

# LEGAL SERVICES CORPORATION

## Board of Directors Meeting

January 22 - 24, 2015

**Location:**

Westin Colonnade Hotel  
180 Aragon Avenue  
Coral Gables, FL 33134



# **Table of Contents**

# Table of Contents

I. Schedule.....	1
<b>II. Governance and Performance Review Committee</b>	
◆ Agenda.....	8
◆ Draft Minutes of the Committee’s Open Session Meeting of October 6, 2014.....	11
◆ Draft Minutes of the Committee’s Open Session Telephonic Meeting of November 17, 2014.....	15
◆ 2014 Committee Evaluations and 2015 Goals & 2014 Board Evaluations .....	18
◆ LSC Code of Ethics and Conduct.....	27
◆ <i>Resolution 2015-XXX</i> .....	69
◆ Management Transition Resources.....	71
<b>III. Audit Committee</b>	
◆ Agenda.....	74
◆ Draft Minutes of the Committee's Open Session Meeting of October 6 , 2014.....	77
◆ 2014 Committee Evaluations and 2015 Goals .....	81
◆ Office of Inspector General Peer Review.....	84
◆ Risk Management Matrix.....	89
◆ Office of Inspector General Referrals to the Office of Compliance & Enforcement .....	102
◆ LSC 403(b) Thrift Plan .....	119
◆ <i>Resolution 2015-XXX</i> .....	121

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This table does not reflect all *agenda items*. Instead, it lists all *documents* contained in this book.  
For a complete listing of agenda items, see each individual agenda.

## Table of Contents

### IV. Institutional Advancement Committee

- ◆ Communications Subcommittee Agenda.....126
- ◆ Draft Minutes of the Subcommittee's Open Session Telephonic Meeting of September 19, 2014 .....128
- ◆ 2014 Subcommittee Evaluations and 2015 Goals.....131
- ◆ Institutional Advancement Committee Agenda .....134
- ◆ Draft Minutes of the Committee's Open Session Telephonic Meeting of October 1, 2014.....137
- ◆ Draft Minutes of the Committee's Open Session Meeting of October 6, 2014.....140
- ◆ Draft Minutes of the Committee's Open Session Telephonic Meeting of December 2, 2014.....144
- ◆ 2014 Committee Evaluations and 2015 Goals.....147
- ◆ Proposed LSC Leaders Council .....150

### V. Operations and Regulations Committee

- ◆ Agenda .....161
- ◆ Draft Minutes of the Committee's Open Session Meeting of October 5, 2014.....164
- ◆ 2014 Committee Evaluations and 2015 Goals.....169
- ◆ Strategic Plan 2012-2016 Implementation Update.....172
- ◆ Rulemaking Agenda Updates.....184
- ◆ 45 CFR Part 1640.....195
- ◆ Migrant and Agricultural Workers Population Data Report.....216

---

**This table does not reflect all *agenda items*. Instead, it lists all *documents* contained in this book.  
For a complete listing of agenda items, see each individual agenda.**

## Table of Contents

### VI. Finance Committee

◆ Agenda .....	231
◆ Draft Minutes of the Committee’s Open Session Meeting of October 6 , 2014.....	233
◆ 2014 Committee Evaluations and 2015 Goals.....	238
◆ Financial Report for FY 2014.....	241
◆ Financial Report for the First Two Months of FY 2015.....	255
◆ Consolidated or Revised Operating Budget for FY 2015 .....	268
<i>Resolution 2015-XXX</i> .....	274

### VII. Delivery of Legal Services Committee

◆ Agenda .....	278
◆ Draft Minutes of the Committee's Open Session Meeting of October 5 , 2014.....	280
◆ 2014 Committee Evaluations and 2015 Goals.....	285
◆ Two-Year Summary of Committee Presentations .....	288
◆ Panel Presentation: LSC Performance Criteria; Performance Area 4, Criterion 2 – Leadership.....	290

### VIII. Board of Directors

◆ LSC and ABA Standing Committee on Pro Bono and Public Service Briefing Agenda .....	296
◆ Pro Bono Task Force Report Implementation Update .....	298
◆ State Rules Inventory .....	304
◆ Overview Analysis of Rules .....	314
◆ Rules Breakdown.....	323
◆ Rules Crosswalk.....	337
◆ Board Agenda.....	339
◆ Draft Minutes of the Board’s Open Session Meeting of October 7, 2014.....	342
◆ Draft Minutes of the Board’s Open Session Telephonic Meeting of November 17, 2014.....	347
◆ Recognition and Appreciation of Outstanding Service by Sharon L. Browne..... <i>Resolution 2015-XXX</i> .....	351

