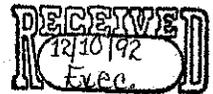


LEGAL SERVICES CORPORATION

RETURN TO CORPORATION  
SECRETARY ARCHIVES FILE

BOARD OF DIRECTORS MEETING  
OPEN SESSION



Monday, December 7, 1992

9:45 a.m.

Howard Johnson Resort Hotel  
1805 Hotel Plaza Boulevard  
The Orange, Polk, and Seminole Rooms  
Lake Buena Vista, Florida

Diversified Reporting Services, Inc.

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**BOARD MEMBERS PRESENT:**

George W. Wittgraf, Chairman  
Howard H. Dana, Jr.  
J. Blakeley Hall  
William L. Kirk, Jr.  
Jo Betts Love  
Penny Pullen  
Basile J. Uddo  
Jeanine E. Wolbeck

**STAFF MEMBERS PRESENT:**

John P. O'Hara, President  
Emilia DiSanto, Vice President  
Patricia Batie, Corporate Secretary  
David Richardson, Treasurer and Comptroller  
Victor Fortuno, General Counsel  
Edouard Quatrevaux, Inspector General  
Kenneth Boehm, Assistant to the President  
and Counsel to the Board

*Charles Fay, Special Counsel (Shapiro & Olander, PA) / CB*

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

(9:45 a.m.)

1  
2  
3 CHAIRMAN WITTGRAF: If you will give me your  
4 attention, please. this meeting of the regularly scheduled  
5 meeting of the Board of Directors of the Legal Services  
6 Corporation will be in order. It's 9:45 a.m. on Monday,  
7 December 7, 1992, here in the Greater Orlando, Florida, area,  
8 this being the time, this being date, this being the location  
9 for which notice has been given for this regular meeting of  
10 the Board.

11 Let me begin by saying that we welcome our guests  
12 from the great states of Florida and Missouri, and perhaps  
13 other states, who are with us today and encourage them at any  
14 point in our deliberations, if they have a comment that they  
15 would like to add, to please ask to be recognized. And as  
16 time allows, we will attempt to accommodate them.

17 Let me also indicate at the outset that we're very  
18 appreciate to our colleague Mr. Kirk and to his wife, Nancy,  
19 both for their wonderful hospitality and for the great job  
20 they have done regarding planning the weather for these  
21 couple of days in Central Florida.

22 Thank you, Mr. Kirk.

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1 MR. KIRK: You're welcome.

2 CHAIRMAN WITTGRAF: At this point, if you have page  
3 137 in the Omnibus Board Book or a comparable document,  
4 you'll see the proposed agenda. The Chair is prepared to  
5 entertain a motion for the adoption of the agenda as proposed  
6 and presented.

7 M O T I O N

8 MR. DANA: So moved.

9 CHAIRMAN WITTGRAF: It has been moved by Mr. Dana.

10 MS. LOVE: Second.

11 CHAIRMAN WITTGRAF: Seconded by Ms. Love.

12 Is there discussion?

13 (No response.)

14 CHAIRMAN WITTGRAF: Hearing none, those who are in  
15 favor of adoption of the agenda as proposed will signify by  
16 saying aye.

17 (Chorus of ayes.)

18 CHAIRMAN WITTGRAF: Those who are opposed, nay.

19 (No response.)

20 CHAIRMAN WITTGRAF: The ayes appear to have it.  
21 The ayes do have it. The agenda is adopted.

22 The next item of business has to do with the

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1 The ayes do have it. The Minutes are adopted as drafted.

2 As we move to agenda item 3, the Chair will ask Ken  
3 Boehm, assistant to the president and counsel to the Board,  
4 to come forward to be recognized to take a few moments to  
5 share with us what information and insights he has regarding  
6 the legal status of this Board and its members, and also to  
7 respond to any questions or comments that members of the  
8 Board might have in that regard.

9 Good morning Mr. Boehm.

10 PRESENTATION ON LEGAL STATUS OF BOARD AND MEMBERS

11 BY KEN BOEHM

12 MR. BOEHM: Good morning, Mr. Chairman.

13 For the record, I'm Ken Boehm, assistant to the  
14 president and counsel to the Board.

15 And to give a quick overview of the situation, the  
16 current Board consists of 10 individuals that have been  
17 recess-appointed.

18 One of the members of the Board, Mr. Shumway, has  
19 been recess appointed at a different time. It was August,  
20 during the summer recess, and so his appointment expired at  
21 the end of the next session of Congress. Well, the next  
22 session of Congress, for purposes of his recess appointment,

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1 are the only legally appointed and acting members of the  
2 Board?

3 MR. BOEHM: I believe you use the lower figure, 10.  
4 I could be correct on that.

5 CHAIRMAN WITTGRAF: Well, the practical result for  
6 10 would be the same as 11. But if, for example, the Board  
7 became 9 --

8 MR. BOEHM: Yes.

9 CHAIRMAN WITTGRAF: -- and functioned with 9, then  
10 a quorum obviously would be 5, instead of 6.

11 MR. BOEHM: Yes. We can find out. And I should  
12 say, in that question, too, that I have been working with Vic  
13 and his office, and we're pulling together -- and have quite  
14 a bit of it -- the analysis that's available on this issue.  
15 It's a real narrow, very idiosyncratic area of the law. And  
16 we'll have, for all of the Board before the next meeting, all  
17 of the analysis.

18 The principal analysis on this -- there are really  
19 two schools of thought. And not surprisingly, they tend to  
20 run with which branch of government is producing the  
21 analysis. There's analysis that Congress has come up with  
22 over the years, and this is without respect to party. It's

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1 more institutional. And it's summed up in a report that the  
2 legal experts at the Congressional Research Service have  
3 pulled together.

4 And then there are opinions of law that have been  
5 expressed by the Executive Branch, largely through opinions  
6 of the Attorney General and sometimes the White House  
7 counsel.

8 As I say, there is consensus that the appointments  
9 that have been made, your appointments, do expire at the end  
10 of the first session of the 103rd Congress, which for all  
11 practical purposes would be towards the end of next year,  
12 whenever -- and there's no set date, because you don't  
13 exactly when they're going to be adjourning for the year, but  
14 whenever their final adjournment -- their sine die  
15 adjournment is, that's when it would end.

16 CHAIRMAN WITTGRAF: Should there be nominations of  
17 Board members and the confirmation of those Board members,  
18 would those nominated and confirmed Board members then  
19 replace anybody who was functioning as a recess Board  
20 appointee?

21 MR. BOEHM: Yes, and that may be the more likely  
22 scenario. As I say, the overriding authority for all of this

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1 is Article II, Section 2 of the Constitution. And while it  
2 does say what happens in terms of the appointments expiring,  
3 when you get into closer areas of the law, there is some  
4 difference of opinion.

5 But I think the consensus -- I think it's fair to  
6 say that most of the consensus with respect to a confirmed  
7 set of selections, nominees who are then confirmed, would be  
8 that they would supplant the sitting. Or there are some  
9 opinions that that may not be the case, but I think that that  
10 is -- I think that may be the weight of authority. And as I  
11 say, we will be pulling that together, and you can draw your  
12 own legal conclusions.

13 Where you get into -- oh, we do have a -- I'm not  
14 sure what the dollars stop --

15 (Laughter)

16 MR. BOEHM: -- but we do have, from -- it's section  
17 1601, Quorum, Manner of Acting Adjournment, "Each meeting of  
18 the Board, the presence of a majority of the directors in  
19 office, but in no event less than four." So that seems to  
20 set out the parameters for a quorum.

21 CHAIRMAN WITTGRAF: It could be six; it could be  
22 five; it could be 4.

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1 MR. BOEHM: Yes, but no less than four should be  
2 it. In the event that we do drop below 10, that would set  
3 the parameters for that.

4 But in respect to some of the questions that  
5 haven't been as closely resolved, there are questions as to,  
6 for example, in the event of a recess that happens sometime  
7 prior to the adjournment sine die, can a new President make  
8 the appointments? There is authority that basically says no,  
9 and the rationale -- the legal rationale is because there are  
10 no vacancies there, and the President of the United States  
11 does not have the power, under the Act or elsewhere, to  
12 withdraw nomination -- I mean, to cancel appointments.

13 You know, some people -- and there are some cases  
14 that aren't exactly on point that say that maybe that could  
15 happen. But it seems that, to the extent there's consensus,  
16 that there wouldn't be vacancies, unless, for example, a new  
17 President would ask for resignations. And then if there was  
18 a resignation, there would be a vacancy, and the President  
19 could make the appointments.

20 But it seems -- at least on first reading and in  
21 discussing this with the general counsel's office, it seems  
22 as though that would not be the case, that the more normal

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1 case would be nominations, followed by confirmation, and that  
2 that's how the new Board would take place.

3           There's a practical dimension, apart from the  
4 legality issue, and that is to select a group of 11. If you  
5 look at the Legal Services Corporation history, there has  
6 generally been -- even when there has been a change of party,  
7 there has been a period of time for the selection process,  
8 because frequently a selection process involves input from  
9 people on the Hill, particularly Senate offices, to draw  
10 together a team of 11.

11           Then, also, there's the FBI background check that  
12 normally could run two or three months. And while the  
13 general approach has been that presidents would like to put  
14 a full slate forward -- that is, a full 11 -- that hasn't  
15 always been the case. In fact, it wasn't really the case  
16 during the last changeover.

17           During the last changeover, I think -- and Howard  
18 maybe can shed more light on it, because you were -- at least  
19 more on the scene, although you were, I believe, of the 1982  
20 Board?

21           But I think, during the changeover, that occurred  
22 in 1981, there was a selection of a smaller group. And then

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1 I think seven, and then there four more -- that was at the  
2 end of '81 and then four more at the beginning of '82. And  
3 if I'm not mistaken, among the four who served into the first  
4 month of '82 would have been the chairman at the time,  
5 Hillary Rodham.

6 So it's not necessary -- the President, of course,  
7 can make his selections any way he chooses. It's not  
8 necessary to do a full 11. And they may for reasons of  
9 expedience or something do less than that, break it up that  
10 way. And there's no legal dispute as to whether to do that  
11 or not.

12 CHAIRMAN WITTGRAF: At the moment, regarding the  
13 11th slot, you know, consideration is being given to the  
14 possibility of reappointing Mr. Shumway as a recess  
15 appointee, but no final decision, so far as we know, has been  
16 made the White House in that regard, and particularly no  
17 appointment has been made as of this time.

18 MR. BOEHM: Yes. And as we were discussing  
19 earlier, there's an overall policy question as to making  
20 recess appointments. It's my understanding that the White  
21 House has not made any recess appointments to date during  
22 this recess. They have till the end of the recess to decide

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1 how they're going to do it. And my understanding is if they  
2 decide to do it, then the appointments would be made, not  
3 just for our own group.

4 Although interestingly, as I'm sure you all know,  
5 the Legal Services Corporation constitutes a -- I believe  
6 it's the majority of recess appointments made over the last  
7 15 years. And when you see the legal analysis from both  
8 Congress and the Executive Branch, almost without exception  
9 Legal Services Corporation sort of hogs the footnotes in  
10 terms of cases, including the famous McCalpin v. Dana. And  
11 so we have featured prominently in a lot of the legal  
12 analysis about recess appointments.

13 CHAIRMAN WITTGRAF: When will the current recess  
14 end?

15 MR. BOEHM: Congress is coming in the first week of  
16 January to organize. And so at that point, when they come in  
17 -- and I believe it may be the 3rd, as they're looking at it  
18 -- that's when it would end for recess appointment purposes.  
19 They don't formally -- I think it's sort of pro forma at that  
20 point. But for recess appointment purposes, it would be  
21 sometime prior to that that the President could still make an  
22 appointment.

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1 CHAIRMAN WITTGRAF: Thank you very much, Mr. Boehm.  
2 Questions or comments?

3 (No response.)

4 CHAIRMAN WITTGRAF: Over four, Mr. Boehm?

5 MR. BOEHM: And as I say, we'll be happy to make  
6 that analysis available. And I think when you read it,  
7 you'll quickly draw the same conclusion everybody else does  
8 who reads it, which is there are areas of the law in which  
9 there are gaps, because there is no set way of doing it.

10 And Congress does have a distinct difference of  
11 opinion than the White House, and there have been legal  
12 confrontations in the past over it. But with respect to the  
13 points of consensus we just discussed, I think it's safe to  
14 say that that's a fair statement that exists in law.

15 CHAIRMAN WITTGRAF: Thank you, Mr. Boehm.

16 CONSIDERATION OF MEETING SCHEDULE FOR CALENDAR YEAR 1993,

17 CHAIRMAN'S REPORT

18 CHAIRMAN WITTGRAF: We'll move then to what's  
19 denoted as agenda item 3a, a look to a meeting schedule for  
20 the Board for the next calendar year in light of the  
21 uncertain existence of the Board as described by Mr. Boehm,  
22 with the president of Corporation, Mr. O'Hara, and with

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1 Corporation secretary Ms. Batie, a proposed meeting schedule  
2 has been developed for your consideration and comment.

3 Let me make a few comments about it before  
4 entertaining additional comments.

5 I trust everybody has a copy of this. It's both in  
6 the Omnibus Board Book and I think was sent by Ms. Batie as a  
7 separate document prior to the Board meeting.

8 The statute requires an annual Board meeting, an  
9 organizational Board meeting, in effect, on January 29 of  
10 1993. If for any reason we were going to meet at a time  
11 other than that, it would take special action by the Board  
12 for that purpose. That necessarily would be in Washington,  
13 D.C. It also would be a week after the completion of the  
14 inaugural ceremonies and most of the city had been freed up  
15 and was moving again.

16 Does anybody offhand know of a conflict that he or  
17 she has with that date?

18 Mr. Dana.

19 MR. DANA: Did you say the 29th or the 22nd?

20 CHAIRMAN WITTGRAF: I said the 29th, and I think I  
21 meant the 29th.

22 MR. DANA: The book says the 22nd.

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1 than four times, or quarterly.

2 I think the records would show -- and Ms. Batie or  
3 anyone else can correct me if I'm mistaken -- that through  
4 the 1980s the meeting schedule has been typically eight,  
5 nine, ten times per year.

6 And my judgment -- and I think a consensus of many,  
7 if not all, of the Board members -- is that a balance between  
8 being in Washington approximately half the time, in our new  
9 corporate headquarters, and being the field approximately  
10 half the time is an appropriate balance.

11 I'll go through the specifics here and give you an  
12 idea of why, tentatively, some of these locales are  
13 considered. And I think it probably will make most sense as  
14 we look at February, March, and April, to consider the  
15 likelihood of flipping the San Diego and Phoenix proposals  
16 for the reason that San Diego is quite a high-rent area at  
17 that time. And while Phoenix may be relatively so, not  
18 nearly as much so.

19 So focusing on Phoenix first, the president,  
20 Mr. O'Hara, has done a great deal of work to reach out to  
21 Indian-American programs and Indian-American populations.  
22 And being in that part of the country would be an area where

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1 this Board nor any Board has been for a number of years, plus  
2 would give us the opportunity not only to meet with  
3 representatives of programs there, but also particularly of  
4 the several Native American programs that are located in and  
5 around that area.

6 The San Diego area would give the opportunity to  
7 get to know firsthand, either on-site or from representatives  
8 of a migrant program. Also, as I think most of you know, a  
9 great share of the monies spent by the Corporation are spent  
10 in the State of California, and there are a number of  
11 programs in Southern as well as the Central and Northern  
12 parts of California, where we have met previously when we  
13 were in the San Francisco area.

14 Looking to May, the 31st of May probably is not a  
15 good date in that it probably will be the official Memorial  
16 Day Monday, so that, in fact, something like May 24 probably  
17 makes more sense than May 31, assuming a May meeting.

18 Looking then to a June meeting, an area of the  
19 country we have not been in -- and where many programs are  
20 located and some of the best programs in the country is --  
21 I'll call it the "upper southeast." We have been in the  
22 great State of Mississippi, as well as the great State of

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1 Florida now.

2 We have not been in the North Carolina and  
3 Tennessee areas. In fact, our dearly departed colleague,  
4 Mr. Guinot had indicated from early in 1990 that he though  
5 Memphis, in particular, was an appropriate locale for us to  
6 travel to. I'm not sure what all of his reasons were, other  
7 than his fond memories of that from sometime earlier in his  
8 life.

9 MR. KIRK: When he dearly departed, he didn't die,  
10 did he?

11 (Laughter)

12 CHAIRMAN WITTGRAF: Dearly departed the Board.

13 MR. KIRK: Uh-huh.

14 (Laughter)

15 CHAIRMAN WITTGRAF: To the best of my knowledge, he  
16 is alive and well in Costa Rica.

17 MR. BOEHM: But not for long.

18 CHAIRMAN WITTGRAF: But perhaps Mr. Boehm could  
19 speak to his legal status, too, which is something akin to  
20 ours, I suppose.

21 Looking to the September time, I think, in the  
22 contacts and in the conversations we have had with

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1 representatives of the field, if there is to be another  
2 annual conference, September is a better time than December,  
3 the month we utilized in 1990 and 1991.

4 The middle part of the country, if you will,  
5 Minneapolis, St. Louis, Kansas City, affords us an  
6 opportunity to have hopefully the greatest number of people  
7 present by it being in the middle part of the country, with  
8 the least financial and time burdens for those attendees.

9 And finally, looking to the month of December, as  
10 our Board and as our staff have spent more and more time in  
11 the alternative dispute resolution area as something that we  
12 and the programs across the country are utilizing and  
13 stressing more and more, there is, in the Wayne County or the  
14 Detroit, Michigan, area, a very active and successful program  
15 utilizing ADR for its regular clientele, in addition to the  
16 fact that this Board nor none of its predecessors, at least  
17 for some time, has traveled to that area.

18 Those are the thoughts then behind those locales.  
19 As indicated, those locales are alternated with Washington,  
20 D.C., meetings.

