairman, Mr. William  
7 Harvey, with Donald Bogard, as the President of the Corpora-  
8 tion, be approved, reapproved, ratified and confirmed.

9 CHAIRMAN HARVEY: Re-ratified, you said?

10 MR. PARAS: I said ratified and re-ratified,  
11 just to make --

12 CHAIRMAN HARVEY: You also said earlier, I think,  
13 George, that William Harvey acted on behalf of the Board.

14 MR. PARAS: All right.

15 CHAIRMAN HARVEY: That's your motion?

16 MR. PARAS: My motion is, re-ratified.

17 CHAIRMAN HARVEY: I understand. Discussion,  
18 members of the Board?

19 MR. MC KEE: I will make one little point. I  
20 find it ironic that we are sitting here, as a Corporation,  
21 trying to distribute \$210 million to about 70 million  
22 clients around the country and about 6,000 lawyers, and  
23 we are getting bogged down now on about 10 or 11 pieces  
24 of paper and one individual.

25 I would hope we could move on, seriously, and

1 get this done.

2 VOICE: That one individual, sir, is the reflec-  
3 tion of the Legal Services community.

4 CHAIRMAN HARVEY: Just a minute. Your comments  
5 are out of order.

6 VOICE: That person is a reflection of the ideals  
7 of that community, and I would respectfully request that  
8 this audience have an opportunity to speak to that decision.

9 MR. OLSON: Mr. Chairman, could I ask that that  
10 microphone not be turned on during the public portion --

11 (Applause.)

12 CHAIRMAN HARVEY: Are there further comments  
13 from the Board? Mr. Dana?

14 MR. DANA: Will the public have an opportunity  
15 to speak on this before we vote?

16 CHAIRMAN HARVEY: Well, Mr. Dana, do you have  
17 comments on the motion? The Chair will rule on that in  
18 just a moment.

19 MR. DANA: I have a question that I would  
20 address to the Chair, and that is, would the public have  
21 an opportunity to speak on this before we vote?

22 CHAIRMAN HARVEY: The Chair will defer a ruling  
23 on that, or answer that, until the Board has discussed  
24 the contract, the motion.

25 Any further comments from --

1 MR. DE MOSS: Mr. Chairman, I didn't hear the  
2 last -- you said you would defer the public --

3 CHAIRMAN HARVEY: I said I would defer answering  
4 Howard Dana's question until the rest of the Board has  
5 had an opportunity to comment or discuss the motion.

6 MR. DE MOSS: I would like to move that we permit  
7 the public discussion on this amendment, limited in time  
8 and with some maximum time limit, which I would propose  
9 to, say, 15 minutes, for purposes of hearing from the  
10 public on this subject.

11 MRS. SLAUGHTER: I second that motion.

12 CHAIRMAN HARVEY: All right. Harold, may I ask  
13 you a question?

14 MR. OLSON: Perhaps the making of a motion at  
15 a time when another motion is on the floor may be out of  
16 order. Could we just do that by consent, that everyone  
17 would have one minute, not to exceed 15 in total, for  
18 public comment on this matter, before we vote, and I would  
19 certainly agree.

20 CHAIRMAN HARVEY: I appreciate your suggestion.  
21 I think the motion is incompatible with the pending motion,  
22 but I am most desirous to proceed to public discussion.

23 Now, Harold, you said a certain time, a maximum  
24 of 15 minutes, that's the spirit of what you said, and I  
25 am sure there are several individuals who want to talk --

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1 MR. DE MOSS: And I am sure there are probably  
2 as many as 15 out there that would like to talk, and I  
3 think, therefore, that one minute apiece is probably a  
4 fair allocation of that time.

5 CHAIRMAN HARVEY: I will do my best.

6 MR. DE MOSS: And I don't mean to intrude on the  
7 order of business of commentary by the Board first, but  
8 I would hope that this would be understood, that this  
9 public commentary would be available before a vote by the  
10 Board, if you prefer to have the Board speak first.

11 CHAIRMAN HARVEY: I would prefer to have the  
12 Board speak and that's the procedure I have established,  
13 and then once we have made our statements, I would like  
14 to have the public comment. So I want to ask if there  
15 are any further comments from the Board before we turn to  
16 the public?

17 MR. PARAS: Mr. Chairman, yes, very briefly,  
18 in support of my own motion, I will say that we had a  
19 committee, a committee of the whole, for the selection of  
20 this President, of a president.

21 It was chaired very ably by Howard Dana, and it  
22 went through -- it screened 350 applications, and screened  
23 them carefully. Countless hours were put in on that  
24 screening by the Board. Countless hours were put in by  
25 advisors that we asked from the outside, from you members

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1 of the public to come in and comment on the candidates.

2 We kept reducing and reducing and reducing, and  
3 finally we selected, out of that group, a candidate for  
4 whom I make absolutely no apology, a candidate who had  
5 every qualification to serve this Board just as much as  
6 his predecessors, including Tom Erlich.

7 Now, my friends, Tom Erlich is one of my very  
8 dear friends --

9 CHAIRMAN HARVEY: My dear colleague, I know  
10 Dean Erlich well myself, and I know he's a good friend  
11 of yours and several of ours, but any other comments --

12 MR. PARAS: I will stop right here. I will say  
13 that we have been through all this. We have selected a  
14 President, and so far as I am concerned, you should support  
15 him just the way we support him.

16 CHAIRMAN HARVEY: All right. Hearing no further  
17 comments from the Board --

18 MR. DE MOSS: Mr. Chairman, I would like -- since  
19 this will be the opportunity of the Board to speak, I have  
20 no problem with the selection of Mr. Bogard nor his quali-  
21 fications and abilities to serve this Corporation.

22 The problem that I have is that in my recollec-  
23 tion, the negotiation of the terms of his contract was not  
24 accomplished in the manner in which I had expected it to  
25 be, i.e., it is my recollection that there was a committee,

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1 as I remember it, of Mr. Dana, Clint Lyons and yourself,  
2 that were designated to negotiate with Mr. Bogard about  
3 the terms of his contract, and then there was to be some  
4 sort of a report to the Board about the result of those  
5 negotiations.

6 It is my understanding that that procedure, as  
7 I understood it to have been adopted at the last meeting  
8 of the Board, has not been followed, and part of the  
9 problems of the controversy that we have today I think may  
10 be the result of that.