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**This table does not reflect all *agenda items*. Instead, it lists all *documents* contained in this book.  
For a complete listing of agenda items, see each individual agenda.**

# Table of Contents

## IX. University of Miami School of Law Events

◆ Justices and Judges Panel Bios.....	354
◆ Technology Initiative Grant Presentation Bios.....	359
◆ Miami Pro Bono Award Recipients Bios .....	362

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**This table does not reflect all *agenda items*. Instead, it lists all *documents* contained in this book.  
For a complete listing of agenda items, see each individual agenda.**

# **Schedule**

**LEGAL SERVICES CORPORATION BOARD OF DIRECTORS  
JANUARY 22 - 24, 2015**

**MEETING SCHEDULE**

**Meeting Location:  
Westin Colonnade  
180 Aragon Avenue  
Coral Gables, Florida 33134  
Tel: (305) 441-2600**

**THURSDAY, JANUARY 22, 2015**

<b>Start</b>	<b>End</b>	<b>Meeting/Event</b>	<b>Location</b>
1:00pm	2:30pm	Governance & Performance Review Committee	Colonnade Ballroom B Westin Colonnade
2:30pm	4:00pm	Audit Committee	Colonnade Ballroom B Westin Colonnade
4:00pm	4:30pm	Communications Subcommittee of the Institutional Advancement Committee	Colonnade Ballroom B Westin Colonnade
4:30pm	5:30pm	Institutional Advancement Committee	Colonnade Ballroom B Westin Colonnade
5:30pm	7:00pm	Operations & Regulations Committee	Colonnade Ballroom B Westin Colonnade

***EMERGENCY CONTACTS:***

**In the case of emergency, please contact Rebecca Fertig Cohen at (202) 577-6313 or [cohenr@lsc.gov](mailto:cohenr@lsc.gov) or Bernie Brady at (202) 295-1568 or [bradyb@lsc.gov](mailto:bradyb@lsc.gov)**

**LEGAL SERVICES CORPORATION BOARD OF DIRECTORS  
JANUARY 22 - 24, 2015**

**MEETING SCHEDULE**

**Meeting Location:  
Westin Colonnade  
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Tel: (305) 441-2600**

**FRIDAY, JANUARY 23, 2015**

<b>Start</b>	<b>End</b>	<b>Meeting/Event</b>	<b>Location</b>
<b>8:30am</b>	<b>9:30am</b>	<b>Finance Committee</b>	<b>Colonnade Ballroom B Westin Colonnade</b>
<b>9:30am</b>	<b>11:00am</b>	<p><b>LSC Grantee Presentation to the Board</b>  <i>William Abbuehl</i>, Executive Director,                      Community Legal Services of Mid-Florida,                      Inc.  <i>Richard Austin</i>, Executive Director, Legal                      Services Virgin Islands, Inc.  <i>Joan Boles</i>, Deputy Director, Bay Area Legal                      Services, Inc.  <i>Marcia Cypen</i>, Executive Director, Legal                      Services of Greater Miami, Inc.  <i>Charles Hey-Maestre</i>, Executive Director,                      Puerto Rico Legal Services, Inc.  <i>Donald Isaac</i>, Executive Director, Florida                      Rural Legal Services, Inc.  <i>Kristine Knab</i>, Executive Director, Legal                      Services of North Florida, Inc.  <i>Christine Larsen</i>, Executive Director, Three                      Rivers Legal Services, Inc.  <i>Barbara Prager</i>, Executive Director, Coast to                      Coast Legal Aid of South Florida, Inc.  <i>Rafael Rodriguez-Rivera</i>, Executive Director,                      Community Law Office, Inc.</p>	<b>Colonnade Ballroom B Westin Colonnade</b>
<b>11:00am</b>	<b>12:15pm</b>	<p><b>Delivery of Legal Services Committee</b>  <i>Jim Cook</i>, Executive Director, Idaho Legal                      Services, Inc.  <i>Chris Larson</i>, Executive Director, Three Rivers                      Legal Services, Inc.  <i>Allison Thompson</i>, former Executive Director,                      Three Rivers Legal Services, Inc.  <i>Nikole Nelson</i>, Executive Director, Alaska</p>	<b>Colonnade Ballroom B Westin Colonnade</b>