21 Now, there has been some discussion -- and I'll  
22 recognize Mr. Richardson at this point if my comment or my

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1 summary comment is not correct -- about the costs of  
2 meetings. And if I have understood Mr. Richardson correctly  
3 in the past, the only difference in the cost of Board  
4 meetings outside of the Washington area and in our corporate  
5 office in Washington, D.C. is the cost of some number of  
6 members of the staff and the reporter to travel with us to  
7 such locales.

8 More specifically, Mr. Richardson, what  
9 approximately is the cost -- meaning transportation and hotel  
10 and meal costs for -- I think it's eight staff members  
11 traveling with us to the Orlando area at this time -- to  
12 travel to locales across the country? And why don't you go  
13 ahead and identify yourself for the record as well, please.

14 MR. RICHARDSON: Okay, sir. For the record, my  
15 name is David Richardson. I'm the treasurer-comptroller of  
16 the Corporation.

17 Just to reaffirm what you spoke of, when 11 members  
18 do travel to Washington or to Orlando, we find that the cost  
19 is relatively the same, somewhere between \$18,000 to \$20,000  
20 for the attendance fees, the meals, the flight, and  
21 everything. As far as for the staff members that attend  
22 these particular functions, this particular meeting will run

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1 about -- on an average, about \$800 a staff member. So --

2 CHAIRMAN WITTGRAF: For the number of staff members  
3 traveling.

4 MR. RICHARDSON: For each staff member.

5 MR. KIRK: Does that include -- excuse me,  
6 Mr. Chairman.

7 CHAIRMAN WITTGRAF: Mr. Kirk. Excuse me?

8 MR. KIRK: Thank you. Does that include the  
9 additional cost of having a conference room in a hotel, as  
10 opposed to being able to have it at our headquarters, where  
11 we're paying rent and we have this huge, outstanding  
12 conference room that we have made the commitment to have our  
13 meetings in, and it serves us so well there?

14 MR. RICHARDSON: I am using past cost. At least I  
15 feel they are going to be pretty comparable, because when we  
16 meet, for instance, on a Sunday evening, our headquarters, if  
17 there's heating and air-conditioning requirements, there's  
18 extra cost involved. Certainly lower than if we were in a  
19 hotel, but the savings will be probably \$200 to \$300.

20 CHAIRMAN WITTGRAF: Ms. Batie, did you wish to  
21 elaborate at all?

22 MS. BATIE: I just wanted to note that usually in

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1 hotels we get the meeting room free because of the rooms and  
2 the meals provided.

3 CHAIRMAN WITTGRAF: Okay. Mr. O'Hara, did you wish  
4 to add any comments?

5 MR. O'HARA: Only in the sense -- and I thank you,  
6 Mr. Chairman -- in that I think the staff that you see here  
7 at this meeting is approximately the size staff you will see  
8 at all future meetings. I don't believe we need to carry a  
9 large entourage with us.

10 CHAIRMAN WITTGRAF: Thank you, Mr. President.

11 So does that mean it's like \$8,000 or \$9,000?

12 MR. O'HARA: Well, it would mean about 6400, I  
13 guess.

14 CHAIRMAN WITTGRAF: So we have 8 -- we happen to  
15 have 11.

16 MR. O'HARA: Eight, I believe.

17 MR. HALL:

18 CHAIRMAN WITTGRAF: Mr. Hall.

19 MR. HALL: Not that it matters, but actually if we  
20 have -- we had 10 that we have paid for. We have a pro bono  
21 consultant that came this time -- as Jack says, may not come  
22 next time. And I have looked around the room. And with our

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1 court reporter is the tenth one I have found. So --

2 CHAIRMAN WITTGRAF: It may be that, as we look  
3 ahead into the year, any tentative plans we make become  
4 irrelevant by factors beyond our control.

5 On the other hand, for purposes of the planning by  
6 the Corporation secretary and her staff, as well as perhaps  
7 setting out a meeting agenda that might be of some use to our  
8 successors if they come on during 1993, it seems, to the  
9 Chairman at least, that it's only responsible to make some  
10 plans and some projections and to begin at least tentatively  
11 with them.

12 Ms. Love.

13 MS. LOVE: Well, I don't think that we should stop  
14 going to the field, because the field has started to trust  
15 this Board and gain our confidence. We have learned a lot by  
16 going out in the field to see how the people are doing and  
17 what they have to say. So I disagree with stopping, not  
18 going out in the field. I think we should continue to go out  
19 in the field and mix with the people.

20 CHAIRMAN WITTGRAF: Thank you, Ms. Love.

21 Further discussion? Ms. Pullen.

22 MS. PULLEN: This is my annual comment -- which

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1 sometimes gets sprinkled throughout the years as well -- as  
2 to the number of meetings that this Board holds,  
3 Mr. Chairman, which is excessive, not only in terms of what  
4 the statute contemplates but also in terms of our ability to  
5 do our work.

6 When we meet every month, we find things to do,  
7 rather than meeting as often as necessary to do our real  
8 work. And beyond the costs of travel for Board members and  
9 staff members, we ought to take into account the fact that  
10 our staff members, many of them, many at senior levels, spend  
11 a great deal of time in preparation for each Board meeting  
12 and in follow-up to each Board meeting. And so the travel  
13 costs, while they are significant, are not inclusive of all  
14 the costs involved in holding a Board meeting every month.

15 We are facing some significant fiscal difficulties  
16 in this Agency, and everything that this Board does to absorb  
17 money on Board meetings takes away from other uses for those  
18 monies that might more directly relate to providing for our  
19 mission.

20 CHAIRMAN WITTGRAF: Further discussion? Mr. Kirk.

21 MR. KIRK: I support Ms. Pullen, and I hope that  
22 she puts a motion that we cut out two or three meetings, and

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1 MR. KIRK: I mean, I tell you, I was really  
2 impressed. But, I mean, usually yours are more. I think the  
3 fact is that --

4 CHAIRMAN WITTGRAF: Your mileage may have been more  
5 than that.

6 MR. KIRK: I hope so.

7 (Laughter)

8 MR. KIRK: The more planes you're on, the more  
9 difficult and higher the cost is. So I would think  
10 Kansas City may not be the ideal place.

11 CHAIRMAN WITTGRAF: I think your latter point is  
12 well taken. I don't necessarily agree with your former  
13 point. We'll ask the Corporation secretary to pursue that  
14 matter further. It's something that she and I have  
15 discussed, and I think it's something that it will be  
16 possible for her to visit with representatives of the field  
17 about.

18 One of the difficulties of the Chicago area, I  
19 think, is the higher cost of the facilities in that area.  
20 But it's a point well taken, and I'll ask Ms. Batie to pursue  
21 what options there are in the heartland in addition to  
22 Kansas City. Kansas City is a hub for USAir and I'm not sure

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1 for whom else it's a hub besides USAir.

2 Further discussion?

3 MR. SNOW: The American Bar is having their mid-  
4 year meeting in Kansas City. It's pretty accessible, from  
5 Air Florida and from Tampa.

6 MS. PULLEN: Kansas?

7 CHAIRMAN WITTGRAF: Kansas City, Missouri.

8 MS. PULLEN: This says Kansas.

9 CHAIRMAN WITTGRAF: Well, Kansas City. Johnson  
10 County is part of the standard metropolitan statistical area,  
11 that the metropolitan area overlaps Johnson County. It's all  
12 part of the Kansas City area.

13 MS. PULLEN: But Kansas City, Kansas, and Kansas  
14 City, Missouri, are across the border from each other or  
15 something?

16 CHAIRMAN WITTGRAF: They're all part of the same  
17 area. They're divided by the state lines and by the river,  
18 but they're all part of the same metropolitan area, yes.

19 MS. PULLEN: Oh.

20 CHAIRMAN WITTGRAF: Much like East St. Louis and  
21 St. Louis. I know you can relate to that, Ms. Pullen.

22 (Laughter)

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1 MS. PULLEN: I'm not sure --

2 CHAIRMAN WITTGRAF: Or perhaps Chicago and Gary,  
3 Indiana.

4 Further discussion?

5 (No response.)

6 STATUS REPORT ON THE MIGRANT LABOR/OMBUDSMAN SEMINAR PROJECT,  
7 CHAIRMAN'S REPORT

8 CHAIRMAN WITTGRAF: Hearing none, we'll move to  
9 agenda item 3b, which pertains to an upcoming meeting that,  
10 with the assistance of the staff, has been scheduled for just  
11 about 10 days from now. And that is a meeting that will be  
12 held in Des Moines, which I think all will agree is a  
13 particularly enticing locale in mid-December.

14 (Laughter)

15 CHAIRMAN WITTGRAF: And perhaps Mr. Kirk will be  
16 able to join us -- albeit attendance fees I don't think are  
17 going to be permissible on this occasion -- if his schedule  
18 allows. I think he enjoyed Des Moines in July, as I recall,  
19 and would probably like to be able to see it in December as  
20 well.

21 (Laughter)

22 MS. PULLEN: Mr. Chairman, do the hotel costs in

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1 Des Moines exceed the hotel costs in Chicago?

2 CHAIRMAN WITTGRAF: No.

3 MS. PULLEN: No. Okay.

4 CHAIRMAN WITTGRAF: In fact, if we follow  
5 Mr. Moses' suggestion again, they're very, very modest, both  
6 in cost and in accommodations.

7 (Laughter)

8 CHAIRMAN WITTGRAF: In any case, the schedule for  
9 the 17th of December at the facility made possible by, among  
10 other things, funds granted -- or appropriated by the  
11 Congress and funneled through the Legal Services Corporation  
12 to the Neil and Bee Smith Law Center is a meeting convened by  
13 the Corporation for the benefit of migrant action -- or,  
14 excuse me, of migrant programs dealing with the issue  
15 specifically of how the ombudsman approach and how  
16 alternative dispute resolution can help us resolve migrant  
17 producer problems, probably one of the most difficult, both  
18 politically and legally, problems that confronts the  
19 providers of civil legal services for the poor, and  
20 particularly the migrant programs.

21 There are monies available, as was discussed in the  
22 context of the Audit and Appropriations Committee's meeting

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1 yesterday that have not been expended by migrant programs in  
2 Fiscal Year 1992 that will be utilized for this program.

3 We hope that some portion of the cost of the  
4 program representatives' participation from around the  
5 country can be borne by the Corporation with those funds and  
6 that it will be possible for the attendees to react to what I  
7 call "the Proteus example" -- Proteus being a private  
8 nonprofit corporation that developed and undertook the  
9 ombudsman approach in Iowa the last couple of years -- that  
10 there will be reaction from the representatives of the other  
11 migrant programs; and that finally suggestions, if not a  
12 consensus, will develop from the meeting that can be utilized  
13 by the migrant programs across the country.

14 It seems, to the Chairman at least, that there's  
15 been a very successful approach. And we want to attempt to  
16 share that approach and to find ways to resolve, without  
17 litigation and without political travail, to the extent  
18 possible, the ongoing differences between migrant laborers  
19 and producers as they exist across the country.

20 Any questions regarding that matter? It's my  
21 understanding that Mr. Hall is planning to be in attendance  
22 at that time, wanting to leave the confines of the Dallas-

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1 Fort Worth area to travel to Central Iowa to see what it's  
2 like in mid-December. Other Board members are certainly  
3 invited to attend if possible.

4 MR. UDDO: When is this?

5 CHAIRMAN WITTGRAF: It's Thursday, December 17.  
6 It's just a day-long session, from approximately 9:00 in the  
7 morning till 3:00 in the afternoon at the Neil and Bee Smith  
8 Law Center on the Drake University Law School Campus.

9 Other reports, comments by members of the Board  
10 regarding anything?

11 (No response.)

12 CHAIRMAN WITTGRAF: Hearing none, we will proceed  
13 to agenda item 4, and that is the report of the Operations  
14 and Regulations Committee. The acting chairman of that  
15 committee at this time is Mr. Kirk. The Chair recognizes  
16 Mr. Kirk for the purpose of the committee's report.

17 Mr. Kirk.

18 REPORT OF THE OPERATIONS AND REGULATIONS COMMITTEE  
19 BY WILLIAM L. KIRK, JR., ACTING COMMITTEE CHAIRMAN

20 MR. KIRK: The Operations and Regulations Committee  
21 met in an exciting session this morning to discuss the  
22 possible changes to certain resolutions that had been --

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1 regulations that had been passed to which Congress had  
2 expressed some question.

3           These had initially been brought up by Member Dana,  
4 whose thought was that they be adopted in their -- they be  
5 rescinded in their entirety in order to comply with  
6 congressional wishes, as an effort for us to show our good  
7 faith Congress with the probably misdirected thought that  
8 Congress might be willing to confirm us.

9           Is that a fair statement?

10           MR. DANA: No.

11           MR. KIRK: All right. Please correct me.

12           MR. DANA: One of the problems that this Board has  
13 had is that it does not have the power to amend its  
14 regulations. So while we can rant and rave, we can do  
15 nothing about it. And that was intentional, because our  
16 predecessors, in the view of Congress, misbehaved.

17           MR. UDDO: Some of them.

18           MR. DANA: Some, certainly not all. And Congress  
19 moved in and, as we have heard, enjoined the enforcement of  
20 many of the actions of our predecessor and also prevented us  
21 from really having regulatory authority.

22           And my feeling was that if we could get our

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1 regulatory authority back, one way of doing so would be to  
2 demonstrate to Congress that we had heard them when they  
3 said, "Don't enforce certain regulations."

4 So that the primary motivation for the last two  
5 and-a-half years was to persuade those on the Hill that we  
6 were sufficiently mature and attentive to our  
7 responsibilities and their responsibilities to follow their  
8 guidance, and therefore give us back our authority to pass  
9 regulations.

10 And that was the motivation behind it, not to  
11 persuade the Senate that we were worthy of confirmation.

12 MR. KIRK: I thought that was one of the reasons.  
13 And if I was wrong, I certainly apologize and withdraw those  
14 comments.

15 CHAIRMAN WITTGRAF: Mr. Kirk. Thank you.

16 MR. KIRK: Continuing on, initially they were  
17 viewed as we would just accede to Congress' intent. Then it  
18 was thought, well, maybe we need to look at them a little  
19 more in depth. And the Ops and Regs Committee has looked at  
20 these now for I don't know how many months in a row.

21 All but one of these, number 9, was passed by the  
22 committee, with the recommendation it would be presented to

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1 the Board. As such, I would assume that each of these,  
2 except for number 9 there, would be just put to the Board as  
3 a motion and should be voted on.

4 And to the extent that people weren't here earlier,  
5 there might be just a brief comment by Mr. Fortuno of what  
6 the subject matter is.

7 CHAIRMAN WITTGRAF: Okay. Let me be sure,  
8 Mr. Chairman, that I understand the approach you have  
9 suggested. Are you suggesting that 1 through 8 and 10 would  
10 be taken together or taken individually for Board action?

11 MR. KIRK: They would be taken individually.

12 CHAIRMAN WITTGRAF: Okay. Thank you.

13 MR. KIRK: Actually, there's more than that.  
14 There's 1607.

15 CHAIRMAN WITTGRAF: Right. I left the first group  
16 out. But the first group plus 1 through 8 and 10. But in  
17 any case, whatever the literal number is, you would suggest  
18 that they be taken individually?

19 MR. KIRK: Yes, I would.

20 CHAIRMAN WITTGRAF: Mr. Chairman.

21 MR. KIRK: First would be 1607, which would be to  
22 withdraw the proposed revisions to part 1607, published in

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1 the Federal Register, except that portion of 1607.6 which was  
2 adopted by the Board and published as final.

3 Basically, these deals with governing bodies.

4 Mr. Fortunato, is that correct?

5 MR. FORTUNO: Yes, it does. Recipient governing  
6 bodies.

7 CHAIRMAN WITTGRAF: Mr. Dana.

8 MR. DANA: Mr. Kirk, I don't know if there are any  
9 Board members who would like to go through this all over  
10 again. And if there were, I think we should. But if, in  
11 fact, I am correct that all members of the Board were here  
12 during our discussions, maybe we could foreshorten --

13 MR. KIRK: I don't intend to do it in depth, but I  
14 want him here. I want him to be able to answer questions. I  
15 don't want there to be any doubt in the Board's mind when  
16 they're voting.

17 MR. DANA: Thank you.

18 MR. UDDO: Mr. Chair.

19 CHAIRMAN WITTGRAF: Mr. Uddo.

20 MR. UDDO: Could I suggest then that the ones that  
21 passed out of the committee unanimously may be treated  
22 together and let Board members ask questions about anything

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1 they want to ask questions about?

2 MR. KIRK: I don't know that there were any that  
3 passed unanimously. That's why I didn't vote on all of them.

4 MR. UDDO: All right. Then let me try this. Can  
5 we just ask Board members who have questions to ask  
6 questions?

7 MR. KIRK: I think that's fine, each one, as we go  
8 along.

9 CHAIRMAN WITTGRAF: Okay. Let's begin then with  
10 the first one. That would be the suggestion, and it's  
11 contained not only in the individual memorandum we have, but  
12 I think it's also contained in the Omnibus Board Book, as I  
13 recall, beginning at page -- I take that back. I think  
14 there's a summary pertaining to those beginning at page 123,  
15 but the proposed motions are not.

16 So I would encourage everyone to be sure that he or  
17 she has before him or her the memorandum of December 2, 1992,  
18 from Ms. Glasow through Mr. Fortuno to the Board of  
19 Directors.

20 M O T I O N

21 Beginning with the first substantive page of that  
22 memorandum, pertaining to Part 1607, the motion that's

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1 contained there, I will accept the committee's recommendation  
2 as that motion, having been made and seconded, being before  
3 the Board for discussion.

4 And is there discussion? Mr. Kirk.

5 MR. KIRK: None.

6 CHAIRMAN WITTGRAF: Questions, comments,  
7 discussions, inquiry of Mr. Fortuno?

8 (No response.)