11 And for that reason, I intend to vote against  
12 ratification of this contract, not as -- (applause) --  
13 not as any reflection whatsoever on Mr. Bogard or his  
14 capabilities, but simply on the matter that the terms of  
15 the contract were not what I thought were going to be  
16 approved in advance by this Board.

17 CHAIRMAN HARVEY: All right. The Chair recog-  
18 nizes the first speaker.

19 VOICE: Mr. Harvey, I am Arthur Von Keller,  
20 Western Kentucky Legal Services.

21 I would like to express, individually and on be-  
22 half of the Legal Services community, its sense of almost  
23 deep regret and grief over the choice of Mr. Bogard as  
24 President of the Legal Services Corporation because we  
25 feel that this decision, in four distinct phases, shows

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1 an indication from this Board, of them having not, at their  
2 hearts, the true interest of Legal Services.

3 The selection process, itself, excluded consci-  
4 ously large segments of the poverty community, the National  
5 Clients Council, the National Legal Aid and Defender  
6 Association, the Project Advisory Group.

7 In essence, the Legal Services community was  
8 told, "We don't want your input. We are capable, despite  
9 the fact that we have no legal services experience, we  
10 are capable in making this decision ourselves".

11 Secondly, not only was the Legal Services com-  
12 munity was excluded, the client community excluded, but  
13 the qualification process was such that we are now being  
14 told that a gentleman like Mr. Bogard, who I am sure is  
15 an outstanding attorney but who has not one scintilla of  
16 experience with legal services work, poverty issues other  
17 than, of course, representing parties on the other side,  
18 no experience whatsoever, has been chosen to be the top  
19 Legal Services head in this country representing impoverished  
20 people.

21 Thirdly, we have been told through the negotia-  
22 tion of terms, that this Board, itself, was avoided and  
23 excluded. The negotiation of terms occurred not with the  
24 Acting President of the Corporation, not with the Chairman  
25 of the Search Committee, but with the Chairperson of the

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1 Board and Mr. Bogard, to the exclusion of everybody else.

2 And what we are faced with in a time of poverty,  
3 10.5 percent unemployment, Legal Services programs cutting  
4 back their staffs, clients turned away from the door, is  
5 what is termed as a "sweetheart" contract, a contract  
6 that provides that no matter what a future Board may do  
7 with reference to Mr. Bogard, no matter what may happen  
8 politically, he is guaranteed a year's employment at a  
9 lucrative salary, with fringe benefits that are, in the  
10 very basic, obscene. Thank you.

11 (Applause.)

12 CHAIRMAN HARVEY: Yes, ma'am. Would the speaker  
13 identify herself, please?

14 VOICE: Mr. Chairman, my name is Nell Holly. I  
15 am a Legal Services client.

16 I am very concerned with the decision that the  
17 Board is making today. I would like to ask the Board to  
18 seriously consider what criteria they use to evaluate  
19 Mr. Bogard's competence and quality to take the lead in  
20 a program that has to represent me.

21 I'd like to know if the Board has resolved the  
22 probable or potential Mr. Bogard brings to this program,  
23 as we presented to you at previous committee meetings and  
24 requested that you look into.

25 I am real concerned that, in fact, Mr. Bogard

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1 will find it difficult to change boats, or to do a 180  
2 degree turn from one day to the next. I do not believe  
3 that can happen.

4 I have not seen that happen with certain members  
5 of this Board in terms of their philosophical approach  
6 to access to justice for poor people, and I do not believe  
7 that Mr. Bogard has that capacity either.

8 I ask you to seriously consider the actions you  
9 are taking today.

10 (Applause.)

11 CHAIRMAN HARVEY: Thank you, Ms. Holly. Would  
12 this gentleman identify yourself, please?

13 VOICE: My name is Jim Graude, of the National  
14 Organization of Legal Services Workers of District 65 of  
15 the UAW.

16 I am a lawyer who practiced in Legal Services  
17 for close to eight years, and one has a tendency, as a  
18 lawyer, to make legal arguments about these kinds of  
19 questions.

20 And the question of the Board and Board Members  
21 fiduciary responsibility, picking a man when your terms  
22 are about to expire in probably 48 hours, who may be with  
23 us for two years, and if he is not with us for two years,  
24 may leave us with a 12-months' severance severe economic  
25 penalty is very compelling for someone who is a lawyer to

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1 make those kinds of arguments, to say you are not exercising  
2 a fair duty of care, not exercising reasonableness, not  
3 exercising a certain loyalty, a legal loyalty to the Corpora-  
4 tion you are entrusted with.

5 Most of the case law on this point speaks too  
6 there being if there are compelling reasons to do such a  
7 thing, to bind your successors who will take office some-  
8 time in the future, fine.

9 Are there compelling reasons? Clearly not. A  
10 temporary President could clearly fill this period, as  
11 Clint Lyons so ably did.

12 Two, if a president has had a long distinguished  
13 career with an agency is often understandable, says the  
14 case law, to continue his term and bind your successors.  
15 None of those conditions exist here.

16 But after a minute, resisting the notion to play  
17 lawyer, I'd like to say that the deeper issue and one that  
18 you have all got to find very, very compelling is that  
19 through no fault of Mr. Bogard's, at least in the selection  
20 process -- putting aside his past experience with Stokely-  
21 Van Camp, putting aside his representation of the other  
22 side in lawsuits we've been involved in -- there is no  
23 confidence in the Legal Services community, people who  
24 work in it, people who are served in it, in Mr. Bogard's  
25 selection.

1           Very briefly, and I will conclude so others can  
2 follow me, one, it does go to the selection process and,  
3 very frankly, gentlemen and Ms. Slaughter, it is really  
4 scandalous that such a clear, clear resolution of this  
5 Board was so flagrantly violated by Dean Harvey.

6           And the notion right now that you will ratify  
7 what I perceive to be an act in clear violation of your  
8 own decision is something you are going to have to live  
9 with.

10           We are not going to forget it and, more impor-  
11 tantly, you are not going to forget it.

12           And in closing, what I would like to say is, as  
13 a Legal Services worker, what one often hears is the  
14 horrible nightmares about the things that we supposedly  
15 do -- the illegal representation we supposedly do, which  
16 we don't; clients who are over income eligibility whom we  
17 represent, which we don't; the horror stories, one after  
18 the other, from the Howie Phillippses and their friends.

