

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
BOARD OF DIRECTORS

OPEN SESSION

Tuesday, October 2, 2012

8:11 a.m.

Hilton Durham Hotel
3800 Hillsborough Road
Durham, North Carolina 27705

BOARD MEMBERS PRESENT:

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

STAFF AND PUBLIC PRESENT:

Rebecca Fertig, Special Assistant to the President
Lynn Jennings, Vice President for Grants Management
Victor M. Fortuno, Vice President for Legal Affairs,
General Counsel, and Corporate Secretary
David L. Richardson, Comptroller and Treasurer, Office
of Financial and Administrative Services
Jeffrey E. Schanz, Inspector General
Laurie Tarantowicz, Assistant Inspector General and
Legal Counsel, Office of the Inspector General
Matthew Glover, Associate Counsel, Office of the
Inspector General
Ronald "Dutch" Merryman, Assistant Inspector General
for Audit, Office of the Inspector General
David Maddox, Assistant Inspector General for
Management and Evaluation, Office of the
Inspector General
Carol Bergman, Director, Office of Government Relations
and Public Affairs
Frank B. Strickland, Non-Director Member, Institutional
Advancement Committee
Allan J. Tanenbaum, Non-Director Member, Finance
Committee (General Counsel, Equicorp Partners)

Chuck Greenfield, National Legal Aid and Defender
Association (NLADA)
Don Saunders, National Legal Aid and Defenders
Association (NLADA)
Terry Brooks, American Bar Association

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1. Pledge of Allegiance	Previously
2. Approval of agenda	Previously
3. Approval of minutes of the Committee's meeting of August 31, 2012	Previously
4. Chairman's Report	Previously
5. Members' Reports	Previously
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7. Inspector General's Report	Previously
8. Consider and act on the report of the Promotion and Provision for the Delivery of Legal Services Committee	Previously
9. Consider and act on the report of the Finance Committee	Previously
10. Consider and act on the report of the Audit Committee	Previously

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11. Consider and act on the report of the Operations and Regulations Committee	5
12. Consider and act on the report of the Governance and Performance Review Committee	6
13. Consider and act on the report of the Institutional Advancement Committee	7
14. Consider and act on the draft Strategic Plan	12
15. Public comment	17
16. Consider and act on other business	18
17. Consider and act on whether to authorize an executive session of the Board to address items listed below, under Closed Session	18
CLOSED SESSION	
18. Approval of minutes of the Board's closed session meeting of July 27, 2012	
19. Approval of minutes of the Board's closed session telephonic meeting of August 31, 2012	
20. Briefing by Management	
21. Briefing by the Inspector General	
22. Consider and act on General Counsel's report on potential and pending litigation involving LSC	
23. Consider and act on motion to adjourn meeting	

Motions: Pages 13, 17, 18

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

2 (8:11 a.m.)

3 CHAIRMAN LEVI: We do have a quorum in the
4 room, and Martha's in the room. It's only Robert Grey
5 we're missing. So I'll resume the meeting and turn it
6 over to you, Charles.

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

8 The Operations & Regulations Committee met on
9 Sunday, and also met earlier in September by
10 teleconference. At both of these meetings, we received
11 information and had considerable discussion among
12 ourselves and from the public regarding the enforcement
13 rulemaking.

14 And a memo from Management giving its set of
15 recommendations and considerations will appear later
16 this fall, and to be followed by a draft final rule
17 that will be prepared and given over to the Committee
18 and to the Board with enough time to consider it for
19 the January meeting. But no action is required on
20 that.

21 The Committee also on Sunday discussed an
22 amendment to the bylaws to conform to the Corporation's

1 Continuity of Operations Plan. The Committee
2 recommended some changes to the bylaws, basically a
3 provision to Section IV of the bylaws that will allow
4 us the flexibility that is afforded to us by the D.C.
5 Nonprofit Corporation Act to respond to unanticipated
6 events, and the activation of the Continuity of
7 Operations Plan. However, a clean copy will be
8 prepared for the Board at its next meeting.