9 CHAIRMAN WITTGRAF: Hearing none, those who are in  
10 favor of adoption of the motion pertaining to Part 1607 of  
11 the Regulations will signify by saying aye.

12 (Chorus of ayes.)

13 CHAIRMAN WITTGRAF: Those who are opposed, nay.

14 (Chorus of no.)

15 CHAIRMAN WITTGRAF: The ayes appear to have it.

16 The ayes do have it. That motion is adopted.

17 M O T I O N

18 CHAIRMAN WITTGRAF: Moving to Part 1609 on the same  
19 page, pertaining to a regulation regarding fee-generating  
20 cases, again, the Chair interprets that recommendation of the  
21 committee as a motion having been made and seconded.

22 Is there discussion? Mr. Kirk.

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1 MR. KIRK: None.

2 CHAIRMAN WITTGRAF: Questions, comments,  
3 discussions, inquiry of Mr. Fortuno, our general counsel?

4 (No response.)

5 CHAIRMAN WITTGRAF: Hearing none, those who are in  
6 favor of the motion as presented there, the motion portion,  
7 the lower half of the page, regarding Part 1609 and the  
8 fee-generating cases, will signify by saying aye.

9 (Chorus of ayes.)

10 CHAIRMAN WITTGRAF: Those who are opposed, nay.

11 (Chorus of no.)

12 CHAIRMAN WITTGRAF: The ayes appear to have it.  
13 The ayes do have it. That motion is adopted.

14 M O T I O N

15 CHAIRMAN WITTGRAF: Proceeding to the next page  
16 then, at the beginning, on the bottom of the same page, the  
17 motion being stated on the top of the next page, pertaining  
18 to Part 1610 and 1611 of the Regulations, regarding the use  
19 of funds from sources other than the Legal Services  
20 Corporation and eligibility in that regard.

21 Again, the Chair interprets the motion as having  
22 been made and seconded in that it has come forward from the

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1 committee.

2 Is there discussion? Mr. Kirk.

3 MR. KIRK: None.

4 CHAIRMAN WITTGRAF: Further discussion, inquiry of  
5 Mr. Fortuno?

6 MS. PULLEN: Mr. Chairman.

7 CHAIRMAN WITTGRAF: Ms. Pullen.

8 MS. PULLEN: This Board, during discussions of  
9 reauthorization proposals and other considerations over the  
10 last two years, has frequently heard concerns about the use  
11 of private funds and the potential for abuse.

12 And I would ask the Board to seriously consider  
13 that withdrawal of regulations along this line is adopting a  
14 policy position that says that those concerns don't matter.  
15 And I believe that is something that we should not be doing  
16 even if we are not currently permitted to enforce those  
17 regulations under the temporary language that appropriations  
18 writers constitute.

19 CHAIRMAN WITTGRAF: Further discussion?

20 (No response.)

21 CHAIRMAN WITTGRAF: Hearing none, those who are in  
22 favor of the motion as --

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1 MR. UDDO: Excuse me just a second.

2 CHAIRMAN WITTGRAF: Excuse me. Mr. Uddo.

3 MR. UDDO: Vic, explain to me how this provision  
4 affects the abortion restriction provision.

5 CHAIRMAN WITTGRAF: Mr. Fortunato.

6 MR. FORTUNO: I think -- and Mr. McIver is here, so  
7 if I misspeak, hopefully he's here to catch me and set me  
8 straight. I believe that what happens is you have a  
9 restriction in the LSC Act currently, and you can't use  
10 private funds to obtain a nontherapeutic abortion. You can't  
11 use LSC funds for that. And under 1010(c), you can't use  
12 private funds for that either.

13 Under the Appropriations Act, which is broader, the  
14 prescription in the abortion area, you have a prescription  
15 against using funds appropriated in that specific Act for  
16 abortion-related activities. Abortion-related activities, of  
17 course, being broader than using funds to obtain or secure a  
18 therapeutic -- a nontherapeutic abortion.

19 The restriction in the Appropriations Act goes only  
20 to LSC funds. The restriction in the LSC Act goes to both  
21 LSC funds and private funds. And I believe what this does is  
22 -- as to abortion, would allow private funds to be used for

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1 abortion-related activities that are not prohibited by the  
2 LSC Act. To the extent that they are prohibited by the LSC  
3 Act, then private funds would not be available for those  
4 endeavors.

5 CHAIRMAN WITTGRAF: Mr. Uddo.

6 MR. UDDO: Yes. Mr. Chairman, then I'm going to  
7 urge the Board to vote against this provision, because I  
8 don't think this regulation should go into effect or even be  
9 proposed by the Board at this time, because I think it's  
10 inconsistent with the position that the Board took in the  
11 reauthorization process to extend those restrictions in  
12 reauthorization to private funds.

13 And I think that nobody knows how that  
14 reauthorization bill is going to look when it finally does  
15 come out. But I think this would be inconsistent with the  
16 position that we have already taken on that particular  
17 provision.

18 I would be happy to vote on the abortion part of it  
19 separately. But if it's going to be a part of the regulation  
20 as a whole, I have to vote against it and urge others to vote  
21 against it.

22 CHAIRMAN WITTGRAF: Point of clarification,

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1 Mr. Fortuno. As I understand this, we're not talking about  
2 an existing regulation; we're talking about the withdrawal of  
3 a proposed or partially adopted regulation.

4 MR. FORTUNO: That's correct.

5 CHAIRMAN WITTGRAF: Okay. So we're not changing  
6 anything that exists, Mr. Uddo. And I heard you saying  
7 something else.

8 MR. UDDO: Would you explain that to me again?

9 CHAIRMAN WITTGRAF: Mr. Fortuno.

10 MR. FORTUNO: I think that what's happened is that  
11 a prior Board sought to make some changes which never went  
12 into effect and legislatively have been precluded from going  
13 into effect. And what we're doing now is simply the changes  
14 that the Board sought to make back in the late '80s are now  
15 being withdrawn.

16 MR. UDDO: I know. But one of the changes that  
17 that Board was trying to make was to prohibit the use of  
18 private funds for abortion-related activity.

19 MR. FORTUNO: That's correct.

20 MR. UDDO: So it would have the effect that I'm  
21 talking about.

22 CHAIRMAN WITTGRAF: Oh, I was only trying to

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1 clarify, Mr. Uddo.

2 Nothing would be changed in terms of existing law  
3 or regulations, as I understand it. Only a proposal that was  
4 partially -- that developed or got partially through the  
5 process would be withdrawn from the process.

6 But effectively, no regulation or statute would be  
7 changed.

8 Is that correct, Mr. Fortuno?

9 MR. FORTUNO: Correct.

10 MR. DANA: And which Congress has prevented --

11 MR. UDDO: Yeah, but --

12 CHAIRMAN WITTGRAF: Mr. Uddo.

13 MR. UDDO: But we're dealing in terms of Board  
14 policy here. And it would change the Board's policy from  
15 what is the existing regulation.

16 And if this Board wants to look at the prior  
17 Board's regulation and take this action, I just want the  
18 Board to understand it is going to affirmatively change the  
19 policy, not only of the prior Board, but I understand the  
20 policy of this Board, or at least the majority of this Board,  
21 with respect to our position on reauthorization with respect  
22 to private funds and abortion-related activity.

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1           So -- I mean, I think I'm correct that if we were  
2 to approve this change, it would, in effect, contradict the  
3 majority of the Board's position with respect to abortion-  
4 related activities and our reauthorization proposal.

5           CHAIRMAN WITTGRAF: Further discussion?

6           MR. DANA: Mr. Chairman.

7           CHAIRMAN WITTGRAF: Mr. Dana.

8           MR. DANA: While I don't disagree with Mr. Uddo on  
9 the proposition that this Board has taken a -- this Board's  
10 position on abortion is as he stated it.

11           But we have another policy, I hope, which is to  
12 make sure that our regulations are consistent with Congress,  
13 Congress' direction to us. And they have, over the last four  
14 years, prevented us from enforcing this proposed regulation.

15           And so I would urge you, if you -- just based upon  
16 Congress' speaking to us, that we indicate that we are  
17 listening and that we will withdraw this regulation, which we  
18 haven't enforced, can't enforce, and -- or without regard to  
19 one's view on the merits, which will, in fact, be argued out  
20 in this coming year presumably, if reauthorization comes  
21 back.

22           CHAIRMAN WITTGRAF: Ms. Pullen.

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1 MS. PULLEN: Mr. Chairman the Corporation has  
2 respected the wishes of Congress by not enforcing the  
3 regulations that Congress has enjoined us from enforcing.  
4 But that does not mean that we are required to take an action  
5 to repeal those regulations, only that we cannot enforce them  
6 for as long as that injunction is in effect.

7 There is a new Congress about to be seated. It is  
8 a dynamic process. It is a new Congress every two years.  
9 The regulation that is being proposed to be withdrawn is a  
10 policy that has been hammered out by the Board of the Legal  
11 Services Corporation. And to withdraw that regulation, as  
12 opposed to merely not enforcing it, is to say that this Board  
13 affirms the policy that private funds ought to be used for  
14 abortion-related activity and other restricted activities.

15 And in casting a vote on withdrawing a regulation,  
16 we are casting a vote on a policy question. It is not simply  
17 a technical action.

18 CHAIRMAN WITTGRAF: Further discussion?

19 MR. UDDO: Yes, one thing.

20 CHAIRMAN WITTGRAF: Mr. Uddo.

21 MR. UDDO: I would just disagree with Howard, that  
22 the Congress has told us that they don't want this regulation

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1 as it applies to abortion. And the problem with this  
2 regulation is it lumps a lot of things together.

3 And I have made the argument before, and I made it  
4 through the reauthorization process, and I'll make it again,  
5 that the abortion issue has to be treated separately because  
6 of the uniqueness of the issue and the way it affects how  
7 people vote on a lot of things. And as long as abortion is a  
8 part of this particular provision, I'm going to maintain the  
9 position that we should not rescind the regulation.

10 CHAIRMAN WITTGRAF: Further discussion?

11 (No response.)

12 CHAIRMAN WITTGRAF: Hearing none, we will proceed  
13 to a vote. I believe everybody understands that we're voting  
14 on the motion that's at the top of page 2 of the presentation  
15 accompanying the memorandum of December 2, 1992, from  
16 Ms. Glasow and Mr. Fortuno.

17 Those who are in favor of the motion will signify  
18 by saying aye.

19 (Chorus of ayes.)

20 CHAIRMAN WITTGRAF: Those who are opposed, nay.

21 (Chorus of no.)

22 CHAIRMAN WITTGRAF: The nays appear to have it.

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1 The nays do have it. The motion is defeated.

2 M O T I O N

3 CHAIRMAN WITTGRAF: We will proceed then to the  
4 fourth motion before us, that being the one pertaining to  
5 Part 1626 of the Regulations, regarding restrictions on legal  
6 assistance to aliens. The motion is presented by the  
7 committee.

8 MR. KIRK: This one was unanimous.

9 CHAIRMAN WITTGRAF: It is before the Board at this  
10 time. That's the motion that's found in the middle of  
11 page 2.

12 Discussion, Mr. Kirk?

13 MR. KIRK: None.

14 CHAIRMAN WITTGRAF: Further discussion? Further  
15 inquiry?

16 (No response.)

17 CHAIRMAN WITTGRAF: Hearing none, those who are in  
18 favor of the motion as presented will signify by saying aye.

19 (Chorus of ayes.)

20 CHAIRMAN WITTGRAF: Those who are opposed, nay.

21 (No response.)

22 CHAIRMAN WITTGRAF: The ayes appear to have it.

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1 The ayes do have it. That motion is adopted.

2 Now, as it pertains to part 1612 of the  
3 Regulations, we have 10 specific proposals, 9 of which I  
4 believe have been presented to the Board today for action.

5 We'll begin with the first of those 9 parts, that  
6 being the one numbered 1 at the top of page 3. The Chair  
7 accepts the approval as that motion for adoption having been  
8 made and seconded.

9 Mr. Kirk.

10 MR. KIRK: No comments.

11 CHAIRMAN WITTGRAF: Further discussion or inquiry?

12 Ms. Pullen.

13 MS. PULLEN: Thank you, Mr. Chairman.

14 This regulation appears to track closely with the  
15 one that the Board has just refused to withdraw. It relates  
16 to the use of private funds for certain activities. And I  
17 would suggest that the same kinds of considerations are  
18 present with this one.

19 CHAIRMAN WITTGRAF: Mr. Fortuno, is there anything  
20 you would like to say in that regard?

21 I would ask you, if you have any comment in that  
22 regard, regarding the suggestion made by Ms. Pullen as to the

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1 parallel nature of this provision and the one rejected by the  
2 Board a few moments ago?

3 MR. FORTUNO: I think that the revision merely  
4 incorporates the Rudman amendment into the rule and is  
5 intended to provide a general framework with which to  
6 interpret the rule as private funds provisions.

7 I agree, they do substantially track one another.

8 CHAIRMAN WITTGRAF: Thank you.

9 Mr. Uddo.

10 MR. UDDO: Let me ask you a question, Vic. Would  
11 the 1610 -- if 1610 still applied to abortion-related  
12 activities, would 1612 -- I guess that's what we're looking  
13 at, 1612. Would 1612 -- it doesn't really contradict 1610.  
14 I mean, if 1610 says you can't use private funds for  
15 abortion-related activities, 1612 can't recreate that  
16 opportunity can it?

17 CHAIRMAN WITTGRAF: Mr. Fortunio.

18 MR. FORTUNO: It should not. 1610 is the  
19 implementing regulation for the private funds provision of  
20 the LSC Act, 1010(c).

21 MR. UDDO: Right. So really, 1612 doesn't  
22 necessarily -- or in my -- I'm thinking, wouldn't recreate

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1 the opportunity to engage in legislative activity related to  
2 abortion-related activity as long as 1610 has already said  
3 you can't use private funds, and we already know you can't  
4 use federal funds for abortion-related activity.

5 MR. FORTUNO: Well, I think that 1610 and 1010(c)  
6 again go to -- we're talking about restrictions in the Act  
7 itself. What we're looking -- the question comes down to the  
8 Act has a narrow restriction. The Appropriations Act has a  
9 broad restriction.

10 And the Act essentially says -- and 1010(c) -- and  
11 1610 just implements 1010(c) -- it says you can't use private  
12 funds -- received for the provision of legal assistance, I  
13 might add -- to do things which are prohibited to LSC funds.

14 The Appropriations Act again, using broader  
15 language, is limited only to appropriated funds, so that you  
16 can use private funds to do things which are not restricted  
17 in the LSC Act.

18 So to the extent that you've got abortion-related  
19 activities that are being -- but are not -- you can engage in  
20 litigation to procure a nontherapeutic (sic) abortion under  
21 the Act. You cannot engage in that activity under the  
22 Appropriations Act with funds appropriated under that piece

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1 of legislation.

2 If, however, you have money that's not appropriated  
3 under that piece of legislation or it's private money, you  
4 can use it, even though it's abortion-related, so long as it  
5 conforms to the LSC Act. And the LSC Act does say that you  
6 can use funds to procure a nontherapeutic (sic) abortion.

7 So that currently --

8 MR. UDDO: No, it doesn't say that. It says  
9 "therapeutic," doesn't it? I mean, the interpretation is for  
10 therapeutic, not --

11 MR. FORTUNO: I'm sorry, you can use it procure a  
12 therapeutic abortion. I'm sorry about that.

13 So that you can't use LSC funds to do that, but you  
14 can use private funds to do that, because the restrictions in  
15 the Appropriations Act go only to LSC funds. And 1010(c)  
16 does not reach prohibitions that are not set out in the LSC  
17 Act. The restrictions in the Appropriations Act aren't set  
18 out in the LSC Act. Consequently, 1010(c) doesn't encompass  
19 those.

20 So I think that if we look back at only what was in  
21 place before the provision that we're talking about now. In  
22 the '80s, the Board took some action to extend what we find

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1 in the LSC Act. We're not now in a position to enforce that.  
2 If, however --

3 MR. UDDO: You're talking about 1610 was an attempt  
4 to do that?

5 MR. FORTUNO: No, no. 1610 was in place. There  
6 were some revisions to extend 1610. 1610 and 1010(c) just  
7 went to what was in the LSC Act. What the Corporation  
8 attempted to do back in the late '80s in the attempted  
9 revisions to 1610, the then-attempted revisions, was to  
10 extend those beyond the LSC Act and to reach things that were  
11 not in the LSC Act -- for example, to reach abortion-related  
12 activities, which are prohibited not in the LSC Act but in  
13 the Appropriations Act.

14 What happens now is 1010(c), as it currently reads,  
15 without the provisions that we're now talking about  
16 withdrawing, wouldn't reach those. What we're doing is -- as  
17 I understood, the last vote of the Board was to leave in  
18 place a policy, which currently unenforceable nevertheless is  
19 a policy pronouncement by the Board.

20 I don't think that we can enforce as to non-LSC  
21 funds provisions that are not in the LSC Act. I don't know  
22 that that would change any right now. I don't know that if

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1 we were to withdraw the language that we're talking about in  
2 1612 that it would affect that any.

3 So the consequence of withdrawing this language is  
4 not to extend the prohibitions -- not to extend 1010(c) to  
5 prohibitions that are not in the Act. They would still be  
6 confined solely to what's in the Act.

7 And only if Congress were to lift the restriction  
8 in the Appropriations Act and let the Corporation proceed  
9 with the policy statement that we were talking about during  
10 the last motion, would the Corporation be able to go beyond  
11 where it -- the current state of the law -- that is,  
12 restricting only what's restricted in the LSC Act to private  
13 funds.

14 If those restrictions in the Appropriations Act  
15 were lifted, and the policy that was being discussed a few  
16 moments ago was carried out, then the Corporation would be  
17 restricting activities that are not currently restricted in  
18 the LSC Act.