19           The reality is the ultimate horror story is being  
20 perpetrated right now. The ultimate horror story with  
21 a Board who is under attack by the Congress of the United  
22 States and conceivably its own President of the United  
23 States, about consultant fees being taken; two, a level  
24 of income in a contract that maybe for a large corporation  
25 is reasonable but for a legal services corporation is an

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1 outrage when there are people in the programs making \$8-,  
2 \$9-, \$10,000 and, finally, I should say to you that despite  
3 the fact that I believe Dean Harvey and others, and Mr.  
4 Olson, said in front of Congress, "To recruit capable  
5 people on the Board, you've got to pay them something; to  
6 recruit capable people to the presidency, you've got to  
7 pay them a lot of money", I will tell you, I know hundreds  
8 of people in this room, and thousands of people out there,  
9 that would die to serve on this Board and that would die  
10 to be the President of this great, great institution that  
11 we will not let see die. Thank you.

12 (Applause.)

13 CHAIRMAN HARVEY: Next speaker identify herself,  
14 please.

15 VOICE: My name is Rose Marie Williams, and I  
16 am a client, and I hope to speak for all of the poor people  
17 who cannot come here and speak for themselves.

18 First of all, I'd like to know from the Board,  
19 how can you pay \$57,000 -- how can you pay \$57,000, un-  
20 limited travel expense, paid membership in a private club,  
21 and if you are fired or if you quit, six months' pay to  
22 a person -- a year's pay if you are fired, six months' if  
23 you quit, and you are saying that this person is going to  
24 represent me as a poor person, when Medicare-Medicaid --  
25 I'm sorry, but I'm nervous and I'm upset -- but legal

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1 services, all of these things that represent the needs of  
2 the poor are being cut, and you are giving this person  
3 everything you think he would like to do the job -- and  
4 I'm not blaming him because you are just polishing it up  
5 for him to do a good job -- not for us, I'm saying, but to  
6 do a good job for whoever is paying him to doing it for  
7 because you are not getting him to do the job to represent  
8 me and all the poor people I'm representing in the clients,  
9 and you're going to turn around and tell me I have to  
10 pay a dollar with Medicare.

11 As it is, most of the things that you get for  
12 Medicare and Medicaid, you've got to pay money as it is.  
13 You can't tell me that you represent me, there's no way.  
14 And then you turn around and you slap us in the face and  
15 tell us that we are not allowed the constitutional right,  
16 as a poor person, to hear what you're going to do to us.  
17 You're going to go behind closed doors. Thank you.

18 (Applause.)

19 VOICE: I'm Mary Lanier. I am very disgusted  
20 with the decisionmaking. As far as Mr. Bogard is con-  
21 cerned, the job he left, I wonder why he left it because  
22 you certainly didn't leave it to serve me and others like  
23 me across the country.

24 When you come in with an added salary that I would  
25 call the service pay, and all the other added on, you know

1 -- you drove here, when you get here, you use a taxicab,  
2 you go in your little private recreation -- that's taking  
3 money out of the poor people's houses and their stomachs,  
4 too. You live in what I call the penthouse.

5 The only way I got here today is to come to tell  
6 you about yourself, and I don't expect to sleep in a bed  
7 here tonight.

8 The next thing I'd like to say, it is disgrace-  
9 ful. Is this what this country is really going to? It  
10 was stated that, you know, part of it is going to pot.  
11 Is this the kind of pots you all are setting up for poor  
12 people?

13 As I said, it is not constitutional to make laws  
14 for poor people, to make decisions for poor people without  
15 having them involved. And as far as I'm concerned, your  
16 very, very poor and disgraceful taste as to say that you  
17 are representing poor people when you are even asking that  
18 your return extra to go back home to visit your family,  
19 that it be a part of a tab to the Board, you are asking  
20 that when you come here to live and make your calls, that  
21 you can use your credit card and calculate some of your  
22 calls -- are all those calls pertaining to poor people?  
23 Is the conversations at your recreation are that you are  
24 discussing how much farther you are going to oppress poor  
25 people, how much you are going to put a blade under their

1 throats?

2 Is this a part of you living in luxuries and  
3 destroying babes, elderly people, the handicapped and  
4 all the other poor people?

5 I think, again, as I told you, start doing  
6 some soul-searching. And as you told the congressional  
7 that you were here at this hotel because of the threats  
8 that were made on your life, and that you were afraid for  
9 your life, I'm saying that if this is a threat, I still  
10 say, do soul-searching or else God is going to move you  
11 off that Board, one way or the other.

12 (Applause.)

13 CHAIRMAN HARVEY: Mary Ellen, would you please  
14 limit your comments to one minute. We have others behind  
15 you who want to speak, and our time is about out.

16 VOICE: My name is Mary Ellen Hamilton. I, like  
17 DeMoss, am very much concerned more about the ratification  
18 of this contract. All but two people on that Board is  
19 supposed to be a lawyer, supposed to be -- I don't know.

20 I am concerned about how the contract was -- if  
21 you can undo minutes that has been done. And I need some-  
22 body to explain to me. I've been trying to get answers,  
23 and I haven't been able to get answers.

24 As Mr. DeMoss talked about, Mr. Lyons and Mr.  
25 Dana was supposed to be a part of the ratification of the

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1 contract -- not the ratification -- was supposed to be a  
2 part of the negotiation of the contract.

3 Mr. Harvey, I've been through the book, through  
4 the minutes, through the transcript, and what you tried  
5 to say was a lie in my book. Now, I don't know about your  
6 book, but it was a lie in my book.

7 (Applause.)

8 I don't know if Mr. Donatelli is going to sit  
9 there and let you make him look like a fool, but you  
10 ain't going to make me look like one. The fact is the  
11 minutes said that Mr. Dana, Mr. Clint Lyons was supposed  
12 to go with you to negotiate this contract.

13 I personally want to ask, as a client and can  
14 prove I'm a client, is this a valid contract, before this  
15 Board acts on it because if it is not a valid contract,  
16 then this Board is out of compliance with their own  
17 minutes. You might have tried to change it, but you didn't  
18 change mine.

19 I'm concerned, I'm very concerned.

20 CHAIRMAN HARVEY: Mary Ellen, your time has  
21 expired.

22 CHAIRMAN HARVEY: I'll take your minute. I'm  
23 very concerned, Mr. Harvey, about the fact that you are  
24 Dean of a law school. My minute is not going on because  
25 you all are talking. That don't count.