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		<p style="text-align: center;">Legal Services Corporation <i>Anthony Young</i>, Executive Director, Southern Arizona Legal Aid, Inc. <i>Rick Moyers</i>, Vice President for Programs &amp; Communication, Meyer Foundation <i>(Moderator)</i></p>	
2:00pm	4:45pm	<p style="text-align: center;"><b>Welcoming Remarks</b> <i>John G. Levi</i>, Board Chair, Legal Services Corporation</p> <p style="text-align: center;"><b>Panel: The Importance of Access to Justice to the Judiciary</b> <i>Judge Marcia G. Cooke</i>, U.S. District Court for the Southern District of Florida <i>Chief Justice Jorge Labarga</i>, Florida Supreme Court <i>Richard K. Leefe</i>, Leefe, Gibbs, Sullivan &amp; Dupre (on behalf of Louisiana Chief Justice Bernette Johnson) <i>Chief Justice Liana Fiol Matta</i>, Tribunal Supremo de Puerto Rico <i>Judge William A. Van Nortwick, Jr.</i> Florida First District Court of Appeals(ret.) <i>Dean Martha Minow</i>, Harvard Law School and LSC Board Vice Chair <i>(Moderator)</i></p> <p style="text-align: center;"><b>Presentation: Using Technology to Expand Access to Justice: A Showcase of LSC's Technology Initiative Grants</b> <i>Bethany A. Bandstra</i>, Legal Intern, University of Miami School of Law Health Rights Clinic <i>William D. Mueller</i>, Legal Intern, University of Miami School of Law Health Rights Clinic <i>Glenn Rawdon</i>, Program Counsel for Technology, Legal Services Corporation <i>Jane Ribadeneyra</i>, Program Analyst, Legal Services Corporation</p>	<p style="text-align: center;">University of Miami School of Law Room E352 1311 Miller Drive Coral Gables, FL 33155</p>
5:00pm	6:30pm	<p style="text-align: center;"><b>Pro Bono Awards Reception</b> <u>Welcoming Remarks</u> <i>John G. Levi</i>, Board Chair, Legal Services</p>	<p style="text-align: center;">University of Miami School of Law Alma Jennings Foundation Student Lounge</p>

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180 Aragon Avenue  
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		<p>Corporation <i>Dean Patricia D. White</i>, University of Miami School of Law <u>Speakers</u> <i>Francisco R. Angones</i>, Partner, Angones McCluire &amp; Garcia and former Florida Bar Association President <i>Melissa Pershing</i>, Director of Grants &amp; Development, Florida Bar Foundation <i>Judge Vance E. Salter</i>, Florida Third District Court of Appeals <u>Awardees</u> <i>Russell E. Carlisle</i> <i>Holland &amp; Knight</i> <i>Wendy S. Loquasto</i> <i>Frank E. Maloney, Jr.</i> <i>Judge Ashley B. Moody</i> <i>Timothy A. Moran</i> <i>David E. Steckler</i></p>	<p><b>1311 Miller Drive Coral Gables, FL 33155</b></p>
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Bernie Brady at (202) 295-1568 or [bradyb@lsc.gov](mailto:bradyb@lsc.gov)**

**LEGAL SERVICES CORPORATION BOARD OF DIRECTORS  
JANUARY 22 - 24, 2015**

**MEETING SCHEDULE**

**Meeting Location:  
Westin Colonnade  
180 Aragon Avenue  
Coral Gables, Florida 33134  
Tel: (305) 441-2600**

**SATURDAY, JANUARY 24, 2015**

<b>Start</b>	<b>End</b>	<b>Meeting/Event</b>	<b>Location</b>
9:30am	11:30am	OPEN Board Meeting	Colonnade Ballroom B Westin Colonnade
11:30am	12:30pm	CLOSED Board Meeting	Colonnade Ballroom B Westin Colonnade

***EMERGENCY CONTACTS:***

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# **Governance and Performance Review Committee**