9 I would also note that it appears, under
10 Section XI of the bylaws, that that item should receive
11 a separate action item in the upcoming agenda for the
12 meeting rather than to be a report of the Committee.

13 With that, the report of the Operations &
14 Regulations Committee is concluded. Thank you.

15 CHAIRMAN LEVI: Any questions?

16 (No response.)

17 CHAIRMAN LEVI: Governance?

18 DEAN MINOW: The Governance Committee
19 discussed two items. One is the updates from the GAO,
20 and we're satisfied that the pending actions are well
21 underway, both those that LSC itself needs to pursue
22 and those that are with GAO at this point.

1 And our second topic was a report from Jim
2 Sandman about the developments of the Public Welfare
3 Foundation grant. And we were encouraged by that as
4 well.

5 CHAIRMAN LEVI: Questions?

6 (No response.)

7 CHAIRMAN LEVI: Institutional Advancement.
8 The Committee met and really discussed how it's going
9 to go about, A, helping to staff or helping the
10 Corporation find the capable staff for the development
11 role; and also discussed the kinds of ways in which we
12 could be helping to locate -- or how we could get
13 potentially pro bono consulting assistance, both for
14 the kinds of grants that possibly help us establish a
15 development operation. There are foundations and
16 individuals that are interested when a 501(c)(3) is
17 establishing for the first time a development capacity
18 that are willing to help with that.

19 And then the second thing is the kinds of
20 discrete projects that we might like to seek funding
21 for. You've heard many of them during the past couple
22 of days, from fellowships to research. These are not

1 things that are designed to be in competition with the
2 field or to replace the congressional grant for field.

3 And yet we've heard many -- from, again,
4 yesterday -- pro bono initiatives that maybe there are
5 people out there or foundations that might want to be
6 supportive. And we talked about that.

7 We also talked about really beginning to get
8 going on establishing some kind of alumni or honorary
9 group, or both. And again, that's something that our
10 Committee will be working on in the coming meetings.
11 And we had no action item.

12 Yes, Harry?

13 MR. KORRELL: John, in the meetings yesterday,
14 we heard some people talking about some of the
15 technology programs and others, and we had some
16 questions about whether there were some economies of
17 scale that could be accomplished by looking nationally
18 or at larger vendors.

19 And at least I wondered aloud whether we could
20 get people to donate some of those services. Dutch
21 Merryman was asking the other day if people ever
22 volunteered their time as CPAs or what have you to our

1 grantees.

2 Is that something that's within the purview --

3 CHAIRMAN LEVI: I think so, yes.

4 MR. KORRELL: -- of the Institutional
5 Advancement Committee? Or is there somebody else who
6 could look at that?

7 CHAIRMAN LEVI: No. I think that's where that
8 should be.

9 MR. KORRELL: Because I do think --

10 CHAIRMAN LEVI: And I do think -- and also
11 thinking about this more broadly in terms of not just
12 the legal profession.

13 MR. KORRELL: And that's specific to my
14 question. Should we, and is there someone, looking
15 beyond just the legal provision for volunteering
16 assistance, whether it's software consulting or
17 software itself or whatever?

18 CHAIRMAN LEVI: It's not yet happening, but
19 it's in our strategic plan, actually. And I agree with
20 you.

21 MR. KORRELL: That's something that's part of
22 the Institutional Advancement, or is that a --

1 CHAIRMAN LEVI: Yes. Unless you have some
2 idea of -- I believe that's an Institutional
3 Advancement topic that ought to be there because
4 otherwise we're going to have too many.

5 DEAN MINOW: I don't disagree with that. But
6 I do think that one of the follow-ons from the Pro Bono
7 Task Force is to actually collect the best practices
8 and technology, many of which have been donated by the
9 local innovative groups.

10 So on that particular one, I think there's a
11 follow-on for the tech aspect of the Pro Bono Task
12 Force that may be building on relationships that were
13 already forged in the Pro Bono Task Force.