1 I give you courtesy when you are talking, and  
2 I expect the same out of you, Mr. McKee and Mr. Harvey.

3 I'm concerned. I don't blame Mr. Bogard. If  
4 somebody gave me a sweetheart of a contract, I'll grab  
5 it, too, but I'm very concerned. What are you making us  
6 pay for?

7 And on top of what are you making us pay for,  
8 Mr. Bogard sat there in front of the congressional  
9 representative yesterday and told him he didn't even know  
10 nothing about class action. And don't tell me you can  
11 learn about it in a day, like he said he was going to do.

12 And that's what he said, when he come here he  
13 was going to be all on top of it. I'm concerned if this  
14 Board is really concerned about what they are doing to me.  
15 And every client in this room wants to know the same  
16 question.

17 Mr. Harvey, do you care? Are you concerned,  
18 as you said at the beginning of the meeting -- "I am very  
19 concerned about the dedication of this program and the  
20 success of this program". Is that a quote of yours, and  
21 do you really mean it?

22 (Applause.)

23 CHAIRMAN HARVEY: We have one more minute. Your  
24 name, please?

25 VOICE: My name is Christopher Whittingham. I

1 am an attorney with the Neighborhood Legal Services Program  
2 of the District of Columbia.

3 I see you took your coat off, Mr. Harvey. Does  
4 that mean you are warm? It's warm in here. You probably  
5 will be warm tonight, too.

6 Let me tell you something. My clients aren't  
7 warm because they don't have any heat. Do you know why  
8 they don't have any heat? Because they don't have any  
9 money, because they are poor people.

10 I tell you, for this Board to ratify this  
11 contract with all these benefits in it, would be a most  
12 contemptuous act. It would spit on the face of our clients  
13 that don't have any heat, that don't have any money, that  
14 can't join a private club, that can't go and stay in the  
15 Watergate.

16 Aren't you embarrassed with this contract?  
17 My boss would fire me if I negotiated such a contract.

18 (Applause.)

19 CHAIRMAN HARVEY: I think this lady should be  
20 recognized also. Please go ahead.

21 VOICE: My name is Juanita Horton, and I'm a  
22 client.

23 I'm here today because I felt that it was  
24 necessary that I come. I wanted to see what the Board  
25 was all about, but I'm very ashamed that I'm here. But

1 first of all, I want to say something that was threaten-  
2 ing to you before.

3 First of all, I'm a born-again Christian, and  
4 I would like to say to you, search your souls because in  
5 a country where you start out very affluent and you end  
6 up on the welfare role, you'd better be very careful. You  
7 might know one day what it feels like to need and to want.  
8 because no one is immune from it.

9 You might have today, and in ten minutes you  
10 might not have. So, I would say to you all, be very  
11 careful what you do here today. Think before you make  
12 your decisions because it is very important to think and  
13 not just act because your friend wants you to act, but do  
14 it for yourself. Think for yourself, just one time,  
15 because it is very important.

16 Everybody needs, at some given time, and I'm  
17 afraid that you are going to need one day also. I know  
18 you are going to need because I am standing here -- I  
19 don't like to talk, but I'm telling you this, you're  
20 going to need, every one of you, you're going to need some-  
21 body sometime and somewhere. It may not be legal services,  
22 but you're going to need something because there's too  
23 many things happening nowadays, and think before you make  
24 this great decision you are trying to embark on this day.  
25 Thank you.

1           CHAIRMAN HARVEY: The last speaker is Jody Smith  
2 of the LADA and a member of the Advisory Panel to this  
3 Board.

4           MR. SMITH: Thank you. I've had an opportunity  
5 to address you before. I probably am going to take more  
6 than a minute this time because the first time I spoke,  
7 I assume it was because of the speed of my conversation  
8 that my thoughts and ideas were not understood, and I  
9 don't want to run that risk this time around.

10           As I spoke to you before, I pointed out to you  
11 the need to bring someone who had the capacity to be a  
12 cohesive force for this full community, who could not only  
13 listen to and feel a degree of accountability to you as  
14 the Board of Directors, but to the full Legal Services  
15 Community -- local programs, clients and friends of Legal  
16 Services.

17           It is shocking to me that you could consider  
18 Mr. Bogard for this position because, in the context of  
19 our Advisory Committee interview, he clearly indicated  
20 that he had accountability to only one group and that  
21 group is you, the Board of Directors; no accountability  
22 to local programs and no accountability to clients..

23           I'm also amazed that you could give him serious  
24 consideration because of his consistent lack of knowledge.  
25 During the course of our preliminary interview, he said,

1 "I don't know about legal services".

2 As I sat and listened to him in Congress the  
3 other day, he also said, "I don't know about legal services".

4 I would suggest to you that by tomorrow, he's  
5 not going to know about legal services; in fact, a year  
6 from now, he is not going to know about legal services.  
7 because he doesn't care about legal services.

8 Knowledge is not obviously a criteria that the  
9 majority of the Board places any value on.

10 And I would suggest to you that the minute  
11 limitation on me, the minute limitation on anyone else  
12 who chooses to speak is unnecessary and, quite frankly,  
13 it personifies a degree of arrogance which seems to  
14 accompany some people's perception that you now have  
15 power in an uncontrolled fashion.

16 But I'm here to tell you that this is a democracy,  
17 and that we are a part of this democracy. We are the  
18 people that pay your \$221 a day consultant fee. So, yes,  
19 you're going to listen to me because I am paying the  
20 bill. And as long as I pay the bill, you will listen.  
21 Thank you.

22 (Applause.)

23 CHAIRMAN HARVEY: Mr. Dana?

24 MR. DONATELLI: Mr. Chairman?

25 CHAIRMAN HARVEY: Mr. Donatelli?

1 MR. DONATELLI: Move the previous question.

2 CHAIRMAN HARVEY: The question has been called  
3 for. All those in favor, signify by saying aye.

4 (Chorus of ayes.)

5 CHAIRMAN HARVEY: Opposed, same sign.

6 (Chorus of noes.)

7 CHAIRMAN HARVEY: The motion is carried. Those  
8 in favor of Mr. Paras' motion as seconded, signify by  
9 saying aye.

10 (Chorus of ayes.)

11 CHAIRMAN HARVEY: Opposed, same sign.

12 (Chorus of noes.)

13 CHAIRMAN HARVEY: The motion is carried.

14 MR. DANA: I would call for a division.

15 CHAIRMAN HARVEY: Division is called for. Those  
16 in favor, signify by raising their hands.

17 (Show of hands.)