19 That's all been very confusing. And I don't know  
20 if I have helped people with that or confused it some. But  
21 if there are any questions, maybe this is the appropriate  
22 time to inject those questions.

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1 MR. UDDO: Why don't you --

2 CHAIRMAN WITTGRAF: Mr. Uddo.

3 MR. UDDO: Excuse me. Who don't you just tell me  
4 what -- is there a specific part of 1612 that would relate to  
5 abortion-related activity?

6 MR. FORTUNO: No. Not that I can think of offhand,  
7 no.

8 CHAIRMAN WITTGRAF: Ms. Pullen.

9 MS. PULLEN: Under consideration currently is a  
10 motion to amend section 1612.2.

11 MR. FORTUNO: Yes.

12 MS. PULLEN: I do not find, in any of this  
13 material, the full text of that regulation as it now stands.  
14 So all I can look at is the amendment.

15 If this amendment were to be adopted --

16 MR. FORTUNO: I can read 1612.2 --

17 MS. PULLEN: Well, I would want to be able to read  
18 all of 1612.

19 If this amendment were adopted and the injunction  
20 against enforcement of regulations no longer existed, would  
21 this phrasing of 1612 present any conflict to the policy and  
22 regulation that we have left in place by not withdrawing the

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1 other regulation a moment ago -- I think it's 1610 --  
2 concerning private funds?

3 MR. FORTUNO: I would like to reflect on it  
4 further. But my initial reaction is, yes, that it would  
5 conflict. But it's a matter I would like to reflect on a  
6 little further.

7 I'm sure that Mr. Houseman would also appreciate an  
8 opportunity to be heard on that.

9 MS. PULLEN: So if we do not -- so if we amend this  
10 as -- in accordance with the proposal, we could be undoing  
11 what we did a moment ago in leaving that other policy in  
12 place, or at least leaving it to significant potential for  
13 litigation?

14 MR. FORTUNO: I'm not sure I understand the  
15 question. Could you just rephrase it for me?

16 MS. PULLEN: Well, is it a good idea to have  
17 regulations that are in conflict with each other?

18 MR. FORTUNO: Certainly not.

19 MS. PULLEN: And the regulation that was left in  
20 place a few moments ago, I think you just said you believe  
21 this amended regulation would conflict with that one.

22 MR. FORTUNO: I believe that, yes, it could be read

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1 to conflict with that.

2 MS. PULLEN: So if we are going to be consistent on  
3 this question with our previous action, we should also not  
4 adopt this amendment?

5 MR. FORTUNO: As I said, although I would like to  
6 reflect on it further, my initial reaction is there would be  
7 a conflict. And if your desire is to maintain a consistent  
8 position as to that, you probably would want to not vote on  
9 this one or not pass this resolution right now -- at least as  
10 worded.

11 I understand that the concern may be a more focused  
12 concern. It may be a concern as to abortion-related  
13 activities. And I don't know -- this is for the Board to  
14 take on, but the Board could, if it chose to, carve out --  
15 proceed with the motion that's before it, carving out an  
16 exception for abortion-related activities, so that the  
17 private fund restrictions would be -- the restrictions that  
18 have been objected to by Congress could be repealed or  
19 withdrawn.

20 But left in place would be the restrictions to the  
21 extent that they go to abortion. That would be a partial  
22 undoing. Whether the Board is inclined to do anything like

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1 that or to even attempt to do something like that now --

2 CHAIRMAN WITTGRAF: Mr. Dana.

3 M O T I O N

4 MR. DANA: Mr. Chairman, would you entertain a  
5 motion to table the balance of these matters until our next  
6 meeting in Washington, when Ms. Glasow and Mr. Houseman, who  
7 are the negotiators for many of these provisions and can  
8 answer our questions, would be present and available to  
9 address the issues that the Board is now raising?

10 MR. UDDO: I would second such a motion.

11 CHAIRMAN WITTGRAF: There is a motion, which has  
12 been seconded, to table consideration of all proposed  
13 revisions to the regulations, either the previously proposed  
14 regulations or the currently effective regulations, regarding  
15 Part 1612 of those Regulations.

16 And those would be the proposals that are contained  
17 beginning on the bottom of page 2 and continuing through page  
18 7 of the memorandum to which I have referred previously.

19 Is there discussion on the motion to table?

20 MS. PULLEN: Mr. Chairman --

21 CHAIRMAN WITTGRAF: Ms. Pullen.

22 MS. PULLEN: -- just to advise Mr. Dana that I do

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1 plan to be present in January.

2 (Laughter)

3 MR. DANA: I can't tell you how much that means to  
4 me.

5 (Laughter)

6 MS. PULLEN: You don't need to, Howard.

7 CHAIRMAN WITTFRAF: Is there further discussion?

8 MR. UDDO: Yes.

9 CHAIRMAN WITTFRAF: Mr. Uddo.

10 MR. UDDO: Let me just something to put perspective  
11 on this. This seems to be developing as a conflict between  
12 Howard and Penny, and that's not my intent in expressing my  
13 concerns with these regulations.

14 My concerns with these regulations are long-  
15 existing, well-known concerns, and I just want to be  
16 satisfied on what I'm going to be doing with respect to  
17 abortion-related activities if I vote one way or the other on  
18 these things.

19 So my support of tabling the motion is not  
20 tactical, it is in a sincere effort to get answers to these  
21 questions.

22 And that's what I -- and now, if this motion

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1 passes, Vic, ask you to make sure that you give me and share  
2 with the Board the answers to my concerns about this.

3 CHAIRMAN WITTGRAF: Further discussion on the  
4 motion to table?

5 (No response.)

6 CHAIRMAN WITTGRAF: Hearing none, those who are in  
7 favor of motion will signify by saying aye.

8 (Chorus of ayes.)

9 CHAIRMAN WITTGRAF: Those who are opposed, nay.

10 (Chorus of no.)

11 CHAIRMAN WITTGRAF: The ayes appear to have it.

12 The ayes do have it. The motion to table is adopted.

13 Let me take a moment to commend and express the  
14 Board's appreciation not only to Mr. Fortuno but notably to  
15 Ms. Glasow, who is a member of his staff, and to  
16 Mr. Houseman, who has represented the ideas and concerns of  
17 the field in this area.

18 I think, over the course of the last several  
19 months, a great deal of substantive material has been  
20 considered and summarized for the Board in the memoranda that  
21 have come before the Board, at least since our September  
22 meetings both the Operations and Regulations Committee and

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1 the meetings of the Board as a whole. And I think they have  
2 done a great deal of work.

3 And I, for one member of the Board, hope that we  
4 can move toward closure on some more of these matters and  
5 we'll do so when next we meet as a Board.

6 Also, to Mr. Rath and the members of the committee,  
7 our thanks are extended by and on behalf of the Board.

8 Mr. Kirk.

9 MR. KIRK: I just want to note that had we been in  
10 Washington we wouldn't have to table this. We would just  
11 reach down the hall and grab Ms. Glasow and have her come  
12 down.

13 MR. UDDO: Not Mr. Houseman.

14 MR. KIRK: Mr. Houseman would be two blocks away.

15 MR. UDDO: I don't think that's a fair criticism.

16 CHAIRMAN WITTGRAF: Well, thank you, Mr. Kirk.

17 At this time, before we move to the balance of the  
18 committee's report, the Chair recognizes Rose Newsome, the  
19 vice-chair of the Board of Directors of the Project Advisory  
20 Group, who had a comment she wished to make regarding either  
21 that specific proposal or Part 1612 of the Regulations, or  
22 this discussion generally.

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1 Or perhaps Ms. Newsome has decided not to speak at  
2 this point, but the Chair is prepared to and does recognize  
3 her if she wishes to be heard now.

4 Ms. Newsome.

5 MS. NEWSOME: I choose not to speak on this  
6 particular thing since it has been tabled, and I will speak  
7 at the next meeting.

8 CHAIRMAN WITTGRAF: Okay. Fine. Thank you,  
9 Ms. Newsome.

10 MR. McIVER: May I ask a question?

11 CHAIRMAN WITTGRAF: Mr. McIver.

12 On behalf of the Project Advisory Group, Harrison  
13 McIver.

14 MR. McIVER: Yes, was the effect of the vote to  
15 table an act to rescind the action of the Board or not? The  
16 first part --

17 CHAIRMAN WITTGRAF: No, no, no. Those -- the  
18 Chair's interpretation of what the Board has done is that the  
19 committee has presented to the Board for its consideration 9  
20 of the 10 proposals.

21 MR. McIVER: Didn't you take some action --

22 CHAIRMAN WITTGRAF: Yes, three substantive

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1 actions -- actually, you could say four substantive actions,  
2 three affirmatively and a fourth by nonaction have been taken  
3 already. And those actions stand.

4 MR. McIVER: Okay.

5 CHAIRMAN WITTGRAF: As it pertains to Part 1612 and  
6 the nine portions of that that have been presented to the  
7 Board by the Committee on Operations and Regulations, those  
8 are before the Board for consideration without further  
9 committee action when next the Board meets.

10 Mr. Kirk, are there further matters to be presented  
11 on behalf of the Operations and Regulations Committee?

12 MR. KIRK: No, sir. That concludes my report.

13 CHAIRMAN WITTGRAF: Thank you, Mr. Kirk.

14 At this time, we'll move to agenda item 5.

15 For the purpose of the report of Office of  
16 Inspector General Oversight Committee, the Chair recognizes  
17 both Mr. Kirk, the chairman of that committee, and Mr. Hall,  
18 the acting chairman of that committee.

19 Mr. Kirk.

20 MR. KIRK: I yield to Mr. Hall --

21 CHAIRMAN WITTGRAF: Mr. Hall.

22 MR. KIRK: -- because he was chairman yesterday.

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1 MR. HALL: I yield to Mr. Kirk.

2 (Laughter)

3 CHAIRMAN WITTGRAF: Mr. Hall.

4 REPORT OF OFFICE OF INSPECTOR GENERAL OVERSIGHT COMMITTEE  
5 BY WILLIAM L. KIRK, JR., COMMITTEE CHAIRMAN,  
6 AND J. BLAKELEY HALL, ACTING COMMITTEE CHAIRMAN

7 MR. HALL: Thank you, Mr. Chairman.

8 The OIG Committee has met twice since this Board  
9 last met. We met on 11/16 or '92 and heard a budget request  
10 from the Inspector General of \$1,274,000.

11 I'll be rather brief, because I know everybody here  
12 already knows this. We heard testimony pro and con for it  
13 and came up with the conclusion to recommend to the A&A  
14 Committee, which we have already done, and they have acted  
15 upon, I believe, that a target budget of \$1,017,835 should be  
16 considered.

17 We met once again yesterday, with three items on  
18 the agenda. We learned that the Inspector General will be  
19 shortly forthcoming with the report on his recent activities.

20 We discussed the issue of whether or not the IG  
21 should have what would be considered close to a line-item  
22 budget and not come to the Board each year and present his

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1 budget needs. No action was taken on that. Quite a bit of  
2 discussion was held.

3 In my mind, it seemed like the problems that this  
4 Board might run into were the IG to have their own line-item,  
5 if that's the correct terminology, would be some loss of  
6 flexibility during hard financial times.

7 We heard from Mr. Jim Naughton, the father of the  
8 Inspector General's act, as he has been referred to, who  
9 suggested that perhaps because of the size of our Corporation  
10 in relation to other agencies -- government agencies that  
11 have their own line item for their IG, perhaps because of our  
12 size we needed to keep it as we currently do it. But no  
13 action was taken.

14 The third item was the Inspector General's budget  
15 request for FY '94. And basically he presented the same  
16 evidence and testimony as he had at the prior OIG Committee  
17 meeting, that being that he needed to institute a quality  
18 assurance program and needed more money to do that.

19 And he made a request for \$1,332,931, which the --  
20 among the committee, there was a consensus that that was a  
21 proper budget provided that financial times were not hard. I  
22 don't believe we took a motion or any action formally, but

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1 there was, at least in my mind, a consensus that if the money  
2 is there, we would go with that budget figure for FY '94 for  
3 the IG.

4 And that concludes my report.

5 CHAIRMAN WITTGRAF: Thank you, Mr. Hall.

6 Questions or comments for Mr. Hall or for Mr. Kirk?

7 (No response.)

8 CHAIRMAN WITTGRAF: Hearing none, the Chair will  
9 move to agenda item 6. That has to do with the technical  
10 matter of the Board's ratification at regular meeting and  
11 open session of notational votes taken by us previously.

12 As noted in the agenda, we have taken a notational  
13 report regarding adoption of the management report in  
14 response to the Inspector General's semiannual report for the  
15 period from April 1 to September 30, 1992. And of course,  
16 since we took that action, you have also received copies of  
17 the final report.

18 Any discussion in that regard? Mr. Hall.

19 MR. HALL: Well, we did -- the OIG Committee did  
20 recommend approval of that. And I admitted with my report.

21 CHAIRMAN WITTGRAF: Further discussion? The Board  
22 has, by notation, approved that Management Report. This is a

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1 technical matter, as I indicated.

2 Further discussion?

3 (No response.)

4 CHAIRMAN WITTGRAF: The Chair is prepared to  
5 receive a motion then.

6 M O T I O N

7 CHAIRMAN WITTGRAF: The Chair takes Mr. Hall's  
8 comments as a motion made and seconded on behalf of the OIG  
9 Committee.

10 Is there further discussion?

11 (No response.)

12 CHAIRMAN WITTGRAF: Hearing none, those who are in  
13 favor of adoption of the Management Report as ratified  
14 preliminarily through the notational vote will signify by  
15 saying aye.

16 (Chorus of ayes.)

17 CHAIRMAN WITTGRAF: Those who are opposed, nay.

18 (No response.)

19 CHAIRMAN WITTGRAF: The ayes appear to have it.  
20 The ayes do have it. That motion is approved. The report is  
21 adopted.

22 Similarly, we received and reacted to a request for

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1 the release of a portion of the transcript of the executive  
2 session of the Board of Directors Meeting of October 19,  
3 1992, regarding discussion with the Inspector General.

4 We have notationally approved the release of that  
5 portion of the transcript. We now need to ratify that  
6 notational vote.

7 MS. PULLEN: Mr. Chairman.

8 CHAIRMAN WITTGRAF: Ms. Pullen.

9 MS. PULLEN: The agenda release of the portion of  
10 the transcript to the Inspector General. Does this mean full  
11 public release? Or does it mean release to the Inspector  
12 General?

13 CHAIRMAN WITTGRAF: It's certainly the  
14 interpretation of the Chair that it means release to the  
15 Inspector General for his purposes alone and not release  
16 publicly. And I guess if the Inspector General would like to  
17 speak to his request -- that has been the Chair's  
18 interpretation and perhaps the Inspector General can verify  
19 that that was his purpose and his intention in making the  
20 request.

21 For that purpose, the Chair recognizes the  
22 Corporation's Inspector General, Edouard Quatrevaux.

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1 General.

2 MR. QUATREVAUX: Your interpretation is correct,  
3 Mr. Chairman.

4 CHAIRMAN WITTGRAF: Okay.

5 Further inquiry? Ms. Pullen.

6 MS. PULLEN: Mr. Chairman, I don't have a problem  
7 with that, but it was not clear in the way that you stated  
8 what we were voting on, and I thought that it should be  
9 clear, lest anyone beat a path to the door of our office in  
10 Washington, when everyone returns there, to get their own  
11 copy of the report.

12 CHAIRMAN WITTGRAF: Thank you. I have no doubt  
13 that, as often happens, I stated something less than  
14 crystallly clear.

15 Further discussion?

16 (No response.)

17 CHAIRMAN WITTGRAF: I think in this instance the  
18 Chair needs to receive a motion for the adoption.

19 M O T I O N

20 MS. PULLEN: I so move.

21 CHAIRMAN WITTGRAF: It has been moved by  
22 Ms. Pullen. Is there a second?

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1 MS. WOLBECK: Second.

2 CHAIRMAN WITTGRAF: Seconded by Ms. Wolbeck.

3 Further discussion?

4 (No response.)

5 CHAIRMAN WITTGRAF: Hearing none, those who are in  
6 favor of adoption of the motion will signify by saying aye.

7 (Chorus of ayes.)

8 CHAIRMAN WITTGRAF: Those who are opposed, nay.

9 (No response.)

10 CHAIRMAN WITTGRAF: The ayes appear to have it.  
11 The ayes do have it. The motion is adopted.

12 We now move to agenda item 7, that being the report  
13 of the Committee for the Provision for the Delivery of Legal  
14 Services. For that purpose, the Chair again recognizes  
15 Mr. Hall.

16 Mr. Hall.

17 REPORT OF THE PROVISION FOR THE DELIVERY OF LEGAL SERVICES

18 COMMITTEE, BY J. BLAKELEY HALL

19 MR. HALL: Thank you, Mr. Chairman.

20 We heard a report from Emilia DiSanto concerning  
21 the Law School Clinic Study that has been reported on in the  
22 past. Ms. DiSanto reported that it had been completed, and

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1 the Committee and other members present were supplied with a  
2 copy of it. Basically, the conclusion that was drawn was  
3 that not only has the law school clinic worked in the past,  
4 but it's still working now.

5 It has accomplished almost all of the goals it  
6 intended to accomplish. One goal in particular, whether or  
7 not it establishes a pool of lawyers for future work, is  
8 something that it does not address, and it would be difficult  
9 to really say whether it has or whether it hasn't.

10 However, Ms. DiSanto commented that it seemed  
11 that -- at least it was her impression that only on campuses  
12 where these law school clinics were being held was there an  
13 awareness, or at least on those campuses there was a greater  
14 awareness of poverty law and the needs.

15 No action was taken on it. Some discussion was  
16 held about better use of the monies, such as loan repayment  
17 programs or other type of attorney-retention programs.  
18 Several ideas were offered and received, but no action was  
19 taken.