# Agenda

# GOVERNANCE AND PERFORMANCE REVIEW COMMITTEE

January 22, 2015

## Agenda

### OPEN SESSION

1. Approval of agenda
2. Approval of minutes of the Committee's Open Session meeting of October 6, 2014
3. Approval of minutes of the Committee's Open Session telephonic meeting of November 17, 2014
4. Discussion of Board evaluations Staff Report on 2014 Board and Committee Evaluations; and Discussion of Governance and Performance Committee evaluations and the Committee's goals for 2015
  - Carol Bergman, Director of Government Relations & Public Affairs
5. Discussion of President's evaluation for 2014
6. Discussion of the Inspector General's evaluation for 2014
7. Consider and act on revised Code of Ethics and Conduct, ***Resolution 2015-XXX***
  - Ron Flagg, Vice President & General Counsel
8. Briefing on Management Transition Resources
  - Ron Flagg, Vice President & General Counsel
  - Jim Sandman, President

9. Report on Public Welfare Foundation grant, Margaret A. Cargill Foundation grant, and LSC's research agenda
  - Jim Sandman, President
10. Consider and act on other business
11. Public comment
12. Consider and act on motion to adjourn meeting

**Draft Minutes of the October 6, 2014  
Open Session Meeting**

**Legal Services Corporation  
Meeting of the Governance and Performance Review Committee**

**Open Session**

**Monday, October 6, 2014**

**DRAFT**

Committee Chair Martha L. Minow convened an open session meeting of the Legal Services Corporation's ("LSC") Governance and Performance Review Committee ("the Committee") at 9:24 a.m. on Monday, October 6, 2014. The meeting was held at the Hilton Albany, 40 Lodge Street, Albany, New York 12207.

The following Committee members were present:

Martha L. Minow, Chair  
Charles N.W. Keckler  
Julie A. Reiskin  
John G. Levi, ex officio

Other Board members present:

Robert J. Grey, Jr.  
Harry J.F. Korrell, III  
Victor B. Maddox  
Laurie Mikva  
Father Pius Pietrzyk, O. P.  
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Carol A. Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carol Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant, Office of Government Relations and Public Affairs (GRPA)
David Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services
Bernie Brady	Travel Coordinator

Jeffrey E. Schanz	Inspector General
John Seeba	Assistant Inspector General for Audit, Office of the Inspector General (OIG)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement (OCE), Executive Office
Janet Labella	Director, Office of Program Performance (OPP)
Herbert S. Garten	Non-Director Member, Institutional Advancement Committee
C. Kenneth Perri	Executive Director, Legal Assistance of Western New York
Paul J. Lupia	Executive Director, Legal Aid Society of Mid-New York
Barbara Finkelstein	Executive Director, Legal Services of the Hudson Valley
Lillian M. Moy	Executive Director, Legal Aid Society of Northeastern New York
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Lisa Wood	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Chair Minow called the meeting to order.

#### **MOTION**

Mr. Keckler moved to approve the agenda. Ms. Reiskin seconded the motion.

#### **VOTE**

The motion passed by voice vote.

#### **MOTION**

Ms. Reiskin moved to approve the minutes of the Committee's meeting of July 20, 2014. Mr. Keckler seconded the motion.

#### **VOTE**

The motion passed by voice vote.

Ms. Bergman reported on LSC's progress in implementing the 2010 GAO recommendations. She reported LSC no longer has any pending GAO recommendations; the final recommendation has been closed out. She also reported the GAO has requested LSC participate in a study along with other federal programs that target low-income individuals, families and communities. Next, Ms. Bergman briefed the Committee on the Board and Committee evaluations, and answered Committee members' questions.

President Sandman gave a progress report on LSC's research agenda. He reported LSC's consultants are working to develop an online toolkit to guide grantees in collection and use of outcomes data. The toolkit will have (1) outcomes measurement practices currently in use by other funders and by individual grantees; and (2) will offer a menu of options and recommendation for best practices. President Sandman answered Committee members' questions.

Next, President Sandman briefed the Committee on the new grant LSC received from the Margaret A. Cargill Foundation that has been allocated to develop a legal services response plan and delivery system following disasters in the Midwest. President Sandman answered Committee members' questions.

Committee Chair Minow invited public comment and received none

There was no other business to consider.

### **MOTION**

Mr. Keckler moved to adjourn the meeting. Ms. Reiskin seconded the motion.

### **VOTE**

The motion passed by voice vote.

The Committee meeting adjourned at 9:55 a.m.