18 CHAIRMAN HARVEY: One, two, three, four, five,  
19 six, seven, eight.

20 Those opposed, by the same sign.

21 (Show of hands.)

22 The motion is carried by eight to two.

23 (Applause.)

24 We will proceed, ladies and gentlemen, members  
25 of the Board, to the introduction of the President of the

1 Legal Services Corporation, Mr. Donald P. Bogard, for  
2 a few, please, brief remarks. Mr. Bogard.

3 MR. DANA: Mr. Chairman, I think Ms. Slaughter  
4 wishes to speak.

5 MS. SLAUGHTER: I did not mean to vote for that.  
6 And the other thing I meant to say from the beginning --  
7 I let everybody speak -- is that I'm one of the ones that  
8 did not vote for Mr. Bogard from the start, and I wanted  
9 to bring to your attention the matter that you said that  
10 I was mistaken when I told you that Mr. Dana and Clint  
11 Lyons and yourself was supposed to go and negotiate this  
12 contract with Mr. Bogard.

13 You told me in a five-page letter that I was  
14 mistaken, that I didn't recall the facts, and that you did  
15 not take the time to read what the facts were. The fact  
16 did come out, and what I stated was true, that you had  
17 no authority to negotiate that contract with Mr. Bogard,  
18 from the start. And if that meant just now that I was  
19 voting to ratify his contract, I want to take my vote  
20 back because I will not, at no time, ever vote for Mr.  
21 Bogard.

22 (Applause.)

23 CHAIRMAN HARVEY: It is so recorded.

24 MS. SLAUGHTER: I want that to be on the record  
25 because I am not voting for it. I didn't at the beginning.

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1 and I'm not voting for it now.

2 CHAIRMAN HARVEY: Mrs. Slaughter, the Chair  
3 orders that the record shall so reflect your vote.

4 President Bogard, do you have a few comments?

5 MR. BOGARD: I am pleased to accept this position  
6 in spite of everything that has gone on. As I indicated  
7 earlier and several times in the past, I am pleased to  
8 accept this position in spite of everything that I have  
9 heard, and that I have continuously and repeatedly advo-  
10 cated the continuation of this program, making this program  
11 more efficient and more effective than it's been in the  
12 past, and I fully intend to do that.

13 CHAIRMAN HARVEY: Thank you, President Bogard.

14 Members of the Board, we will move on to item  
15 number 4, which is the approval of the Minutes of October  
16 29 and 30 of the Board meeting. Mr. Stubbs?

17 MR. STUBBS: I'm not sure what page --

18 VOICE: Mr. Chairman, as a client of the Legal  
19 Services program, I would like an opportunity for the  
20 clients to question Mr. Bogard, since he is the president  
21 chosen over the objections of all of the people here.

22 My first question is, Mr. Bogard, you see in  
23 front of you a united community. We are not united on  
24 everything all of the time, but we are united on this.

25 MR. OLSON: Mr. Chairman, I would like to continue

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1 with the business of this meeting.

2 CHAIRMAN HARVEY: I've asked Mr. Stubbs to  
3 continue to speak, and if you put the mike down, he will.

4 VOICE: This is the business of your meeting.

5 CHAIRMAN HARVEY: Bob, please go ahead.

6 MR. STUBBS: In the minutes, there is a refer-  
7 ence to my comments on the class action. I think they've  
8 got somebody else mixed up in there because I'm not  
9 participating in any way with the class action regulations.

10 VOICE: Mr. Bogard, would you please answer  
11 some questions for the clients. We have some questions  
12 we'd like to ask you. We feel this is the appropriate  
13 time.

14 CHAIRMAN HARVEY: I think that probably the  
15 transcript is a better form of the minutes, don't you?

16 MR. PARAS: I'm sorry, what --

17 CHAIRMAN HARVEY: Well, we're discussing the  
18 minutes of 29 and 30, and I said I am concerned about  
19 these minutes to some extent. I think maybe the best  
20 statement is the transcript, itself.

21 VOICE: My question, Mr. Bogard, is, how do you  
22 intend to fulfill your mandate to serve the clients of  
23 this country?

24 CHAIRMAN HARVEY: Madam, you are disrupting this  
25 meeting. I wish you would discontinue, please.

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1 MR. OLSON: Mr. Chairman, could we ask the  
2 person in charge of the sound system, to turn that micro-  
3 phone off until we have a public portion for comments  
4 and, at that time, turn it back on?

5 VOICE: Well, until you turn it off, I will  
6 keep speaking. We really hope that you do turn the mikes  
7 off. We really hope that you do turn the mikes off --

8 CHAIRMAN HARVEY: Is there any motion concerning  
9 the minutes of the meeting.

10 VOICE: -- because we can talk louder. We really  
11 do hope that you turn all the mikes off because we feel  
12 that Mr. Bogard should at least answer some questions --

13 CHAIRMAN HARVEY: Mr. Paras, do you have a  
14 motion to make?

15 MR. PARAS: I understand that we have a tran-  
16 script of the proceedings of the last meeting of October  
17 28 and 29. I move that that transcript stand and be  
18 approved as the minutes of the last meeting.

19 CHAIRMAN HARVEY: Second to that?

20 MR. DONATELLI: Second.

21 VOICE: Mr. Chairman, this is what you do at  
22 Campbell's Soup Company. Mr. Chairman?

23 CHAIRMAN HARVEY: The motion is made and  
24 seconded that the transcript stand as the minutes of the  
25 last meeting.

1 VOICE: Mr. Chairman, please?

2 CHAIRMAN HARVEY: No, ma'am. We are trying to  
3 conduct a meeting.

4 MR. DE MOSS: Was the transcript prepared or  
5 published in any manner?

6 CHAIRMAN HARVEY: Yes, it is.

7 MR. DE MOSS: Where is it?

8 CHAIRMAN HARVEY: It is in the custody of the  
9 Secretary of the Corporation, who, Harold, did not prepare  
10 these minutes, and that's the gist of his motion, that the  
11 transcript represents what this Board did on the 29th and  
12 30th.

13 MR. DE MOSS: Well, I think it is the function  
14 of this Board to approve its own minutes, and they ought  
15 to do it on the basis of what's been prepared and published  
16 to the Board.