20 That concludes my report.

21 CHAIRMAN WITTGRAF: Thank you, Mr. Hall.

22 Public comment in this regard?

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1 (No response.)

2 CHAIRMAN WITTGRAF: Discussion?

3 (No response.)

4 CHAIRMAN WITTGRAF: Hearing none, we will proceed  
5 to agenda item 8. That is the report of the Audit and  
6 Appropriations Committee.

7 For that purpose, the Chair recognizes --

8 MR. KIRK: Mr. Chairman.

9 CHAIRMAN WITTGRAF: Excuse me. Mr. Kirk.

10 MR. KIRK: Could I go back on the provision made  
11 before?

12 CHAIRMAN WITTGRAF: Certainly.

13 MR. KIRK: I notice Rick Culbertson is here.

14 And one of the issues, Mr. Culbertson, that we're  
15 dealing with here is the thought of utilizing some of the  
16 money of Legal Services to establish a recruiting  
17 coordination for Legal Service attorneys, which would  
18 essentially, you know, help find lawyers who would be  
19 interested in doing poverty work and kind of putting the type  
20 of people -- and really it wasn't particularly at your size  
21 program but more the rural program that has more business all  
22 through the elements -- and recruiting.

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1           But at some point, if you would give some thought  
2 to how that could be operated and what would be the more  
3 effective way of doing it. One of the thoughts that I have  
4 said is that I would rather give the money to the local field  
5 director, let him plan his own trip to the law school to  
6 recruit or decide if it would be better just to put in  
7 salaries or something. But there are other thoughts that  
8 seem to favor some national recruiter.

9           And I'm not asking for comments now, but if you  
10 could favor us with those, I would appreciate it.

11           MR. HALL: Mr. Chairman.

12           CHAIRMAN WITTGRAF: Mr. Hall.

13           MR. HALL: I might add that I talked with Rick last  
14 evening and asked him those same questions. And my question  
15 to him was, in his particular program, what would he use that  
16 money for? And I'm not so sure that maybe Rick wants to come  
17 forward and respond. It was my impression that he had some  
18 greater needs and it wouldn't go there. So unless we -- if  
19 we did do as you say, Bud -- not that it's good or bad --

20           MR. UDDO: Mr. Chairman.

21           CHAIRMAN WITTGRAF: Mr. Uddo.

22           MR. UDDO: I was just going to suggest that I think

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1 that this would be premature right now, because the whole  
2 idea of recruitment, retention, and loan forgiveness is  
3 really in the earliest stages. And I think that's one of the  
4 things that the '94 budget is -- at least I'm recommending  
5 has money put aside for it, to figure out how to do it.

6 And I think loan repayment is a big part of it,  
7 because at the conference, that was the thing I heard, that  
8 folks who wanted to couldn't because they had \$60,000 and  
9 \$70,000 worth of law school loans, and it made it impossible  
10 for them to work in Legal Services offices.

11 So not to discourage Rick from coming up, but I  
12 don't know that it's the right time for it.

13 CHAIRMAN WITTGRAF: In fact, the Chairman will  
14 encourage Mr. Culbertson to come forward in that his good  
15 name and reputation have been bandied about here and that  
16 we're not scheduled to be back in Central Florida soon, the  
17 Chair would -- if ever. Never say never though. The Chair  
18 would recognize Mr. Culbertson and encourage him to share  
19 some brief comments with him, much as the Chair encouraged  
20 any of our guests to do that at the outset of the Board of  
21 Directors meeting earlier this morning.

22 If you would reintroduce yourself, both for the

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1 Board and for the purpose of the record, and also make just a  
2 couple of brief comments about your program so that we have  
3 some understanding of the nature of your program and how it  
4 compares with others across the country.

5 Good morning.

6 DISCUSSION OF FLORIDA ATTORNEY RECRUITMENT  
7 AND LOAN FORGIVENESS PROGRAM

8 BY RICHARD CULBERTSON, EXECUTIVE DIRECTOR,  
9 GREATER ORLANDO AREA LEGAL SERVICES

10 MR. CULBERTSON: Good morning. Thank you.

11 Yes, my name is Richard Culbertson. I'm the  
12 executive director of the Greater Orlando Area Legal Services  
13 that provides legal services in Orange County, Lake County,  
14 and Oceola County in Central Florida, where I guess a mid-  
15 sized program -- we have 12 attorneys serving those three  
16 counties.

17 And thank you for the opportunity to comment. On  
18 those two items, as far as recruitment and the loan  
19 forgiveness program, I personally think that's because of the  
20 variety of programs and the variety of needs, that I think  
21 that is something that's best left to the local level.

22 Within Florida, we have discussed and worked out

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1 some arrangements among ourselves, project directors within  
2 the state, where we will sometimes share costs to go to a  
3 minority job fair or public interest job fair and do some  
4 organized recruitment and share those costs.

5 As far as the student loans, you know, as I was  
6 discussing with Mr. Hall last night, for new attorneys it is  
7 almost a necessity, when they come out of law school and then  
8 they have, on the average, about \$30,000-plus in student  
9 loans, and we're paying them, on the average, about \$24,000  
10 or \$25,000 a year. Just for them to even consider taking  
11 jobs, many of them need some sort of student loan repayment.

12 In Florida, there's one program that has their  
13 student loan program. And then the Florida Bar Foundation  
14 has also established one that's statewide that provides -- I  
15 think this year it will be about 10 attorneys that work for  
16 the program that will be eligible for a student loan program.

17 And again, I think the needs for that are going to  
18 be varied from program to program, and that would also be  
19 better left either to the local level or a state-by-state  
20 basis.

21 CHAIRMAN WITTGRAF: Let me ask you, Mr. Culbertson,  
22 if you know, what kinds of loans -- and I'm looking

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1 particularly at those that involve the federal government or  
2 guarantees by the federal government -- your staff attorneys  
3 or prospective staff attorneys who you've interviewed and  
4 have?

5 MR. CULBERTSON: The specific types?

6 CHAIRMAN WITTGRAF: Well, what I'm getting at is  
7 whether they tend to be private individual or private  
8 commercial loans, or whether they tend to be loans that  
9 involve the federal government in some way, if you know.

10 MR. CULBERTSON: I really don't know the breakdown.

11 CHAIRMAN WITTGRAF: Okay.

12 MR. HALL: Mr. Chairman.

13 CHAIRMAN WITTGRAF: Mr. Hall.

14 MR. HALL: The only other thing I wanted Rick to do  
15 was to tell us the amount that the statewide program repays.

16 MR. CULBERTSON: Yes, the statewide program --  
17 again, this year, they approved 10 people for that. And how  
18 it works is they will pay either \$3,000 a year or 75 percent  
19 of the amount due that year on the student loan, whichever is  
20 less.

21 CHAIRMAN WITTGRAF: And by "the state program," to  
22 what are you gentlemen referring?

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1 MR. CULBERTSON: IOLTA funds. The Student Florida  
2 Bar Foundation funds that program.

3 MR. HALL: And -- Mr. Chairman.

4 CHAIRMAN WITTGRAF: Mr. Hall.

5 MR. HALL: And it's my understanding that that  
6 basically will hold off the attorney having to pay on his own  
7 loan for two or three years.

8 I mean, most of those can be a \$3,000 payment,  
9 correct?

10 MR. CULBERTSON: Correct. Yes, sir, actually it  
11 can be longer than that. The program in Florida has been set  
12 up to create an incentive to keep those attorneys in Legal  
13 Services actually for 10 years.

14 How it works is the first four years the foundation  
15 gives the money to the attorney, who then is responsible for  
16 paying their student loans. And in effect, the attorney owes  
17 that money back to the foundation. After the first four  
18 years, then the foundation writes off 15 percent of the total  
19 each year until the attorney doesn't owe the foundation  
20 anything.

21 So the first four years, it's actually just  
22 transferring that debt, and then beyond that, the next six

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1 years, the attorney needs to actually stay with the program  
2 to get it written off.

3 CHAIRMAN WITTGRAF: Okay. Mr. Hall.

4 MR. HALL: And that program is funded up to  
5 \$30,000, \$3,000 times 10?

6 MR. CULBERTSON: Yes.

7 MR. HALL: Do you have any indication whether or  
8 not those funds are going to be constant, or is that a  
9 year-to-year problem?

10 MR. CULBERTSON: It's a year-to-year. And once  
11 they approve so many slots for that year, they set aside the  
12 funds so that once someone is in the program the money is  
13 there for the full 10 years. But whether or not they will  
14 take new applicants is a year-to-year thing.

15 MR. HALL: Thank you.

16 CHAIRMAN WITTGRAF: Thank you, Mr. Hall.

17 Further questions for Mr. Culbertson? Mr. O'Hara.

18 MR. O'HARA: Yes, just an inquiry, Rick. In view  
19 of the economic climate and the potential fall-off on IOLTA  
20 funds, will this have an impact upon that program in Florida?

21 MR. CULBERTSON: Yes, the foundation met just last  
22 week, and the funds are going to be very, very tight. Just

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1 to maintain the current level of funding without this program  
2 or a number of other optional programs that the foundation  
3 has is going to be very difficult over the next two years  
4 unless there's an economic turnaround and interest rates  
5 increase. So this may very well go in the next few years.

6 MR. O'HARA: Second question I have, and it relates  
7 to that. I'm not a tax expert. Are -- the interest that  
8 they pay on these loans, is that tax deductible for these  
9 lawyers when they come into the program? Does the state  
10 recognize that for income -- well, you don't have an income  
11 tax in Florida.

12 MR. CULBERTSON: We don't have --

13 MR. O'HARA: But what about the federal tax; do you  
14 know?

15 MR. CULBERTSON: I really don't know. I would  
16 assume that it would count as income since it's going  
17 directly to the attorneys.

18 MR. O'HARA: Okay. And yours is a 10-year program?

19 MR. CULBERTSON: Yes.

20 MR. O'HARA: Do you have any indication of how many  
21 employees have -- has the program been existence long enough  
22 that we can get an idea of how many have stayed in the

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1 program for the entire length or how many have dropped out or  
2 anything like that?

3 MR. CULBERTSON: This is the second year of  
4 operation. The first year -- I don't have the exact numbers.  
5 I could get them for you though. But the first year I  
6 believe they approved about 18 or 20, and I think about 4 or  
7 5 dropped out the second year.

8 CHAIRMAN WITTGRAF: Mr. Hall.

9 MR. HALL: I have nothing further.

10 CHAIRMAN WITTGRAF: Further inquiry of  
11 Mr. Culbertson?

12 (No response.)

13 CHAIRMAN WITTGRAF: Thank you for joining us and  
14 allowing yourself to be pummeled -- gently.

15 MR. CULBERTSON: Thank you again.

16 CHAIRMAN WITTGRAF: Mr. Kirk, further discussion?

17 MR. KIRK: No.

18 CHAIRMAN WITTGRAF: Thank you.

19 At this point then, the Chair again recognizes  
20 Mr. Dana for the purpose of his presentation of the Audit and  
21 Appropriations Committee Report.

22 Mr. Dana.

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1 REPORT OF THE AUDIT AND APPROPRIATIONS COMMITTEE

2 BY HOWARD DANA, R., COMMITTEE CHAIRMAN

3 MR. DANA: Mr. Chairman, since our last meeting,  
4 we've met twice, once on November 23rd and once yesterday.

5 The committee recommends a 1993 COB, really in the  
6 form of a motion, which starts at the bottom of page 21 in  
7 the Board Book and continues over through the first two lines  
8 of 23 in the Board Book.

9 Essentially what we are proposing is --

10 CHAIRMAN WITTGRAF: Excuse me, just a moment,  
11 Mr. Dana.

12 You referred to page 21, and my recollection of  
13 your committee meeting yesterday is that -- in that you're  
14 referring to the draft committee minutes, those minutes as  
15 approved had a change in the motion as it appears at the  
16 bottom of page 21.

17 And the figure \$12,286,905 is, in fact, and is now  
18 part of your minutes, your committee's minutes, \$11,286,905.

19 MR. DANA: Thank you, Mr. Chairman. That is  
20 correct.

21 CHAIRMAN WITTGRAF: Mr. Dana.

22 MR. DANA: In effect, what the committee has done

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1 is taken management's proposal, which is a 12,146,905 budget  
2 request, removed the 860,000 of noncash expenditures  
3 contemplated therein, to produce a cash request of the  
4 11,286,000 you see at the bottom of page 21, to make  
5 additional reductions that are set forth on page 22 and the  
6 top of 23 of \$430,000 collectively, thus producing a cash  
7 cost budget of \$10,856,905. An analysis of that budget in  
8 the matrix form is available at page 57 of the Board Book --  
9 sort of.

10 Specifically, our recommendation -- thank you.  
11 Actually, there is a handout, which was handed out yesterday,  
12 which shows the \$10,856,405 number. I said 905, but  
13 apparently it's 405. And that's, I gather, being distributed  
14 now. It's similar to page 57, but shows the reduction and  
15 adjustments.

16 The recommendation asked management to make  
17 reductions of finite amounts in various departments,  
18 including the Inspector General's line. It adjusted -- it  
19 made adjustments in the Board of Directors line, not in the  
20 amount proposed by management but by the reallocation of some  
21 of the monies therein.

22 And it regretfully recommended to the Corporation

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1 as a whole that unless additional funds could be secured --  
2 and we have a proposal that is coming after this -- that the  
3 budget be further reduced by taking six furlough days, or  
4 unpaid holidays, during this current fiscal year.

5 The recommendations with respect to the IG's  
6 office, which are specific, are merely suggestions. And in  
7 all respects, we have asked management and the IG to make  
8 allocations within the departments as they see fit.

9 And that is our motion.

10 M O T I O N

11 CHAIRMAN WITTGRAF: The Chair accepts the  
12 recommendation of the committee as a motion, having been made  
13 and seconded.

14 Discussion is in order at this time. Mr. Kirk.

15 MR. KIRK: Just to -- well, first, there's a  
16 question on a point of order.

17 CHAIRMAN WITTGRAF: Mr. Kirk.

18 MR. KIRK: I would like to -- a question of order -  
19 - at some point move that we transfer some of these carryover  
20 funds. At what point in this report would that be  
21 appropriate for me?

22 CHAIRMAN WITTGRAF: Would you be more specific on

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1 what you're intending? I'm not sure I understand.

2 MR. KIRK: The Native American funds, the migrant  
3 line, the law school \$150, the other support, and basic field  
4 line.

5 CHAIRMAN WITTGRAF: You're proposing to carry them  
6 into the Fiscal Year 1993 consolidated operating budget, are  
7 you?

8 MR. KIRK: No. I just want to know at what point -  
9 - I mean, where in this agenda can I move and transfer those  
10 so that they would be available to the president for use as  
11 he sees fit, to avoid --

12 CHAIRMAN WITTGRAF: My question is what year you  
13 think that's going to affect. And I assume that inasmuch as  
14 we're almost a third of the way -- or, excuse me, a fourth of  
15 the way through Fiscal Year 1993, you're relating it to  
16 Fiscal Year 1993.

17 MR. KIRK: Yes.

18 CHAIRMAN WITTGRAF: And under consideration at this  
19 time is the Consolidated Operating Budget for Fiscal Year  
20 1993. So in the Chair's opinion, unless somebody can  
21 convince the Chair otherwise, a motion you might make in that  
22 regard is in order at this time.

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1 MR. KIRK: In that event then, I would move to  
2 amend the motion made by the Chairman of the A&A Committee,  
3 and I would move that we have \$22,149 as a carryover from the  
4 basic field line; \$15,926, the Native American line; \$152,864  
5 from the migrant line; \$150 from the law school line; and  
6 \$20,340 from the other support be transferred to the M&A  
7 budget to be used as needed by the president of the  
8 Corporation.

9 CHAIRMAN WITTGRAF: Do you have a total figures by  
10 any chance, Mr. Kirk?

11 MR. KIRK: No, sir. But if you would pass me that  
12 thing down there, I'll be happy to do that.

13 CHAIRMAN WITTGRAF: For the reference of the  
14 members of the Board and those in the audience -- just smile  
15 on it, that will give the solar unit what it needs, I think  
16 -- the figures to which Mr. Kirk referred are to be found in  
17 columns 16 and 17 of the Consolidated Operating Budget work  
18 sheet figures on page 48 of the Omnibus Board Book.

19 Is that your understanding, Mr. Richardson?

20 MR. RICHARDSON: That's correct.

21 CHAIRMAN WITTGRAF: It's the Chair's understanding  
22 that those five figures total \$211,849. Is there consensus

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1 on that?

2 MR. DANA: As to the math?

3 CHAIRMAN WITTGRAF: Yes.

4 MR. DANA: Yes.

5 CHAIRMAN WITTGRAF: Okay. The motion, as I  
6 understand it then, is to move those figures from unutilized  
7 but previously designated or, in some instance, undesignated  
8 funds from Fiscal Year 1992 generally to the management and  
9 administration category of the Consolidated Operating Budget  
10 for Fiscal Year 1993 to be apportioned therein at the  
11 discretion of the president of the Corporation, if I  
12 understand the motion correctly.

13 MR. KIRK: Except for the fact the total is 429,  
14 not 829. I misspoke. I wrote it 4, but --

15 CHAIRMAN WITTGRAF: 211,429.

16 MR. KIRK: That's right.

17 CHAIRMAN WITTGRAF: Okay. Have I restated your  
18 motion accurately?

19 MR. KIRK: Yes, you have.

20 CHAIRMAN WITTGRAF: Is there a second to that  
21 motion?

22 MS. LOVE: Second.

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1 CHAIRMAN WITTGRAF: It's been seconded by Ms. Love.  
2 Discussion?

3 MR. UDDO: I have a question, Mr. Chairman.

4 CHAIRMAN WITTGRAF: Inquiry. Mr. Uddo.

5 MR. UDDO: It's my understanding that the migrant  
6 figure of 152,864 is not accurate, that some money has been  
7 committed out of that and some more may be committed out of  
8 that?