**Draft Minutes of the November 17, 2014  
Open Session Telephonic Meeting**

**Legal Services Corporation  
Telephonic Meeting of the Governance and Performance Review Committee**

**Open Session**

**Monday, November 17, 2014**

**DRAFT**

Committee Chair Martha L. Minow convened an open session telephonic meeting of the Legal Services Corporation's ("LSC") Governance and Performance Review Committee ("the Committee") at 3:46 p.m. on Monday, November 17, 2014. The meeting was held at the F. William McCalpin Conference Center, LSC Headquarters, 3333 K Street, NW, Washington D.C. 20007.

The following Board Members were present by telephone:

Martha L. Minow, Chair  
Sharon L. Browne  
Robert J. Grey, Jr.  
Charles N.W. Keckler  
Victor B. Maddox  
Father Pius Pietrzyk  
Julie A. Reiskin  
Gloria Valencia-Weber  
John G. Levi, *ex officio*

Also attending were:

James J. Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel and Corporate Secretary
Atitaya Rok	Office of Legal Affairs
Carol A. Bergman	Director, Office of Government Relations and Public Affairs
Treefa Aziz	Government Affairs Representative, GRPA
Jeffrey E. Schanz	Inspector General
Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, Office of the Inspector General
John Seeba	Assistant Inspector General for Audit, Office of the Inspector General
Joel Gallay	Special Counsel to the Inspector General, Office of the Inspector General
David O'Rourke	Assistant Inspector General for Investigations, Office of the Inspector General

David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General
Traci Higgins	Director, Office of Human Resources
Sophia Mason	Office of Human Resources
Janet LaBella	Director, Office of Program Performance

The following summarizes actions taken by, and presentations made to, the Board:  
Committee Chair Minow called the open session telephonic meeting to order.

**MOTION**

Ms. Reiskin moved to approve the agenda. Mr. Keckler seconded the motion.

**VOTE**

The motion passed by voice vote.

Mr. Flagg briefed the Committee on the Health Reimbursement Arrangement Plan and resolution that would delegate authority to the LSC President to amend employee health benefits. He answered questions from the Committee.

Ms. Browne recommended that the Board approve the resolution adopting the Health Reimbursement Arrangement Plan.

There was no other business to consider.

Committee Chair Minow solicited public comment and received none.

**MOTION**

Ms. Browne moved to adjourn the meeting. Ms. Reiskin seconded the motion.

**VOTE**

The motion passed by voice vote.

The Committee meeting adjourned at 3:59 p.m.

# **2014 Committee Evaluations and 2015 Goals and 2014 Board Evaluations**

## **SUMMARY OF 2014 GOVERNANCE AND PERFORMANCE COMMITTEE EVALUATION RESPONSES**

### **All members strongly agreed that:**

- Committee members understand the goals and purpose of our committee; committee members agree on the goals and purpose of the committee.
- There is alignment between our committee's goals and purposes and the actions taken and/or the decisions made by the committee.
- The minutes of our meetings are accurate and reflect the discussion, next steps and/or action items articulated by the members.
- Our committee members treat each other with respect and courtesy.

### **Members either strongly agreed or agreed that:**

- There is alignment between our committee's goals and purposes and the goals of LSC's Strategic Plan.
- Our committee has responded effectively and appropriately to issues of immediate concern brought before it; our committee has made significant progress on long-term strategic issues related to its goals and purposes.
- Our committee has adequate resources (for example, staff time and expertise) to support its function.
- Our committee meetings are held regularly and with appropriate frequency.
- The length of our committee meetings is appropriate and respectful of the agenda. We consistently use our meeting time well; issues get the time and attention proportionate to their importance.
- We receive the meeting agenda and materials sufficiently in advance of the meeting to allow for appropriate review and preparation.
- Our committee membership represents the talents and skills required to fulfill the goals and purposes of the committee. Our committee members come to meetings prepared and ready to contribute.
- As a general rule, when I speak I feel listened to and that my comments are valued.

### **The following are direct quotes:**

#### **Members liked:**

- This committee performs an important task regarding LSC oversight. The members treat each other with respect and the chair of the committee is always well prepared, organized and leads the committee in an efficient and respectful manner.
- Efficient and focused.
- It was great being part of the closing of the GAO recommendations.

#### **Ideas for Improvement:**

- Receiving the board book earlier.
- Fine as they are.

- Not sure if we should be taking on anything else now that GAO is closed to get board in shape to turn over to next board

**Future Focus:**

- Completion of research projects.
- Establish an institutionalized research function at the Corporation, strengthen links of all performance reviews to Strategic Plan.
- Succession planning for LSC.