17 Now, I haven't seen the transcript, and if it is  
18 prepared, then I think it ought to be distributed to the  
19 Board so that we could then --

20 CHAIRMAN HARVEY: Then would you recommend  
21 deferring this question?

22 MR. DE MOSS: Yes, I say we table it until  
23 tomorrow when the transcript can be made available to the  
24 Board members and we can act on it at that time.

25 CHAIRMAN HARVEY: Motion to table. Is there a

1 second to that?

2 MR. OLSON: Second.

3 CHAIRMAN HARVEY: Those in favor, signify by  
4 saying aye.

5 (Chorus of ayes.)

6 Opposed, by the same sign?

7 (No response.)

8 That item is tabled.

9 Vice Chairman McKee, we turn to the critical area  
10 of extending the grants for 1983, under item 5, and do you  
11 have a recommendation to make to the Board?

12 VOICE: Just a minute, Mr. President and Dean  
13 Harvey. With respect to this item that you are about to  
14 deal with, many of us here attended the last meeting of  
15 the Grants and Contracts Committee and, at that time, as  
16 I recall, Mr. McKee promised a detailed report which would  
17 be made available, a detailed report to this full Board.

18 As of now, I understand that report has been  
19 prepared, but I also understand that nobody in the Legal  
20 Services has seen that report. And I think before anything  
21 happens here today with respect to anything that came out  
22 of that committee, that that report be made available and  
23 be made a part of the Board book for this meeting.

24 CHAIRMAN HARVEY: Well, I wish to advise the  
25 speaker that it is my understanding that Chairman McKee

1 intends to take each item of the report, one by one, so  
2 it can be fully understood and discussed.

3 We understand the distribution problem. In the  
4 future, we hope to get this more available and more quickly  
5 available.

6 Mr. McKee, would you take the first item in your  
7 report and proceed.

8 MR. MC KEE: Let me address this gentleman's  
9 comment. He is kind of correct, in the sense that there  
10 was no report prepared and distributed about two, three,  
11 four weeks ago, and the simple reason is, I've been work-  
12 ing on it and writing on it all the way up to yesterday,  
13 trying to get as much as I could done.

14 The Board book has an accurate representation  
15 and sets forth very clearly the concept of some of some  
16 of the grant conditions and the basic issues of grants  
17 to the field programs, national-state support, Reggie  
18 program, and National Clients' Council. That was the  
19 essence of the basic recommendations that we did the other  
20 day, or two weeks ago Saturday.

21 We did those specifically at that time, in the  
22 way we did them because it was in conjunction with the  
23 Appropriations and Audit Committee which was going to be  
24 meeting on Monday to allocate the funds.

25 Now, I finally have gotten copied several copies

1 of this report. What I want to do is have Mr. Askew come  
2 forward, to track in your Board books, the briefing books  
3 that you probably have right now, the page numbers that  
4 we are talking about and discussing, what I thought, ladies  
5 and gentlemen, was absolutely necessary.

6 If you sit around and read these Board books  
7 for the last eight months or a year, they are very objec-  
8 tive and clear and concise statements, but what I thought,  
9 given the nature of this year and given the nature of what  
10 we had to do and the challenges that were facing us and  
11 all the controversy, that there should be some written  
12 record of a statement of principle, philosophy, et cetera,  
13 that could be distributed, and later amended, but could  
14 be distributed to the public as a document, like a report  
15 of a committee to the Board. I think it is very important  
16 that you have something like that.

17 It took a lot of time to work on. That's why  
18 it's not part of the Board book which we got about four  
19 days ago, I just didn't have time to get it all down, and  
20 that's why there's a separate package.

21 Now, if Mr. Askew would go through what I want  
22 to address, first, to the Board, is the simple concept  
23 that our committee has discussed and dealt with, on a  
24 philosophy of funding programs and our projects.

25 It's the committee's view that if you want to

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1 really ensure effective delivery of legal services in the  
2 United States, that there should be three main principles  
3 and priorities: Number one, direct delivery to local  
4 programs around the country; number two, if the local  
5 programs cannot do it, that the Corporation undertake to  
6 do it, itself; and, number three, in terms of research and  
7 training, et cetera, where feasible.

8 In the third area where none of these would work,  
9 by grant and contract, the Corporation let out grants  
10 and contracts as we do now. I think that there has really  
11 never been a clear and concise statement of how that  
12 should be done.

13 So, my first recommendation to the Board was,  
14 and is, that we have as a statement of policy on funding,  
15 that our priorities are direct funding to local programs,  
16 first; second, if not that, that the Corporation undertake  
17 the activities, itself; and, third, if that's not feasible,  
18 that we let out grants and contracts in that area. And  
19 I would move that the Board adopt that as a basic funding  
20 concept and principle.

21 CHAIRMAN HARVEY: Do I correctly understand  
22 your motion is that the Board simply accept that part of  
23 your report?

24 MR. MC KEE: Yes.

25 CHAIRMAN HARVEY: All right. That is the motion.

1 Second on this? Discussion on accepting this part of  
2 the report? Howard?

3 MR. DANA: Clarence, Mr. Chairman, I received --

4 MR. MC KEE: Around 1:45. Hopefully, you could  
5 have gotten it around noon, and I regret that.

6 MR. DANA: Well, even if I had gotten it around  
7 noon, which I did not, this is a --

8 MR. MC KEE: 28 pages.

9 MR. DANA: -- a long one. And there are pro-  
10 visions in here which are -- well, some of which I disagree  
11 with, many of which were not discussed at any of your  
12 meetings, and I think I've been to almost all of them.

13 MR. MC KEE: Mr. Dana, that's not correct. You  
14 cannot say that these provisions were never discussed at  
15 any of our meetings.

16 What you are trying to say is that what was  
17 discussed on the 4th or 5th, the Saturday meeting, in  
18 terms of what we recommended, in terms of funding in  
19 dollars and cents, which the Appropriations Committee  
20 and your committee acted upon, that was discussed because  
21 it had to be in order to give the money committee a recom-  
22 mendation upon which to allocate funds.

23 Statements of principles and concepts that did  
24 not deal with dollars and cents but as a matter of direc-  
25 tion and focus were not brought up at that time. And it

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1 is my intention here that this document, as I read it,  
2 the Board can say yes or no, or we can discuss those basic  
3 concepts.

4 The basic dollars and cents, \$230 million  
5 basically, that you are concerned about in terms of pro-  
6 viding eligible client funds were discussed, and that's  
7 the essence of it.