9 CHAIRMAN WITTGRAF: For the purpose of this  
10 colloquy or discussion, the Chair asks the Corporation's  
11 treasurer and comptroller, David Richardson, to come forward  
12 to be recognized.

13 Mr. Richardson.

14 MR. RICHARDSON: Thank you.

15 Again, for the record, my name is David Richardson,  
16 treasurer-comptroller.

17 There was a question yesterday in regards to the  
18 four states. They have not been annualized in the normal  
19 context of a grantee that we now have. However, they were  
20 given short-term contracts through the end of the year. That  
21 money has been expended.

22 MR. UDDO: This figure is accurate?

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1 MR. RICHARDSON: So this money is accurate, yes,  
2 sir.

3 MR. UDDO: Now, what about this conference in these  
4 two weeks? Is some of the money for that supposed to come  
5 out of this?

6 CHAIRMAN WITTGRAF: Mr. Richardson or Mr. O'Hara.

7 MR. RICHARDSON: It certainly could, yes.

8 CHAIRMAN WITTGRAF: It's the Chair's understanding  
9 that that is the tentative plan; is that correct, Mr. O'Hara?

10 MR. O'HARA: Thank you, Mr. Chairman. That is  
11 correct. Roughly \$20,000 to \$25,000 would be utilized for  
12 that program.

13 We have a Senate directive or a message to the  
14 field advising them of the fact that this meeting will be  
15 held on the 17th and that if the money is available, we will  
16 aid in the transportation and lodging for it. And we've got  
17 responses from about 20 programs so far, that they are  
18 interested in attending. And we're basing our estimate of  
19 \$20,000 to \$25,000 on other events which have been held in  
20 Des Moines.

21 CHAIRMAN WITTGRAF: Further inquiry? Mr. Uddo.

22 MR. UDDO: No, but let me speak to the motion.

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1 CHAIRMAN WITTGRAF: Mr. Uddo.

2 MR. UDDO: The committee considered this yesterday,  
3 and while it is an action that would not be inconsistent with  
4 what the Board has done in the past -- and I would say over a  
5 fairly long period of time -- there is this debate about  
6 whether or not this would be consistent at least with the  
7 spirit of the '93 -- it was Senate committee or conference  
8 committee -- Senate committee appropriations language.

9 And as I said yesterday, I -- you know, committee  
10 language is precatory language to a large extent and "not  
11 enforceable." But on the other hand, as Ken pointed out  
12 yesterday, those are the folks that you continually deal  
13 with. And you don't want to ignore what they say, and you  
14 want to try to adhere to the committee's recommendations as  
15 much as possible.

16 So I think that what the committee did -- or at  
17 least as I understand what the committee did and what I did  
18 -- was to attempt to respect that language and to offer a  
19 portion of our actions, which we haven't discussed yet, as a  
20 substitute for that.

21 And that is my motion, which the committee  
22 accepted, which will come up next, to instruct Mr. O'Hara and

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1 whatever appropriate staff members would assist him in going  
2 to Congress and requesting that the law school clinic budget  
3 line be used as the source of ameliorating the budget  
4 shortfalls for the M&A part of the budget and to free up that  
5 money to start a pilot project for what we were talking about  
6 a little while ago, an attorney recruitment loan forgiveness  
7 program, and any balance after that to go back to the field.

8 So I think the committee's action is probably a  
9 wise course, and that is to try to respect the Senate  
10 committee's language since there is an alternative.

11 And certainly we're going to be going back to those  
12 same folks. And if those folks say, "No, we don't want to do  
13 that. We don't want to take it out of the law school line,"  
14 then it seems to me they have got to tell us where they think  
15 it should come from. And maybe we have misinterpreted their  
16 language, and they can tell us that at the time.

17 So I'm speaking against the motion for the reason  
18 that I think that there's an alternative that will work  
19 better and that I think is a very defensible alternative,  
20 because I don't think that we get into the problem of taking  
21 money that's been designated for field programs and using it  
22 in M&A in the face of that committee language.

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1                   CHAIRMAN WITTGRAF: Further discussion? Mr. Kirk.

2                   MR. KIRK: Yes. My discussion goes back to trying  
3 to figure out why Congress -- why the Senate did what the  
4 Senate apparently did. And yesterday I addressed a question  
5 to Mr. Dana, and I tried to write it down this time so that I  
6 would get it correct. But it's --

7                   CHAIRMAN WITTGRAF: Would this be considered an  
8 interrogatory of Mr. Dana?

9                   MR. KIRK: It would if it's all right.

10                   Do you have any direction information regarding the  
11 congressional -- the Senate's decision to make drastic cuts  
12 in the M&A thing? And, you know, what was their intent in  
13 making that decision? Do you have any direct information?

14                   CHAIRMAN WITTGRAF: Mr. Dana, we won't swear you  
15 for this purpose, but we'll take your professional statement  
16 as a member of the Bar and as fiduciary -- in your fiduciary  
17 capacity regarding the Corporation, Mr. Dana.

18                   MR. KIRK: It's only in his fiduciary capacity as  
19 a member of the Board of Directors I'm asking him.

20                   MR. DANA: Thank you, Mr. Kirk.

21                   My recollection is that as the pie was being cut  
22 finer and finer in the Appropriations Committee process, the

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1 Senate was at freeze budget and the House was at a 4 percent  
2 increase. And that was at a 4 percent across-the-board  
3 increase.

4 When there was even less than 4 percent available  
5 and it looked like only a 2 percent increase was going to be  
6 available, it is my recollection that almost all of that  
7 2 percent increase, overall increase -- and I think we went  
8 from 350 to 357 -- was directed to the field to ameliorate  
9 the equalization problem. And by taking monies from M&A, I  
10 think the Congress was able to move equalization up 2 or 3  
11 points from the -- up to the 86 percent that they were able  
12 to reach.

13 The absolute -- I can't swear to that as to the  
14 exact rationale or process, but I believe that was the  
15 thinking. And so I think in the final analysis, the effort  
16 was to take what little money was available to the  
17 negotiators, some from the House and some from the Senate,  
18 and to put it all in the field and deny this Corporation's  
19 M&A budget, what I believe would have been \$200,000 of  
20 increase that would have come to us if we had gotten our full  
21 share of the increase that -- if we had taken -- if that had  
22 come to the Corporation as opposed to the field, where it

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1 went.

2 Does that answer your question?

3 CHAIRMAN WITTGRAF: Mr. Kirk.

4 MR. KIRK: Well, partially.

5 Okay, Mr. Chairman. Thank you.

6 Mr. Dana, was there some thought in Congress that  
7 there's a lot of waste going on in the M&A?

8 CHAIRMAN WITTGRAF: Mr. Dana.

9 MR. KIRK: And if so, who was the source of this  
10 information that there was this excess that could be cut?

11 CHAIRMAN WITTGRAF: Mr. Dana, let me -- let me  
12 answer.

13 MR. DANA: Well, let me just respond.

14 CHAIRMAN WITTGRAF: Let me just make one comment  
15 first and let you collect your thoughts. I personally did  
16 not visit with any of the pertinent members of Congress or  
17 with any of the pertinent members of their staffs as the  
18 final decision-making was done.

19 I do have a recollection from, I believe, May of  
20 1993 of having appeared before the Senate Appropriations  
21 Subcommittee together with the Corporation president,  
22 Mr. O'Hara. And if my recollection serves me, at that point,

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1 Senator Bumpers, a member of that subcommittee from the great  
2 State of Arkansas, did raise a question as to why migrant  
3 monies intended seemingly for the State of Arkansas had not  
4 been expended there.

5 And I believe Mr. O'Hara gave more of a response  
6 than I did. And, in fact, our response was along the lines,  
7 as I recall it -- and I'll certainly recognize Mr. O'Hara for  
8 his recollection if he wishes -- that we're on it. In fact,  
9 the expenditures of those monies in Arkansas and in three  
10 other states has been a problem and has been very slow in  
11 developing.

12 And I'm not sure what all gave rise to  
13 Senator Bumpers' question -- and I have no doubt that he was  
14 assisted in raising the question by some number of his staff  
15 members, either his personal staff members or the  
16 Appropriations Subcommittee staff members.

17 But to the best of my knowledge, that wording in  
18 the committee report -- which I happen to agree with  
19 Mr. Uddo, as we discussed that wording yesterday, is not  
20 binding, but is also something to be taken into account --  
21 arose from that Senator and some member or members of his  
22 staff's concern about the nonexpenditure of migrant funds in

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1 the State of Arkansas.

2 Do you wish to expand on that session before the  
3 Appropriations Subcommittee at all, Mr. O'Hara, before we go  
4 back to Mr. Dana?

5 MR. O'HARA: All right. Thank you, Mr. Chairman.

6 As I recall the conversation with the Senator, and  
7 later with his staff, there were questions raised as to why  
8 the money had not been funded to the program in Arkansas.

9 And at that time, we had been repeatedly asking the  
10 program to furnish information to us so we could complete the  
11 paperwork and get the money going. And we subsequently  
12 furnished the Senate with a list of the phone calls and  
13 attempts we had made to get the information, and that's the  
14 only information I was able to furnish to the Senator and his  
15 staff at that time.

16 But the delay was not the Corporation's fault. It  
17 was the responsibility of the field to respond to questions  
18 which we had which every other program had responded to, and  
19 they had failed to do it in that time. And they have  
20 subsequently been funded.

21 CHAIRMAN WITTGRAF: I would concluded,  
22 unfortunately, that greater credibility ended up with the

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1 representative or representatives of that program or those  
2 programs in the mind of the Senator or in the minds of him  
3 and his staff members than for the Corporation and its  
4 representatives, hence the wording.

5 Mr. Dana.

6 MR. DANA: I am aware of no congressman or senator  
7 who is of the view that money expended -- currently being  
8 expended by this corporation is being wasted. My own bias,  
9 for what it is worth, is that -- and as reflected by this  
10 committee's and this Board's budget requests of Congress --  
11 there is a spectacular need in the field for additional  
12 funding.

13 This Board has asked for a 50 percent increase in  
14 overall funding. We asked for a relatively tiny increase,  
15 percentagewise, last year for the Corporation. I think that  
16 -- what I infer from what Congress did was, exercising  
17 judgment with scarce resources, they directed it to the  
18 field, took the \$200,000 that might have been "our share" and  
19 sent it to the field. That seems, to me, to be obviously  
20 within their province.

21 And I guess if I had been up there voting, I think  
22 I would have done the same thing, even knowing the terrible

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1 condition we are in now. What we are experiencing, I think,  
2 and have been experiencing over the last two or three years  
3 to a lesser extent, is what the field has been experiencing  
4 for a decade. And that is we are now experiencing laying off  
5 staff and reducing our ability to do our job. And it's a  
6 problem, but it is problem that has existed in the field for  
7 as long as I have been a part of Legal Services.

8 CHAIRMAN WITTGRAF: Further inquiry? Mr. Kirk.

9 MR. KIRK: Yes, sir. Thank you, Mr. Chairman.

10 And so that, as far as positions are well  
11 understood, I heartily endorse a reduction and a  
12 belt-tightening and a let's get rid of the waste. And  
13 Mr. O'Hara and I have talked extensively about this. And I  
14 think this gives us an opportunity to do some things that we  
15 would not be able to do.

16 And I have no criticism with reduction of the  
17 \$200,000. And in fact, the money that I am advocating be  
18 turned over to M&A -- I mean, I would hope that not all of  
19 that would necessarily be used, but some of it could, in  
20 fact, be put back into the field, because I, too, agree that  
21 the field programs are in desperate need.

22 And I would like to see money go there. I would

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1 like to see the Corporation stand as an example to the field  
2 of how to tighten its belt, how to reduce staff, how to  
3 reduce management and levels of bureaucracy. I heartily  
4 endorse that.

5 My concern is that it looks as if Congress has  
6 performed a two-step punitive action to this Corporation, and  
7 I am trying to figure out what information that they had and  
8 if, in fact, they realized what they were doing when they  
9 made those decisions.

10 And if they realized what they were doing when they  
11 both reduced it by the \$200,000 as well as taking away our  
12 ability to transfer carryover funds, then, you know, I'm  
13 wondering then what information they had that they thought  
14 that we could so easily absorb that.

15 CHAIRMAN WITTGRAF: Yes, Mr. Dana.

16 MR. DANA: Mr. Chairman, one, I think that the  
17 president is, in fact, making some of those same inquiries,  
18 as Congress is returning to town.

19 But, two, I understand your motion, and I want to  
20 be sure I understand it. I guess I do not understand it as  
21 an effort to change the motion that was on the floor. You  
22 just want to take the money into M&A and give the president

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1 the authority to spend it in accordance with his own  
2 discretion?

3 MR. KIRK: Once the money comes into M&A, then I  
4 would assume that some of these other belt-tightening methods  
5 might be able to be relieved, one of which would be the  
6 furloughing of employees. There might be some money that  
7 could be added back from the Inspector General and surely  
8 some money that might be added back to the president.

9 CHAIRMAN WITTGRAF: Let me try to clarify this  
10 matter, gentlemen.

11 Your motion is general as to the disposition of the  
12 funds, Mr. Kirk. In fact, one of the purposes of the  
13 Consolidated Operating Budget is to have line items or  
14 sub-line items or categories within our management and  
15 administration budget.

16 Should I, in listening to your motion and the  
17 discussion, assume -- or do I assume correctly that by giving  
18 the president discretion for the moment, he then will come  
19 back to the Audit and Appropriations Committee and through it  
20 to the Board with recommendations as to where that \$211,429  
21 best would be utilized?

22 MR. KIRK: Knowing the president, I think that

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1 would be his method of operation, what he would probably do.

2 CHAIRMAN WITTGRAF: Okay. Is it fair to say that  
3 that's consistent with or part of even -- implicitly part of  
4 your motion?

5 MR. KIRK: Yes, sir.

6 CHAIRMAN WITTGRAF: Thank you.

7 Mr. O'Hara.

8 MR. O'HARA: Thank you, Mr. Chairman.

9 Just to further continue the discussion on the use  
10 of the \$211,429, if the Board decides, in its wisdom, to  
11 transfer this money to M&A or decides not to, that will still  
12 not change the direction in which we are headed.

13 We have already implemented about 35 percent of the  
14 reductions which were recommended by Mr. Dana's committee,  
15 and we intend to continue on that way. There are many ways  
16 of finding out that we can reduce the expenditures in the  
17 Corporation. It's taking a little time to do that. I've  
18 been there a year.

19 I do know that at one time we had over 200  
20 employees in the Corporation. We now have roughly 120 or  
21 121, plus 13 in the Office of Inspector General. So we're  
22 pretty trim. But if can be trimmed further, we'll do it.

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1 And we will reduce expenditures.

2 It would not be my position to walk away from here  
3 if the Board decides to transfer that money to the M&A line  
4 -- to, you know, put my hands in my pocket and skip out the  
5 door and say, "That's fine, I've got it made." That would  
6 not be my intention. My intention would be to carry out the  
7 recommendations of the Audit and Appropriations Committee and  
8 do what's right.

9 MR. DANA: Mr. Chairman.

10 CHAIRMAN WITTGRAF: Mr. Dana, before I recognize  
11 you, let me ask for one more point of clarification from you  
12 and from Mr. Kirk.

13 Is the effect of the motion, as the two of you  
14 understand it, to be an increase in the \$10,856,405 figure,  
15 to which you have referred previously, by the sum of \$211,429  
16 to whatever new figure that is? Is that your intent, in  
17 effect, Mr. Kirk.

18 MR. KIRK: I would assume so. I mean, if there's a  
19 reason that that's not what it should be, then I --

20 CHAIRMAN WITTGRAF: I'm just trying to be sure I  
21 and my colleagues understand this correctly.

22 Would that be your assumption of the result of the

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1 motion, Mr. Dana?

2 MR. DANA: Well, I -- I don't know, frankly. I had  
3 -- we have already been told that the 211,429 is -- that 25  
4 of it is scheduled to be used next week in that great city of  
5 -- I think it's Des Moines.

6 CHAIRMAN WITTGRAF: One of the Nation's many great  
7 cities, yes.

8 MR. DANA: And let me just say -- and I don't --  
9 you know, this is sort of coming at our motion sort of  
10 obliquely. I would ask -- or urge my fellow Board members to  
11 vote against this motion -- frankly, not because we -- for a  
12 variety of reasons.

13 One, I think that we are -- through the next  
14 motion, I think we are taking steps -- and I think the  
15 president is taking is taking steps -- to seek congressional  
16 guidance so that we do not have to do -- make some of these  
17 draconian cuts. I think some of the money hopefully will  
18 come out of the law school clinic line.

19 But I think it is -- when you're going to Congress  
20 to ask them for assistance with a fiscal problem, it is not  
21 constructive to punch them in the nose first to get their  
22 attention. And they have asked us not to take money from the

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1 field and from the migrant programs and from the lines, and  
2 we have resisted doing that.

3 And I think -- you know, I would -- if we are going  
4 to get into that, there is money that a prior Board, years  
5 ago, set aside for a timekeeping experiment, which we have  
6 also not attacked. We haven't gone into the -- we haven't  
7 sort of borrowed from next year by anticipating some grant  
8 recoveries and interest income. We have left -- but we have  
9 made what we think are constructive budget cuts, and reduced  
10 our budget to a level that we could live with presumably for  
11 the next two years given current funding.

12 And by taking these monies now and spending them  
13 this year, it just -- it isn't as -- it is -- it punches  
14 Congress in the nose -- or at least the Senate. And I just  
15 think that there are other ways to deal with this fiscal  
16 crisis that are underway and that are more prudent.