## **SUMMARY OF LSC BOARD OF DIRECTORS 2014 EVALUATION RESPONSES**

**Board members responded to the statements below based on the following scale: 1=Strongly Agree; 2=Agree; 3=Disagree; 4=Strongly Disagree**

1. The Board has a full and common understanding of LSC's mission and procedures, and the roles and responsibilities of the Board; Board members are involved and interested in the Board's work. **(14 strongly agree; 1 agree)**
2. The Board's plans are consistent with the goals of LSC's Strategic Plan. **(11 strongly agree, 4 agree)**
3. The structural pattern of LSC's governance (Board, Committees, President, Officer, and staff) is clear. **(12 strongly agree, 3 agree)**
4. The Board has clear goals and measurements resulting from relevant and realistic strategic planning; the Board regularly monitors and evaluates progress toward strategic goals and program performance. **(6 strongly agree, 9 agree)**
5. The Board receives regular and timely reports on finances, budgets, program performance, grantee issues, and other important matters. **(9 strongly agree, 6 agree)**
6. The Board provides input to and annually approves the budget request to Congress. **(14 strongly agree, 1 agree)**
7. The Board effectively represents LSC to the community. **(12 strongly agree, 3 agree)**
8. Board meetings facilitate focus and progress on important organizational matters. **(11 strongly agree, 4 agree)**
9. The Board has an adequate opportunity to evaluate the LSC President, Officers and Inspector General annually. **(10 strongly agree, 5 agree)**
10. The Board adheres to standards of ethics and conduct. **(14 strongly agree, 1 agree)**
11. Board members possess the skills and knowledge to carry out their duties. **(13 strongly agree, 2 agree)**

**PRIORITIES FOR ATTENTION IN 2015 INCLUDE:** (Please list three to five areas/issues on which you believe the Board should focus its attention in the next year. (Please be as specific as possible)

■ **Grantee Governance & Performance**

Seven (13) Board Members identified continued grantee oversight and effectiveness as a priority.

- Insuring adherence to purposes and provisions of LSC Act, while eliminating political activity by grantees
- Work with management to achieve faster resolution of questioned costs and other IGO concerns regarding grantees
- Supporting top notch governance of our grantees
- Assessing effectiveness of fiscal oversight/improving internal controls of grantees
- Systematic comparison of grantees to identify best and worst performers
- Measuring program quality
- Elimination of unnecessary and unmandated restrictions on grantees
- Innovation

■ **40<sup>th</sup> Anniversary**

Five (5) Board Members identified continuing the efforts launched during 40<sup>th</sup> anniversary as a priority.

- Continue mission and message
- Fundraising
- Follow up on success of anniversary event

■ **Messaging**

Five (5) Board Members identified communication and outreach to increase public awareness as a priority.

- Outreach to broader community

■ **Strategic Plan**

Four (4) Board Members identified implementation of the strategic plan as a priority.

- Receive a detailed report on progress toward strategic plan implementation, with reference to the specific goals in the plan
- Evaluating the implementation of the Strategic Plan

■ **Pro Bono**

Three (3) Board Members identified continued focus on Pro Bono as a priority.

- Revive work of the Pro Bono Task Force Committee, including the Rules Subcommittee.
- Continued focus on encouraging pro bono involvement

■ **Enhance Data/Technology**

Three (3) Board Members identified expanding the use of data and technology as a priority.

- Greater assistance through technology
- Broaden technology reach
- Enhanced use of quantitative grantee data both at the field and HQ level

■ **Funding**

Three (3) Board Members identified the need to develop outside sources of funding as a priority.

- Increase endowment funding
- Maintaining funding in changed political environment
- Helping our grantees effectively perform with less money

■ **Relationship With Congress**

Three (3) Board Members identified improved relations with Congress as a priority.

- Educate new Congress on LSC work

■ **Development/ Fundraising**

Two (2) Board Members identified continued efforts in development/fundraising as a priority.