8 There is nothing in here that requires, that  
9 I'm making a recommendation on in terms of dollars and  
10 cents, that has not been discussed on that Saturday and  
11 Sunday.

12 The other issues in terms of the philosophy and  
13 policy are entirely different.

14 MR. DANA: You are asking, I take it, for a vote  
15 on the funding policy set forth on the top of page 6, is  
16 that correct? You are asking us to vote on a resolution  
17 which appears on page 6, the funding policy?

18 MR. MC KEE: Exactly.

19 MR. DANA: Just that?

20 MR. MC KEE: Yes. I will be glad to read that  
21 so everybody can hear it.

22 MR. DANA: That is your motion, in effect?

23 MR. MC KEE: That's correct. I will read it  
24 so everybody can understand it, and this is not --

25 CHAIRMAN HARVEY: Howard, I thought the motion

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1 was just that the Board accepts the report to that extent.

2 MR. MC KEE: To that extent, just this one  
3 section on --

4 MR. DANA: You are asking us to vote to adopt  
5 that paragraph.

6 MR. MCKEE: Funding policy.--

7 CHAIRMAN HARVEY: I stand corrected. I thought  
8 it was different.

9 MR. MC KEE: -- as the first part of this package.  
10 I do not want to sit here and say, "Board of Directors,  
11 accept this whole package", because there are points in  
12 it which people will disagree on, and I am certain there  
13 will be heated debate on it.

14 MR. DE MOSS: Let me ask a question.

15 Is this topic of funding policy, has that been  
16 the subject of Grants and Contracts Committee action,  
17 as such?

18 MR. MC KEE: An action of the committee?

19 MR. DE MOSS: Yes.

20 MR. MC KEE: It's a recommendation that I have  
21 made and given out to all the members of the committee.  
22 as to what the policy should be. We have never sat down  
23 in a meeting like the other day and voted on this. My  
24 viewpoint is all the members have a chance on it.

25 CHAIRMAN HARVEY: May I say something to you

1 about the administration of the meeting and the time.

2 MR. MC KEE: I know it is getting late.

3 CHAIRMAN HARVEY: We have to vacate these  
4 premises by 5:15.

5 MR. MC KEE: We have to vacate by 5:15?

6 CHAIRMAN HARVEY: That's correct. There's a  
7 dinner coming in here tonight, and we have to leave. I  
8 also want to say one more thing, Mr. Chairman.

9 In my heart of hearts, I want to see funds  
10 granted to our field programs.

11 MR. MC KEE: That is the next --

12 CHAIRMAN HARVEY: I would dearly love if one  
13 member of this committee would make a motion to grant  
14 funds to the field programs. Further, the Chairman says  
15 not. Go on.

16 MR. MC KEE: Is there a question on this  
17 funding?

18 MR. DANA: Yes. It seems to me that what you  
19 are asking us to do is vote on a funding policy which  
20 has not been approved by your committee, at least in open  
21 session. I haven't been present during a discussion of  
22 this, and I'd be interested to know if the staff has done  
23 any background work, or whether or not there has been any

24 CHAIRMAN HARVEY: Howard, how about if we defer  
25 that until tomorrow?

1 MR. OLSON: Let me suggest that in order to be  
2 responsive, Howard, to your concern and perhaps that ex-  
3 pressed that Hal was going to express, that what we might  
4 do is deal with the item 2-2 at the bottom of the page,  
5 which would ensure continued funding of all basic field  
6 programs for all of 1983.

7 CHAIRMAN HARVEY: We've deferred the policy  
8 statement, Bill. Now, Mr. Chairman of the committee, do  
9 you have a motion to make about the funding of field  
10 programs?

11 MR. OLSON: Just so Howard knows, I would like to  
12 say that as a member of the Grants and Contracts Committee,  
13 I have associated myself with this report. I have a brief  
14 two-page dissenting comment, and from my point of view,  
15 I associate myself with it.

16 CHAIRMAN HARVEY: Well, we've got some hard-  
17 working people who want to set this room up for dinner.  
18 Let's go on to number two.

19 MR. MC KEE: The basic 90 percent of our money  
20 around the country goes to field programs, and our motion  
21 and our recommendation from the committee to the Board and  
22 to the Appropriations Committee was that for Fiscal 1983,  
23 that all basic field programs be funded at 1982 levels,  
24 for 12 months, for a full year. That was the recommenda-  
25 tion of the committee. The Appropriations Committee, I

1 believe, did go along with that, with certain grant condi-  
2 tions.

3 First, I would like to move that all local field  
4 programs be funded for an entire 12-month period.

5 CHAIRMAN HARVEY: Is there a second to that  
6 motion?

7 MR. OLSON: Second.

8 CHAIRMAN HARVEY: Discussion on this motion?

9 MR. DANA: This motion relates just to the  
10 dollars, and does not relate to your proposed conditions?

11 MR. MC KEE: Exactly. That's right.

12 CHAIRMAN HARVEY: Discussion, further discussion  
13 on this motion?

14 MR. PARAS: Question.

15 CHAIRMAN HARVEY: The question has been called  
16 for. Those in favor of extending 12-month grants and  
17 contracts, is this correct, to the basic field programs?  
18 Is this correct, Clarence?

19 MR. MC KEE: That's correct.

20 CHAIRMAN HARVEY: Signify by saying aye?

21 (Chorus of ayes.)

22 CHAIRMAN HARVEY: Those opposed?

23 (No response.)

24 The motion passes unanimously, with the vote  
25 of the Chairman added enthusiastically. Our programs are

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1 now funded.

2 President Bogard, make certain those contracts  
3 are sent, with the assistance of Bucky Askew.

4 MR. MC KEE: There's a second part to this, Mr.  
5 Chairman. Mr. Askew, would you outline -- there are grant  
6 conditions that the committee recommended to the Board,  
7 which the committee adopted, which Mr. Askew, would you  
8 outline those conditions for us, please? Page 94, I believe,  
9 it is in the book.

10 CHAIRMAN HARVEY: Bucky, you have approximately  
11 ten minutes.

12 MR. MC KEE: I'll tell you what I will do,  
13 Bucky, I will just read these straight through. It will  
14 be quicker than going into discussion.

15 MR. DANA: Mr. McKee, may I make a suggestion  
16 that we -- this is a large document, there is a lot of  
17 lore in here. There's a lot in here, and it seems to me  
18 that rather than have you read it and have everybody say,  
19 "What did he say? What did he say? What did he say?", all  
20 night long, that we make arrangements to reproduce this  
21 in large numbers, and adjourn for the evening.