17 I appreciate the suggestion, but I would urge my  
18 fellow Board members to vote against this.

19 MR. KIRK: Mr. Chairman, could I ask for a recess?

20 CHAIRMAN WITTGRAF: Yes, Mr. Kirk.

21 MS. PULLEN: Could I make one point before we do?

22 CHAIRMAN WITTGRAF: Yes, Ms. Pullen.

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1 MS. PULLEN: I would like to suggest that the  
2 appearance of language in a Senate committee report is not  
3 the same thing as a sense of Congress. If it had been a  
4 sense of Congress, it would have been in the final conference  
5 report.

6 CHAIRMAN WITTGRAF: Thank you, Ms. Pullen.

7 The Chair will accede to the request of Mr. Kirk  
8 for a five-minute recess. The Chair does plan to resume  
9 deliberations in five minutes.

10 (A brief recess was taken.)

11 CHAIRMAN WITTGRAF: We're still on discussion on  
12 the motion made by Mr. Kirk to amend the committee motion.

13 For the purpose of further discussion, the Chair  
14 recognizes Mr. Kirk.

15 MR. KIRK: Okay. For the record, I want it to be  
16 made absolutely clear, I see absolutely no prohibition in the  
17 report for utilizing this carryover funds. And, in fact, the  
18 committee expects that the Corporation will apply such  
19 carryover funding to the management and administration  
20 component, bringing the total level of funding to XYZ. But  
21 we had more than we thought. But they knew that we were  
22 going to do some carryovers this year.

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1           They did direct that any carryovers for this year  
2 into next year, that be spent during that fiscal year in  
3 support of what they were supposed to be done for.

4           So I see nothing wrong with my motion. However, it  
5 appears that our odds may be better in going to Congress for  
6 a reprogramming if, in fact, we have an austerity budget and  
7 a contingency in the budget.

8           And I have been -- although we have the votes to do  
9 it today, I think the same votes will be here in March when  
10 it comes back up. And I have the support of Chairman  
11 Wittgraf, that he will join us in that vote. And therefore,  
12 I'm going to withdraw my motion and would urge Ms. Wolbeck to  
13 withdraw her second, knowing that we will be revisiting this  
14 in March.

15           CHAIRMAN WITTGRAF: I believe the second belonged  
16 to Ms. Love.

17           MR. KIRK: Oh, I'm sorry, Ms. Love.

18           CHAIRMAN WITTGRAF: The Chair accepts the  
19 withdrawal of the motion, concurred in by Ms. Love.

20           Further discussion on the committee motion?

21           MR. KIRK: Just one more thing.

22           CHAIRMAN WITTGRAF: Mr. Kirk.

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1 MR. KIRK: And that is that I continue to think  
2 that, number one, we're going to end up with the same Board  
3 for at least a good portion of next year. I think a way to  
4 save the money would be to stop the \$8,000 or so we spend for  
5 out-of-town meetings and to reduce the meetings by two, or  
6 three, or four and take that savings and put it back into  
7 other areas of M&A. I'm not going to make that a motion, but  
8 I did want to reiterate my feelings on that.

9 CHAIRMAN WITTGRAF: Further discussion?

10 (No response.)

11 CHAIRMAN WITTGRAF: We're prepared to vote then on  
12 the committee recommendation. Is anyone desirous of having  
13 the recommendation restated?

14 MR. KIRK: Ms. Pullen wasn't here. I withdrew my  
15 motion, and intend to bring it up again in March.

16 MS. PULLEN: In March?

17 CHAIRMAN WITTGRAF: Those who are in favor of the  
18 motion, that being the recommendation of the committee  
19 regarding a Consolidated Operating Budget for Fiscal Year  
20 1993 for the Corporation, will signify by saying aye.

21 (Chorus of ayes.)

22 CHAIRMAN WITTGRAF: Those who are opposed, nay.

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1 (No response.)

2 CHAIRMAN WITTGRAF: The ayes appear to have it.  
3 The ayes do have it. The motion is adopted.

4 Mr. Dana.

5 MR. DANA: Mr. Chairman, the next recommendation is  
6 that the Board take steps necessary --

7 CHAIRMAN WITTGRAF: Are we still in the matter of  
8 the Fiscal Year 1993 budget, Mr. Dana?

9 MR. DANA: Yes.

10 CHAIRMAN WITTGRAF: Thank you. Proceed.

11 MR. DANA: -- necessary to reallocate, reprogram,  
12 and whatever, the \$1.2 million that Congress has set aside  
13 for law school clinics funding for Fiscal Year 1993, and use  
14 the money to deal with the Corporation's M&A fiscal crisis,  
15 for loan forgiveness, pilot projects, and/or field programs.

16 CHAIRMAN WITTGRAF: Is there a second to the  
17 motion? Or is that a committee --

18 MR. DANA: It's a committee recommendation.

19 M O T I O N

20 CHAIRMAN WITTGRAF: Okay. The Chair receives that  
21 then as the recommendation of the committee. As before the  
22 Board then, the motion is made and seconded.

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1 Discussion? Ms. Pullen.

2 MS. PULLEN: The committee report, as stated,  
3 recommends that the Board reallocate this money. What you  
4 really mean to say, I would think, is that the Board request  
5 Congress to reallocate this money. Is that not correct?

6 MR. DANA: Yes, I meant to say that the Board take  
7 the steps necessary to, meaning approach Congress, seek  
8 congressional authorization for it.

9 MS. PULLEN: I think that that should be explicit  
10 in the motion, because otherwise there will be an implication  
11 that we have the authority to take some kind of internal  
12 steps to reallocate.

13 CHAIRMAN WITTGRAF: Mr. Dana.

14 MR. DANA: That is -- I would -- I think this  
15 colloquy will make that clear, that it is -- that one of the  
16 steps necessary to do this is to -- that this step would  
17 require congressional approval.

18 CHAIRMAN WITTGRAF: Is that satisfactory,  
19 Ms. Pullen?

20 MS. PULLEN: Certainly.

21 CHAIRMAN WITTGRAF: Okay.

22 Further discussion regarding the motion? Mr. Uddo.

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1 MR. UDDO: Thank you, Mr. Chairman.

2 I want to speak in support of the motion, as I have  
3 on several occasions, because I think this is the time for  
4 the Board to refocus attention on this law school clinic  
5 project, which was a good project in its inception, did serve  
6 a useful purpose over the years that it has existed.

7 But as I have said before, I'm convinced that it's  
8 time to rethink it. And I have already laid on the table the  
9 various opportunities, other ways that not only this money  
10 but more money could be used toward attorney recruitment and  
11 loan forgiveness programs.

12 In addition, I think, in my proposal for an '84  
13 budget, I think there's other areas where law schools can now  
14 become involved with Legal Services, particularly in the area  
15 of training and in rethinking the best way to do training for  
16 Legal Services attorneys.

17 Also, I don't think that this is going to effect  
18 any kind of a hardship on law school clinics. Most of them  
19 did not receive large enough grants -- and they were  
20 generally one-year grants -- that they were dependant upon  
21 them.

22 In addition, the Department of Education has an

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1 appropriation in its budget of roughly \$8 million to  
2 \$9 million specifically earmarked for law school clinics.  
3 So there is a much larger pool of money out there that law  
4 school clinics are beginning to tap into for purposes of  
5 receiving grants for their clinical program. The grants tend  
6 to be larger, and they can go from one to three years, and  
7 that's a big advantage.

8 So I think that now is the time, in light of the  
9 budgetary problems that we have in M&A, to go to Congress and  
10 refocus the thinking about law school clinics and get this  
11 money moved for other more important uses.

12 CHAIRMAN WITTGRAF: Ms. Pullen.

13 MS. PULLEN: I guess I do still need further  
14 clarification. I have heard each of you refer to the fiscal  
15 crisis in M&A, and yet the comments of Mr. Uddo just now  
16 focused on alternatives in recruitment and training and that  
17 sort of thing as though this money would be used for the same  
18 kinds of things law school clinics, but in more perhaps  
19 creative or flexible or varied ways.

20 Does this motion contemplate that the \$1.2 million  
21 earmarked for law school clinics would be simply designated  
22 in a more flexible way to the same kind of thing, or would it

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1 include, to some degree, alleviation of the fiscal crisis in  
2 management and administration?

3 CHAIRMAN WITTGRAF: Mr. Uddo.

4 MR. UDDO: That's the first use of the money, is to  
5 alleviate the fiscal crisis for M&A. I mean, that's what the  
6 motion says, and it was the priority that I articulated in  
7 making the motion before the committee. And I believe that  
8 that is what the committee adopted, was a motion that was to  
9 go to Congress to ask for this change, with the first use of  
10 the money to be to alleviate the fiscal crisis in the  
11 Corporation.

12 The other things that I have referred to is because  
13 I think the committee -- and I think the Board would agree  
14 that we're not -- Congress doesn't need to give us  
15 \$1.2 million for M&A, that that's more than any of our  
16 variation on the Consolidated Operating Budget requires, and  
17 that necessarily there's going to be money available for  
18 other purposes after we allocate some to M&A.

19 And the motion is just -- not suggesting -- the  
20 motion is directing Mr. O'Hara, in his discussions with  
21 Congress, to say, "These are the uses that we are interested  
22 in. The financial crisis for M&A is first. And there is an

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1 interest in this area of attorney recruitment and loan  
2 forgiveness. And we could use some money to develop that as  
3 a project or a program or a future funding line for the Legal  
4 Services budget."

5 And then as a third possibility, depending on what  
6 amount of money Congress might wish to allocate to something  
7 like that, or agree to allow us to use, any remaining money  
8 would go back to the field as an understanding that if there  
9 is money left over from a change like this, the appropriate  
10 place for it to go is to the field.

11 But those three things are the things that we have  
12 discussed, and in that order.

13 MS. PULLEN: Mr. Chairman.

14 CHAIRMAN WITTGRAF: Ms. Pullen.

15 MS. PULLEN: I would like to state my understanding  
16 and hope that you concur with this, that this, in moving  
17 toward flexibility, does not in any way endorse any  
18 particular model with respect to recruitment strategies.

19 CHAIRMAN WITTGRAF: Mr. Uddo.

20 MR. UDDO: Well, I would definitely agree, because  
21 I don't have a model right now. I think that's what we need  
22 to figure out. Now, I want one that's really going to be

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1 effective. And that's why I would like to start us moving on  
2 the road to figuring out what to do. I don't even have a  
3 model, frankly.

4 CHAIRMAN WITTGRAF: Further discussion?

5 (No response.)

6 CHAIRMAN WITTGRAF: Hearing none, the Chair asks  
7 Mr. Dana to restate the committee recommendation, the motion  
8 before us, as to the \$1.254 million.

9 Mr. Dana.

10 MR. DANA: The motion is to recommend to the Board  
11 that it take whatever steps are necessary -- including going  
12 to Congress and seeking their consent -- to reallocate the  
13 \$1.2 million in law school clinic funding for 1993 and to use  
14 the money to cover the M&A fiscal budget crisis, loan  
15 forgiveness, and attorney recruitment projects, and for field  
16 programs.

17 CHAIRMAN WITTGRAF: You've heard the motion. Those  
18 who are in favor will signify by saying aye.

19 (Chorus of ayes.)

20 CHAIRMAN WITTGRAF: Those who are opposed, nay.

21 (No response.)

22 CHAIRMAN WITTGRAF: The ayes appear to have it.

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1 The ayes do have it. The motion is adopted.

2 Mr. Dana.

3 MR. DANA: Finally, Mr. Chairman, the committee,  
4 again, I guess it's fair to say, gives consideration of a  
5 1994 budget mark.

6 We heard, at our first meeting from the Project  
7 Advisory Group that had requested that we set a mark of  
8 \$820 million. The committee yesterday had before it two  
9 proposals, a proposal A and a proposal B. We discussed both  
10 of those proposals.

11 And while I think five of the six Board members  
12 present believed that we should be asking Congress for --  
13 again ask Congress for \$525 million for this coming fiscal  
14 year, there was not agreement as to the precise allocation of  
15 those funds. And so we do not have a recommendation for you  
16 today.

17 I would encourage Board members to consider the  
18 proposals A and B; to develop their own C, D, E, and F  
19 proposals. And presumably we will be back at the January  
20 meeting, after having considered those, and hopefully develop  
21 a consensus for a budget request.

22 That completes our report.

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1 CHAIRMAN WITTGRAF: Thank you, Mr. Chairman.

2 In this context, it's my understanding that  
3 Ms. Newsome, whom I recognized earlier and who withheld some  
4 comments she had earlier regarding proposed regulatory  
5 matters, would now like to be heard briefly on behalf of  
6 herself and the Project Advisory Group regarding the 1994  
7 appropriation request that the Corporation, through the  
8 Board, will make to the Congress.

9 Ms. Newsome, why don't you introduce yourself, with  
10 your full title and association, for the record. And then  
11 proceed with your remarks.

12 REMARKS OF ROSIE L. NEWSOME, VICE-CHAIR, PROJECT ADVISORY  
13 GROUP, NORTHERN INDIANA LEGAL SERVICES

14 MS. NEWSOME: My name is Rosie L. Newsome. And I'm  
15 from South Bend, Indiana, Northern Indiana Legal Services. I  
16 am member of Project Advisory Group, as vice-chair.

17 I am here, at this point in time, representing the  
18 clients of nine regions. I find that -- I talked with four  
19 of my clients this morning and yesterday after hearing the  
20 budget: Mrs. Santos of Boston; Mrs. Thelma M. Jones of  
21 Detroit, Michigan; and Alford Jones of Washington, D.C.

22 It was the understanding that when Mrs. Santos,

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1 myself, and Mr. Jones came before this Board in January, if  
2 I'm not wrong, in Washington. I do not have a transcript

3 CHAIRMAN WITTGRAF: I think that is correct,  
4 Ms. Newsome.

5 MS. NEWSOME: I think it's correct. We were --  
6 NOCA, the national, was given funds if they became available.  
7 I was also, by Mr. Wittgraf, given a contact person, who was  
8 Mr. Hall. But with no monies being involved, there were no  
9 reason to contact Mr. Hall.

10 Now, Mr. Uddo is a very intelligent man, and I know  
11 that. But he seemed to have found, he and Mr. Richardson,  
12 not to put a line item in the budget for the clients. As he  
13 stated, we were not ready for that.

14 And I just want to say, as a track record, I have  
15 gone through four LSC Board Chairpeople. And they nearly  
16 about was not ready. But they did not remove this Board.  
17 They kept on until they got a fairly decent Board.

18 And I, as a client and my clients, approve 100  
19 percent of what this Board has done to regain the confidence  
20 of the people in the field. And that's by getting out there  
21 with them, letting them not feel that you're sitting up here  
22 shuffling papers, not caring what they say.

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1           So I cannot tell you everything that I have to say  
2 today, but I will tell you in January, if the Lord let me  
3 live. Thank you for your generosity of putting us in your  
4 budget.

5           Now, somebody on this Board should at least put a  
6 recommendation on the record that NOCA does exist, that  
7 monies was given down from the committee for NOCA. If you  
8 don't be here to do it, let the next Board see that it is  
9 there. Don't let us have to start out all over again.

10           We are not responsible for what NCC did 30 years  
11 ago. You are not responsible for what Mr. Wier did, and you  
12 all can tell him I called his name. You're not responsible  
13 for him. So I don't feel that you should sit back, Mr. Uddo,  
14 and think that we, as clients, are not able to deal with  
15 money, because we are. And we cannot be responsible for  
16 something that has happened in the past.

17           And I am asking, with the client support, that you  
18 do something about your budget and this Board not accept it  
19 without any client -- without a client line item in there,  
20 because you cannot operate -- and they're your regulations --  
21 without clients, other than the fact the ones that you  
22 represent.

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1           And we are the ones that see that some of these  
2 local offices do represent them in the manner that they  
3 should. And without us, you can't exist. You have no need  
4 to even be here meeting today.

5           So I want you all to think hard about that budget,  
6 and please don't accept either one, Mr. Richardson's or  
7 Mr. Uddo's, because we, as clients, need to have a line item.

8           CHAIRMAN WITTGRAF: Thank you, Ms. Newsome.

9           MS. NEWSOME: If there is any questions, I'm  
10 available.

11          CHAIRMAN WITTGRAF: Would you do us one favor? For  
12 the record, state what the acronym NOCA stands for, the full  
13 name.

14          MS. NEWSOME: The National Client Advocates --  
15 National Organization of Clients Advocacy.

16          CHAIRMAN WITTGRAF: N-O-C-A?

17          MS. NEWSOME: N-O-C-A.

18          CHAIRMAN WITTGRAF: Okay.

19          At this point, unless somebody feels real strongly,  
20 the Chair wanted to be sure Ms. Newsome had the opportunity  
21 to share her thoughts.

22          I think, as indicated by the Chairman of the Audit

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1 and Appropriations Committee, you're really just getting in  
2 seriously to discussion of the budget. And I'm reluctant to  
3 have extended discussion of this aspect of the budget at this  
4 time, because we have a number of agenda items, including  
5 several that are going to take some time in executive  
6 session.

7           So if somebody feels strongly, please -- but the  
8 Chair's request would be that we save most of this discussion  
9 for the Audit and Appropriations Committee meeting and for  
10 the subsequent Board meeting.

11           Mr. Uddo.

12           MR. UDDO: I feel strongly enough that I just want  
13 to explain to Ms. Newsome, you misunderstood my comments. I  
14 didn't say clients are not ready. That doesn't figure into  
15 my calculation at all. And I didn't say that clients don't  
16 deserve funding.

17           What I said was, and what my budget proposed was,  
18 that that million dollars that was in that line, plus a lot  
19 more that I put into the basic field programs, in my opinion  
20 is intended for the creation of meaningful client training  
21 and other client programs on a local basis, rather than on a  
22 national basis.

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1           And depending on how long I'm around here, I would  
2 eventually propose a regulation that would require local  
3 programs to have a fairly clearly defined program of client  
4 training that this additional funding would go towards.

5           So our disagreement as to whether or not it should  
6 be a national client organization and client training or  
7 whether it should be local, my proposal is to strengthen it  
8 and make it local.