- Outreach to business community

■ **Other Priorities**

Each of the following priorities was identified by one (1) Board member

- Continue to explore scholarship opportunities for attorneys (bring back Reggie or something similar)
- Plan for transition to a new board, so as to reduce loss of momentum and institutional knowledge
- Reviewing the internal efficiency of LSC (i.e., the corporation rather than the grantees)
- Furthering goal of providing legal counsel to low income Americans without doing the work of social welfare agencies providing income maintenance.
- Continue role of convener
- Assuring client voice is included at all levels
- Evaluation of delivery systems, including pro bono models, in terms of efficiency and effectiveness
- Access to Justice

**Board members responded Yes or No to the statements below:**

- Do I understand LSC's mission? **(15 Yes, 0 No)**
- Am I knowledgeable about LSC's programs and services? **(15 Yes, 0 No)**
- Do I follow trends and important developments related to LSC? **(15 Yes, 0 No)**
- Do I read and understand LSC's financial statements? **(15 Yes, 0 No)**
- Do I have a good working relationship with the LSC Board Chair? **(15 Yes, 0 No)**
- Do I have a good working relationship with the LSC President? **(15 Yes, 0 No)**
- Do I prepare for and participate in Board meetings and committee meetings? **(15 Yes, 0 No)**
- Do I act as a goodwill ambassador for LSC in my community? **(14 Yes, 1 No)**
- Do I find serving on the Board to be a satisfying and rewarding experience? **(15 Yes, 0 No)**

**Board members responded to the following questions:**

**1. What factors contribute to my performance or lack of performance in the areas above? (Please be specific.)**

- Today is my last day on the board. It was a very difficult decision to make. I found my experience to be very satisfying and rewarding.
- Regular attendance at LSC board meetings enables me to be knowledgeable about current issues of importance.
- Experience
- Time
- Learning about LSC is an ongoing process.

- Regular communication with staff. Need to complete complex high-value projects.
- The compelling circumstances that exist in the country
- Scheduling conflicts are the only factor limiting my full participation in all board meetings. More advance notice of start and stop times and dates would help
- As someone naive about D.C. politics, I sometimes need navigational help
- The mission drives my interest and performance; board materials are very comprehensive
- It is important for me to continue to get materials ahead of time, being able to ask questions and having a couple individual Board members to whom I can ask a lot of questions. It is also helpful for me to be able to attend conferences (NLADA and Equal Justice) to be able to keep up on legal trends and communicate with other clients. Having reimbursement or payment of all expenses is imperative for me to be able to attend and it is very helpful that I have to put out minimal costs upfront.
- I feel I could contribute more if given more to do.
- The most significant factor hindering my ability to contribute is my distance from Washington. The factors that encourage me to work are: the importance of the work, my duty as a Senate-confirmed Presidential appointment, and the professionalism and camaraderie of the Board.

**2. What would I need to maintain/increase my level of board commitment? (Please be specific.)**

- Today is my last day on the board. It was a very difficult decision to make. I found my experience to be very satisfying and rewarding.
- I need to continue to receive and review regular communications from board and staff.
- It is all there
- Can't say at present.
- Greater quantitative data on grantee performance, together with analyses
- I believe myself to be fully committed
- Better advance communication regarding the timing (including start and end times) of quarterly board meetings.
- Help in learning to fund-raise at the national level
- No issues; up to president and board chair
- Continuation of the support that I already receive. (ability to ask questions, funding for conferences and upfront payment of most expenses)
- Knowing what I could contribute
- To live closer.

**3. Other comments or suggestions that will help the board increase its effectiveness. (Please be specific.)**

- Regular interaction with LSC staff and executive directors of LSC grantee programs.
- I have always believed that there is too much time devoted to panel presentations and too little time devoted to questioning of panel members by the board. I have practically memorized the script for many of the judge panels, and I don't find them particularly helpful at this point. To the extent they are helpful, I would cut the size of every panel by at least half, and allow for questions and interaction. This is true as well, perhaps even more so, of the panels of grantee representatives, clients, etc. Almost uniformly, I have questions that never get asked because we have run out of time. A more generalized comment about board meetings is that there is too much scheduled. By the time the pro bono reception is done, I have very little interest in attending a dinner that takes two or more hours. I would prefer a smaller dinner, or a shorter reception, or both.
- It might be interesting to be issued a quarterly digest of relevant articles on legal aid and related topics. Not just news about LSC, but the best thinking in the field.
- I understand the need for the Board to engage with and recognize local grantee and legal services communities, but I think we would be more effective in our role if we spent more time during quarterly meetings on substantive committee and board meetings and less time in hearings and panel discussions, including panel discussions on the importance to the judiciary of access to justice.
- We need time to discuss without so many time pressures and running to catch planes
- All board members participating in endowment fundraising.
- Continue the current leadership. Some committees should set more specific goals and meet more frequently.
- More even distribution of work among board members

# **LSC Code of Ethics and Conduct**

## MEMORANDUM

**TO:** Governance & Performance Review Committee

**FROM:** Ronald S. Flagg, Vice President and General Counsel  
Atitaya Rok, Assistant General Counsel

**DATE:** January 6, 2015

**SUBJ:** Proposed Revised LSC Code of Ethics and Conduct

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This memorandum addresses the proposed revised LSC Code of Ethics and Conduct (the Code), a copy of which is attached.