22 Then the audience can read what it is that you  
23 have written, and we -- they can be in a better -- better  
24 able to help us deliberate tomorrow.

25 CHAIRMAN HARVEY: Maybe our print shop can get

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1 this done, Howard.

2 MR. DANA: And I would so move.

3 CHAIRMAN HARVEY: Is there a second?

4 MR. OLSON: I would second it.

5 MR. MC KEE: Before you vote on that, I don't  
6 have any problem with that, but I want it known what the  
7 conditions are because I think they are very important.  
8 I know there is a time problem, but you ought to know what  
9 these grant conditions are. I think they are very impor-  
10 tant, I think they are very unique.

11 I know you have a time problem, everyone's got  
12 a time problem, and I don't want it rushed through. I  
13 want people to know before they leave the room what is in  
14 here. So, I will tell everybody what is in here, and then  
15 we can proceed and discuss it tomorrow.

16 The first grant condition, which I think is  
17 historic, notwithstanding criticisms of them, is that we  
18 want every local program, within 30 days, to submit a plan  
19 to the Corporation for establishing priorities, to make  
20 sure that there is a mechanism for client participation  
21 in priority setting in the local programs; that they  
22 should include any surveys or questionnaires supplementing  
23 client involvement participation, et cetera, basically.

24 The second one, we want those programs to tell  
25 us the procedures they are going to utilize, to ensure that

1 the governing boards are in compliance with the continuing  
2 resolution as well as client involvement.

3 A very important provision in here says that  
4 "no funds shall be expended to any organizations for dues,  
5 membership fees, registration fees, or any other purposes,  
6 except as otherwise authorized by the Corporation in  
7 advance". So, that will excuse fees for bar associations  
8 and health payments. Those are exceptions, bar associa-  
9 tion dues.

10 A very important thing that is a big concern  
11 around the country is the concept of medical malpractice  
12 insurance. Many of you do not know that our local programs  
13 provide dues and funds to an organization to buy it for  
14 them.

15 We are saying that we want these dues paid for  
16 the premium year 1983, for malpractice, but it is our  
17 view that the Corporation, itself, should underwrite, if  
18 we can, the malpractice insurance for all the lawyers in  
19 the country, and the money that they have been putting into  
20 getting it somewhere else, they should keep.

21 Two more quick ones that I think are very  
22 important, that each grantee must provide training assis-  
23 tance and support to eligible clients serving on the  
24 grantee's governing board, to ensure maximum participation  
25 of the affected eligible clients in the decisions of the

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1 local board.

2 We have a concept that no funds shall be trans-  
3 ferred to national support centers or any other entities,  
4 without expressed authority of the Corporation. We are  
5 very concerned about where the money goes, and it is no  
6 trick to cut back on money.

7 We want to make sure that each grantee, within  
8 30 days -- we talk about private bond involvement, it is  
9 about \$20 million. I have been very dissatisfied that in  
10 terms of black lawyers and minority lawyers and minority  
11 bar associations around the country, they have seen not  
12 much of that, from what I understand.

13 So, what we are asking each program to do is to  
14 tell us, within 30 days, the plans that they are going to  
15 implement and utilize for getting more minority lawyers  
16 and bar associations into that private bar fund money, and,  
17 finally, that we want the Director of Equal Employment  
18 Opportunity, in our office, to assure us and state prior  
19 to any grant being issued for this next coming year, that  
20 the programs are in compliance with the affirmative action  
21 guidelines.

22 That is the essence of it. The rationale is in  
23 this document, but those are the essence of the restric-  
24 tions.

25 CHAIRMAN HARVEY: Thank you, Clarence. We will

1 make every effort to get these materials distributed to  
2 you tomorrow morning. I would like to receive a motion  
3 from the Board, to recess until 9:30 --

4 VOICE: Mr. Harvey -- excuse me -- in line with --

5 CHAIRMAN HARVEY: Just a minute, Mr. Smith --  
6 recess until 9:30 tomorrow morning.

7 MR. DE MOSS: I so move, Mr. Chairman.

8 VOICE: Excuse me --

9 CHAIRMAN HARVEY: Is there a second on that?

10 MR. RATHBUN: Second.

11 VOICE: -- in line with Mr. Dana's suggestion  
12 that copies be provided to us, we would certainly like  
13 to request that those copies be made within the next half-  
14 hour, before we leave the building, and that --

15 CHAIRMAN HARVEY: We can't physically get it  
16 done, Mr. Smith, you know that perfectly well.

17 VOICE: If it can't be done --

18 CHAIRMAN HARVEY: There's a motion on the floor,  
19 Mr. Smith, which is to recess until 9:30 tomorrow morning.

20 VOICE: If we are going to offer you knowledge-  
21 able feedback, we at least have to have them before the  
22 night is out. As Mr. Dana indicated, the document is  
23 obviously a long one, which is going to require everybody's  
24 careful review and scrutiny.

25 CHAIRMAN HARVEY: We will do our best to have

1 it here in the room by 8:30 in the morning, or somewhere  
2 in the hotel.

3 VOICE: We would prefer that you simply make  
4 the copies at the Corporation tonight, and we will come  
5 by the Corporation and get them tonight.

6 CHAIRMAN HARVEY: Well, we will do our best to  
7 arrange that if we can.

8 Now, there is a motion to recess until tomorrow  
9 at 9:30. Those in favor, signify by saying aye.

10 (Chorus of ayes.)

11 CHAIRMAN HARVEY: Opposed, same sign.

12 (No response.)

13 See you tomorrow at 9:30.

14 (Whereupon, at 5:00 p.m., the Meeting of the  
15 Board of Directors of the Legal Services Corporation was  
16 adjourned, to reconvene Friday, December 17, 1982, at 9:30  
17 a.m.)

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C E R T I F I C A T E

This is to certify that the foregoing transcript

In the matter of :

MEETING OF THE BOARD

OF DIRECTORS

Before: LEGAL SERVICES CORPORATION

Date: THURSDAY, DECEMBER 16, 1982

Place: COLUMBIA ROOM- HYATT REGENCY WASHINGTON

4 JERSEY AVENUE N.W. WASHINGTON D.C.

represents the full and complete proceedings of the  
aforementioned matter, as reported and reduced to  
typewriting.



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