9           CHAIRMAN WITTGRAF: Ms. Newsome.

10          MS. NEWSOME: Mr. Uddo, I don't know if you are  
11 aware, but local programs only do what is demanded, what is  
12 mandatory. And that is why we have asked, as clients, that  
13 it be a national -- it be hand down from national.

14          It's in the guideline. It is in there, refunding.  
15 But if the director choose not to, he do not. And then there  
16 is nothing that a client can do about it.

17          So there is nothing on a local level. It's been  
18 there on the book ever since it started, it existed. But  
19 nothing has ever been done about it.

20          So this is why we are asking that it come from this  
21 Board, whether it be acted on or not, as long as it reflect  
22 the records.

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1 CHAIRMAN WITTGRAF: Thank you, Ms. Newsome.

2 At this time, the Chair is prepared to move to  
3 consideration of agenda item 9.

4 For that purpose, the Chair recognizes Mr. Uddo,  
5 the chairman of the Board's Special Reauthorization  
6 Committee.

7 Mr. Uddo.

8 REPORT OF SPECIAL REAUTHORIZATION COMMITTEE

9 BY BASILE UDDO, COMMITTEE CHAIRMAN

10 MR. UDDO: Mr. Chairman, the Reauthorization  
11 Committee has not met since our last Board meeting and is in  
12 something of a state of suspended animation at the moment.

13 CHAIRMAN WITTGRAF: Thank you, Mr. Uddo.

14 The Chair now turns to the president's report,  
15 agenda item 10, and for that purpose recognizes the  
16 Corporation's president, Mr. O'Hara.

17 Mr. O'Hara.

18 PRESIDENT'S REPORT BY JOHN P. O'HARA

19 MR. O'HARA: Thank you, Mr. Chairman.

20 I would like to ask Ken Boehm and Emilia DiSanto to  
21 come to the table up here.

22 My report will be fairly brief. We have covered a

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1 number of items in the course of the two days that we have  
2 been here, but I will run through them very quickly.

3 First, with regard to the budget situation, as  
4 president, on behalf of the employees, I wish to thank the  
5 Board for their consideration of moving the money from the  
6 other lines into management and administration.

7 And at such time as that action is necessary, we  
8 will know -- we will be in a better position to be able to  
9 respond to the questions that were asked of me this morning.

10 We have already met about 35 percent -- between 30  
11 and 35 percent of the recommended reductions which were set  
12 for us by the Audit and Appropriation Committee at their  
13 meeting last month. And we are continuing to act, and we  
14 will do our best to reach all of the figures which were given  
15 to us.

16 Secondly, with regards to the emergency funding, we  
17 have about \$70,000 left in our emergency fund. We have  
18 funded the programs in Florida, including \$47,000 to Florida  
19 Rural Aid to help with the aftermath of the hurricane.

20 On my visit to Hawaii last month to discuss that  
21 program, we found out that Hawaii had not prepared a request  
22 for emergency funds because they were unaware that we were

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1 holding funds for that purpose. We have \$70,000 left, and  
2 that will deplete our emergency funds if Hawaii comes in with  
3 a request greater than that, which I assume they will, based  
4 on what we observed there.

5 Next, I want to comment on the law school clinical  
6 program report that was discussed yesterday and which Emilia  
7 discussed before the committee and to say that I though the  
8 staff under Leslie Russell did a magnificent job in getting  
9 this together in such short time.

10 Finally -- or not finally, but getting back to the  
11 Hawaii visit, I did visit with members of the congressional  
12 delegation and with staff of other members of the delegation,  
13 with judges, attorneys, with the program executive director,  
14 with the Board president, and with two past presidents of the  
15 Board. And I expect to meet with the full Board membership  
16 sometime in the next one or two months to discuss some of the  
17 areas of service in that program that need to be addressed.

18 Last month, I also met with Mr. Joseph Zengerle,  
19 who is an attorney in practice in Washington, D.C. who is a  
20 very prominent person with the Disabled American Veterans  
21 with regards to our veterans project which we have ongoing  
22 with the Court of Veterans Appeals. And that was a very good

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1 meeting, and Mr. Zengerle has indicated that he would like to  
2 see this program continued in the future if it bears the  
3 fruit that we hope it will.

4 On the Chairman's proposed meeting at Des Moines on  
5 December 17th, which has also been discussed previous to this  
6 time, we hope to have an agenda which will have Pioneer and  
7 Proteus discuss their operations.

8 And we intend to invite Linda Bernard from the  
9 Wayne County Legal Services to discuss the alternative  
10 dispute resolution program which she has in the inner city of  
11 Detroit. And we are looking to involve a rural program, so  
12 as to discuss how the alternative dispute resolution works in  
13 those areas.

14 We have sent out a notice to the 25 or so programs  
15 that have migrant programs and have received indications from  
16 about 20 of the executive directors that they would like to  
17 attend. And again, as indicated earlier, we will provide  
18 transportation and lodging from the unspent funds that we  
19 have.

20 We continue to receive positive letters from the  
21 field regarding the monitoring approach of the Corporation,  
22 which is, first of all, to identify how the programs are

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1 handling their funds and to help them in those areas where we  
2 find that they are weak by getting other programs who have  
3 expertise in certain areas to work with those programs to  
4 bring them up to snuff.

5 The latest edition of "Inside Legal Services" is in  
6 the mail. It should have been in the mail over the weekend.  
7 It is now a semiannual document instead of quarterly. I have  
8 had some feedback from some executive directors who received  
9 the initial copies, and they expressed disappointment that it  
10 is a semiannual rather than a quarterly document. They felt  
11 that the articles that were in there were very helpful to  
12 them. But in view of our budget situation, we are going to  
13 keep it on a semiannual basis for the present.

14 And finally, as we approach 1993, I hope to be  
15 getting out to the programs as I have this year. We'll be  
16 looking for new ideas, new ways to approach the legal  
17 problems that exist out there with regards to our poor  
18 population.

19 I don't think we have an accurate figure at this  
20 time as to where the client population stands, but I know  
21 it's much greater than it was when we started out this year.  
22 And I will be meeting with executive directors, hopefully on

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1 a regional basis so as to cut down on some of my travel.

2 I would like at this time to ask Ken if he would  
3 like to give us a legislative report on what's happening in  
4 Washington.

5 LEGISLATIVE REPORT BY KENNETH BOEHM

6 MR. BOEHM: Sure. Yes, even though Congress is not  
7 currently in session, there is some additional news on  
8 legislative issues of concern to the Corporation. One is  
9 because you have the changing of the Congress you have a  
10 changing of some of the key congressional figures involved in  
11 LSC affairs.

12 With respect to our reauthorization committees over  
13 in the House, we have been before the Subcommittee of the  
14 Judiciary Committee that had been chaired by Congressman  
15 Barney Frank. It has been reported that he is leaving that  
16 subcommittee, which is a committee on administrative law and  
17 intergovernmental affairs. There is conjecture as to who the  
18 congressman is that will be replacing him, but he is clearly  
19 leaving, and I believe is to go to Banking and Urban Affairs.

20 There is a good chance, because the Republicans on  
21 that subcommittee have generally been first- or second-term  
22 Republicans, that there will be some changeover, in fact,

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1 maybe considerable changeover in the minority for that as  
2 well.

3           The impact for the Corporation for that is that if  
4 you have a lot of turnover on that subcommittee, you may end  
5 up having more hearings on the reauthorization, when, in  
6 fact, it's reintroduced, as all legislation must be with the  
7 new Congress. And there's -- as yet, because the committees  
8 haven't had their organizing meetings where they select their  
9 subcommittee chair and the ranking minority and so forth,  
10 it's hard to say what the timetable is going to be.

11           Informally, we have talked with people, staff  
12 members, folks that are interested in the committee as well  
13 as on the committee, and we get a sense that there is  
14 increased interest. But if you have a substantial turnover  
15 in the subcommittee, I think it would make for maybe longer  
16 hearings or more hearings than we had.

17           On the Senate side, with respect to our oversight  
18 committee there, it's the Committee on Labor and Human  
19 Resources, Senator Kennedy's Committee. And there it has  
20 been reported that the ranking minority senator, Senator  
21 Hatch, is leaving to take another committee assignment, and  
22 the open speculation is that Senator Kassebaum, Senator Nancy

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1 Kassebaum, Kansas, would be ranking minority there.

2 And again, it may have the same effect as in the  
3 House if you have substantial other turnover on that  
4 committee, and it's a large committee. As you may remember,  
5 it was done at the subcommittee level at the Senate -- full  
6 committee.

7 So if there is substantial turnover on that  
8 committee, as the organizational meetings are taking place  
9 over the next few weeks, selecting committee and chair, there  
10 is a good chance that the hearings there may be a little more  
11 extensive than otherwise you would have with legislation  
12 that's being reintroduced.

13 With respect to the Appropriations Committees, it  
14 appears from all indications that there wouldn't be the same  
15 changes, with the exception over in the Senate. The ranking  
16 minority on the subcommittee that considers our  
17 appropriations, Senator Rudman -- as I'm sure you're aware,  
18 he has retired. And at last check that I did informally,  
19 they have not made a formal selection yet as to who would  
20 fill that position, and I will be happy to keep the Board  
21 posted on that.

22 So, as I say, mostly it's just a changing of

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1 MR. DANA: Is it contemplated that they will be  
2 tested at the end of the test period but not at the  
3 beginning?

4 MS. DiSANTO: Well, the way the -- the way that  
5 this is currently set up is that each program that is  
6 participating -- the 16 programs that are participating in  
7 each of the four clusters will be visited on two separate  
8 occasions: first, the initial review, right as the  
9 competition project is beginning; and then at the conclusion  
10 of the 18-month period.

11 As I mentioned, part of the January 6th meeting,  
12 one of the -- I guess two of the major issues that are going  
13 to be discussed there are additional control sites and  
14 additional test sites. Part of the problem that we're  
15 running into is that in order to do additional sites for  
16 testing and/or control, additional funds are needed and are  
17 inadequate at this point in time.

18 MR. DANA: No, I just want to be sure -- and I  
19 think you've -- I think I have -- let me just restate what I  
20 understand you're saying. The Corporation and the Advisory  
21 Committee are considering testing out their test model on a  
22 test site.

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1 MS. DiSANTO: Yes.

2 MR. DANA: After that, it is still contemplated  
3 that all 16 sites will be visited at the beginning of the  
4 test process and evaluated by the reviewers.

5 MS. DiSANTO: Right.

6 MR. DANA: And then at the end of the 18-month  
7 period, they will be visited again by the team.

8 MS. DiSANTO: Yes.

9 MR. DANA: Is that correct?

10 MS. DiSANTO: That is the case. Each --

11 MR. DANA: And there's been no change in that?

12 MS. DiSANTO: No, each site will be visited on two  
13 separate occasions, at the beginning of the period and then  
14 at the conclusion of the 18-month period.

15 MR. DANA: Thank you.

16 MR. O'HARA: If I could --

17 CHAIRMAN WITTGRAF: Mr. O'Hara.

18 MR. O'HARA: Mr. Dana, just to clarify that a  
19 little bit, there is terminology here, I think, which is  
20 throwing us off. The initial visit will be made by the first  
21 set of peer reviewers to merely test the methodology, to see  
22 how it works, to see if the way they're going to go about

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1 doing their review is the way to go or whether they should  
2 make any adjustments before they do the actual pretest on the  
3 other programs.

4 It's something that we're working on with the  
5 advisory group which I created back in the beginning. And  
6 there's a question now as to whether or not we need to one or  
7 two pretests before we do the actual testing of the programs.  
8 That's one of the reasons for the meeting on the 6th, to  
9 finalize all of these details.

10 MR. DANA: Thank you.

11 MR. O'HARA: Unless there are any other questions,  
12 that would complete my report.

13 CHAIRMAN WITTGRAF: Anything further for  
14 Ms. DiSanto regarding her report?

15 (No response.)

16 CHAIRMAN WITTGRAF: Anything further for the  
17 president?

18 (No response.)

19 CHAIRMAN WITTGRAF: I would ask, Mr. President, the  
20 two letters received by us, as the Board, those of  
21 November 16 from Mary Hockenberry, first vice president of  
22 the Citywide Legal Advisory Council of Chicago, and the one

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1 of Donald Greiseman, executive director of Northeast Ohio  
2 Legal Services, dated November 24, be answered by you on  
3 behalf of us.

4 Further questions, comments for the president?

5 (No response.)

6 CHAIRMAN WITTGRAF: Hearing none, that completes  
7 the president's report.

8 Thank you, Mr. O'Hara.

9 For the purpose of the Inspector General's report  
10 in open session, the Chair recognizes the Corporation's  
11 Inspector General again, Edouard Quatrevaux.

12 General.

13 INSPECTOR GENERAL'S REPORT BY EDOUARD QUATREVAUX

14 MR. QUATREVAUX: Thank you, Mr. Chairman.

15 As Chairman Hall indicated, the monthly Activities  
16 Summary for OIG for the month of November has been mailed to  
17 you. And beyond that, I have nothing to add to the remarks  
18 that he made. He quite comprehensively covered any items I  
19 might have had.

20 Thank you.

21 CHAIRMAN WITTGRAF: Any inquiry for Mr. Quatrevaux?

22 (No response.)

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1 CHAIRMAN WITTGRAF: Thank you, Mr. Quatrevaux.

2 At this time then, the Chair is prepared to receive  
3 a motion to allow the Board to proceed to executive session  
4 for the purposes stated in the notice given for this meeting.

5 M O T I O N

6 MS. LOVE: So moved.

7 CHAIRMAN WITTGRAF: It has been moved by Ms. Love.

8 MR. UDDO. Second.

9 CHAIRMAN WITTGRAF: Seconded by Mr. Uddo.

10 Is there discussion?

11 (No response.)

12 CHAIRMAN WITTGRAF: Hearing none, those who are in  
13 favor of the motion will signify by saying aye.

14 (Chorus of ayes.)

15 CHAIRMAN WITTGRAF: Those opposed, nay.

16 (No response.)

17 CHAIRMAN WITTGRAF: The ayes appear to have it.

18 The ayes do have it. The Board will proceed to executive  
19 session.

20 Two administrative announcements in the process:  
21 The Chair's estimate, which is usually much too hopeful, is  
22 that we will return to open session at 1:30 p.m. today.

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1           Furthermore, for the Board members, we will be  
2           having lunch as a part of our executive session. You're  
3           encouraged to go to the room that's adjacent to us, to the  
4           west I guess that is, and to bring your lunch back in here so  
5           that we can proceed with the executive session as soon as  
6           possible.

7                         (Whereupon, at 12:47 p.m., the meeting was  
8           adjourned to executive session.)

9   \* \* \* \* \*

10   (1:35 p.m.)

11                         CHAIRMAN WITTGRAF: At this time we will resume our  
12           deliberations in open session. Consistent with the action  
13           taken in executive session, the Chair is prepared to  
14           entertain a motion for the approval of the new employee  
15           contract between the Corporation and the Inspector General.

16   M O T I O N

17   It's been moved by Ms. Love, seconded by  
18           Ms. Wolbeck.

19   Discussion?

20   (No response.)

21                         CHAIRMAN WITTGRAF: Hearing none, those who are in  
22           favor of approval of the new employment contract between the

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1 Corporation and the Inspector General will signify by saying  
2 aye.

3 (Chorus of ayes.)

4 CHAIRMAN WITTGRAF: Those who are opposed, nay.

5 (No response.)

6 CHAIRMAN WITTGRAF: The ayes appear to have it.

7 The ayes do have it. That contract is approved.

8 It will be executed by the Chairman on behalf of  
9 the Board and then presented to the Inspector General,  
10 Mr. Quatrevaux, for his execution.

11 Agenda item 18 contemplates the discussion of any  
12 other business that might come before the Board at the time.

13 Does anybody have such business? Is there anyone  
14 in attendance who wishes to present anything to the Board for  
15 its consideration at this time?

16 MS. PULLEN: Mr. Chairman.

17 CHAIRMAN WITTGRAF: Ms. Pullen.

18 MS. PULLEN: I would simply like to comment that  
19 after not being able to be present, but occasionally being  
20 with you telephonically for some months now, I appreciate  
21 your patience with me over that situation.

22 And I am pleased to be back among you for more

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1 fruitful discussion, because it's certainly much easier and  
2 more productive to participate this way.

3 But I have had a lot of situations that have  
4 conflicted, and I am glad that this time we were able to work  
5 things out that I could be here in body as well as spirit.

6 CHAIRMAN WITTGRAF: Well, we're delighted to have  
7 you here. And not only are we glad you're here for this  
8 meeting, we understand that you're expecting to be present  
9 for the next meeting.

10 And your attendance in person I think becomes even  
11 more critical as Mr. Shumway's status is, at best, up in the  
12 air. And should there be anymore turnover in the Board  
13 membership in the near future, that will make your presence  
14 and the presence of all of us that much more critical, both  
15 for the specific purpose of maintaining a quorum and for the  
16 more general purpose of substantive discussion of the issues  
17 before us.

18 Further discussion?

19 (No response.)

20 M O T I O N

21 MR. UDDO: I move we adjourn.

22 CHAIRMAN WITTGRAF: The Chair accepts Mr. Uddo's

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1 motion that we adjourn.

2 Is there a second?

3 MS. LOVE: Second.

4 CHAIRMAN WITTGRAF: It has been seconded by  
5 Ms. Love.

6 Those who are in favor of the motion will signify  
7 by saying aye.

8 (Chorus of ayes.)

9 CHAIRMAN WITTGRAF: Those who are opposed, nay.

10 (No response.)

11 CHAIRMAN WITTGRAF: The ayes appear to have it.

12 The ayes do have it. The meeting is adjourned.

13 (Whereupon, at 1:40 p.m., the meeting of the Board  
14 of Directors was adjourned.)

15 \* \* \* \* \*

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