14 CHAIRMAN LEVI: I should say one thing. Good
15 development operations have relationships to other
16 committees, other entities. There's no way it can be
17 just the purview of one committee.

18 MR. KORRELL: Of course.

19 CHAIRMAN LEVI: But in terms of board
20 oversight, I think that's --

21 MR. KORRELL: We sometimes hear good ideas
22 that come up here, and we all think they're good ideas,

1 and we nod, and we go home. But if someone's running
2 it, whether it's Board or somebody at the Corporation
3 or somebody, but if there's a committee looking into
4 it, then that's great. Thank you.

5 CHAIRMAN LEVI: If you were trying to get a
6 vendor to donate, to make a contribution of
7 significance, then it should probably -- well, it
8 should be done through a development officer that's
9 reporting to an institutional advancement committee.

10 Julie?

11 MS. REISKIN: No. This is very exciting, this
12 kind of work. At what point do we need to set up some
13 policies around gift acceptance? Because
14 essentially -- it's going to be awkward trying to do
15 development work under Sunshine Act, you know, because
16 there are certain -- you know what I'm saying?

17 We need to have some policies to make sure
18 that we don't have someone come in and say, "Well, I
19 want to do a large gift, but I want to try and
20 influence something in an inappropriate way," which is
21 different than a targeted gift that says, "I want to do
22 it for this project." You know, it'll just -- I'm just

1 wondering if we should --

2 CHAIRMAN LEVI: Well, we did a gift acceptance
3 concerning. Vic Fortuno is not in the room, but we did
4 update a few months ago, actually. But the question
5 that you're asking is a broader question.

6 MS. REISKIN: Right.

7 CHAIRMAN LEVI: And I think if somebody made a
8 proposal that asked us to do things outside of the
9 bounds of what we're allowed to do, we couldn't accept
10 it. Flat out, we just couldn't accept it.

11 But we do have a gift acceptance policy,
12 so -- I don't have it right in front of me. And
13 certainly we can study that. I'd like to be in the
14 position that we have gifts coming in that we --

15 MS. REISKIN: To take them. Right.

16 CHAIRMAN LEVI: Any other questions?

17 (No response.)

18 CHAIRMAN LEVI: Now, the strategic plan. Jim,
19 you might want to sort of review the bidding here in
20 terms of -- we sent out -- the plan was updated in
21 light of comments. It was circulated to the Board.
22 The Board was satisfied with it. And that's been

1 posted. Were there more --

2 PRESIDENT SANDMAN: No. The most recent
3 version of the strategic plan reflected in the board
4 book incorporated the -- reflected the consideration of
5 the comments that had been received and the input we
6 had gotten from the Board. And we have received no
7 further comment from board members since.

8 FATHER PIUS: It was just put out for comment
9 on --

10 PRESIDENT SANDMAN: What about for comment?

11 FATHER PIUS: -- on the website, not through
12 the Register, Federal Register?

13 PRESIDENT SANDMAN: Correct.

14 M O T I O N

15 DEAN MINOW: I think that we are ready to have
16 a sense of the Board. I don't know if you want a
17 formal vote; if so, I would consider this a motion,
18 that the Board adopt the strategic plan.

19 FATHER PIUS: Second.

20 CHAIRMAN LEVI: All in favor?

21 (A chorus of ayes.)

22 CHAIRMAN LEVI: Opposed?

1 (No response.)

2 CHAIRMAN LEVI: Now, I'm told the development
3 plan was put --

4 DEAN MINOW: No. First you have to commend
5 Father Pius.

6 CHAIRMAN LEVI: I do. We do.

7 DEAN MINOW: The drafter.

8 FATHER PIUS: No, you don't.

9 CHAIRMAN LEVI: We do. For everybody who was
10 involved, I think going all the way back -- when did we
11 begin -- my gosh, I'm sort of thinking Seattle.

12 FATHER PIUS: No. A year ago, with the
13 meeting in Cambridge.

14 DEAN MINOW: And we had a consultant.

15 CHAIRMAN LEVI: Wait a minute. The
16 consultant --

17 DEAN MINOW: No. It was before the --

18 CHAIRMAN LEVI: The consultants were -- I
19 remember having dinner with them in Seattle.

20 MS. REISKIN: It was in Seattle.

21 CHAIRMAN LEVI: When was that meeting?

22 MR. KORRELL: That wasn't the first meeting.

1 CHAIRMAN LEVI: That wasn't their first
2 meeting, either.

3 MR. KORRELL: We met them in Washington. They
4 met us in Washington.

5 DEAN MINOW: There was a prior meeting where
6 they planned -- they tried to train us into how to have
7 a strategic planning process.

8 CHAIRMAN LEVI: So anyway --

9 MR. KORRELL: A year and a half.

10 DEAN MINOW: But can I just say that as to
11 that and as to the institutional advancement, we've
12 discovered that the Board has more prowess than the
13 consultants.

14 CHAIRMAN LEVI: But to the extent that they're
15 listening, they did a fine job. We're all very happy.

16 (Laughter.)

17 PROFESSOR VALENCIA-WEBER: I thought the
18 interviews and the questions they did was good.

19 CHAIRMAN LEVI: Yes.

20 PROFESSOR VALENCIA-WEBER: I don't think the
21 ultimate plans --

22 DEAN MINOW: We've ended up in a good place.

1 CHAIRMAN LEVI: Now, I'm told by Becky that
2 Atitaya has just emailed her to say that we need to
3 adopt the development plan. But was the development
4 plan in the board book? I don't --

5 FATHER PIUS: Yes. 208. It's 208, right
6 after the strategic plan.

7 CHAIRMAN LEVI: Oh, okay.

8 MR. KORRELL: I'm glad there's somebody
9 keeping us on task.

10 CHAIRMAN LEVI: Yes. So you see, even here,
11 as I sit here, we're getting the --

12 DEAN MINOW: That's wonderful.

13 CHAIRMAN LEVI: So the development plan is on
14 page 208. And it was a part of your -- and actually,
15 so we did have an action item that needed to be
16 forwarded to the --

17 DEAN MINOW: It's a resolution.

18 CHAIRMAN LEVI: The Committee, on a telephonic
19 meeting a few weeks ago, wanted to forward it to the
20 Board for adoption.

21 DEAN MINOW: Well, there's a resolution on
22 page 221.

1 CHAIRMAN LEVI: Right.

2 DEAN MINOW: Which I think is the thing that's
3 the action item.

4 CHAIRMAN LEVI: Yes. That's right. So I'm
5 sorry that I missed that.

6 DEAN MINOW: That's okay. They're on the
7 ball --

8 CHAIRMAN LEVI: So can I hear --

9 M O T I O N

10 DEAN MINOW: So moved.

11 FATHER PIUS: Seconded.

12 CHAIRMAN LEVI: It doesn't actually need a --

13 DEAN MINOW: Oh, it's in the resolution.

14 CHAIRMAN LEVI: But anyway, all in favor?

15 (A chorus of ayes.)

16 CHAIRMAN LEVI: Opposed?

17 (No response.)

18 CHAIRMAN LEVI: Thank you, Atitaya.

19 Okay. I think we are at the end. Public
20 comment?

21 (No response.)

22 CHAIRMAN LEVI: No public comment.

1 DEAN MINOW: Shall we move to a closed --

2 CHAIRMAN LEVI: Other business?

3 (No response.)

4 CHAIRMAN LEVI: No other business.

5 Can we move to --

6 M O T I O N

7 MR. KORRELL: So move.

8 FATHER PIUS: So moved, or seconded.

9 CHAIRMAN LEVI: -- a closed -- all in favor?

10 (A chorus of ayes.)

11 CHAIRMAN LEVI: Opposed?

12 (No response.)

13 CHAIRMAN LEVI: We're now in closed session.

14 (Whereupon, at 8:24 a.m., the Board was

15 adjourned to executive session.)

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