On March 24, 2008, the Board of Directors (Board) adopted the Code, which provides guidance to LSC employees, officers, and Board members on the Corporation's expectations for standards of ethics and conduct. Over the past 15 months, the Board has amended several policies in the Code – Conflicts of Interest,<sup>1</sup> Whistleblower,<sup>2</sup> and Equal Employment Opportunity.<sup>3</sup> In the process of replacing these policies with the amended versions, management determined this would be a good opportunity to reformat the Code to conform to what we view as the most effectively presented codes adopted by other leading for- and non-profit organizations in the country.

In addition to replacing the prior Conflicts of Interest, Whistleblower, and Equal Employment Opportunity policies with the recently amended versions, we made two substantive changes to the proposed revised Code. First, we added a message from the Chairman and the President at the beginning to underscore the importance of the Code. Second, we revised the Whistleblower Policy to incorporate a few edits proposed by the Union. These edits include: 1) changing “Director, officer, and employee” to “employee, officer, and Director” throughout the policy; 2) moving up the “No Retaliation” and “Acting in Good Faith” paragraphs from the end of the policy (previously paragraphs 8 and 9, respectively, now paragraphs 5 and 6), because they are the core of the policy; and 3) revising the “No Retaliation” paragraph so that the definition of “retaliation” mirrors the D.C. Whistleblower Protection Act. The remainder of the Code, in substance, is unchanged.

The format of the Code, however, has been changed substantially by transforming the single-spaced Word document into a handbook with graphics, similar to LSC's Annual Report

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<sup>1</sup> See Resolution 2013-020 *Adopting a Revised Conflicts of Interest Policy* (October 22, 2013).

<sup>2</sup> See Resolution 2014-004 *Adopting a Whistleblower Policy* (January 25, 2014).

<sup>3</sup> See Resolution 2014-013 *Adopting a Revised Equal Opportunity, Non-Discrimination, and Anti-Harassment Policy* (July 22, 2014).

and Budget Request. The new Code will be printed internally at LSC. Management believes the reformatted and enhanced Code will more effectively communicate, both internally and externally, LSC's commitment to the highest levels of ethics and conduct.

Subject to Board approval, Management will circulate hard copies of the Code to each employee, officer, and Director (and to individuals joining LSC in the future), and post it to both the internal and public websites.



**DRAFT COPY**

# Code of Ethics and Conduct

**Approved by the Board of Directors**  
*January 24, 2015*

# Table of Contents

<b>i</b> Message from the LSC Board Chairman and President	<b>12</b> Recordkeeping	<b>23</b> Equal Employment Opportunity
<b>ii</b> Purpose	<b>14</b> Audits and Financial Statements	<b>23</b> Purpose
<b>1</b> Compliance	<b>15</b> Protection of LSC Assets	<b>23</b> Scope
<b>2</b> Leadership Responsibilities	<b>16</b> Restricted Political Activities	<b>24</b> Statement of Policy
<b>3</b> Confidentiality	<b>17</b> Fair Dealing	<b>25</b> Definitions
<b>4</b> Conflicts of Interest	<b>18</b> Whistleblower Protection	<b>27</b> Reporting Requirements and Procedures
<b>4</b> Purpose	<b>18</b> Purpose	<b>30</b> Confidentiality
<b>4</b> Statement of Policy	<b>18</b> Statement of Policy	<b>30</b> No Retaliation
<b>5</b> Scope	<b>19</b> Scope	<b>31</b> Acknowledgment Form
<b>5</b> Definitions	<b>19</b> Examples of Unlawful or Unethical Activities	
<b>6</b> Examples of Conflicts of Interest to Avoid	<b>19</b> No Retaliation	
<b>7</b> Reporting Requirements and Procedures	<b>20</b> Acting in Good Faith	
<b>9</b> Confidentiality	<b>20</b> Reporting Requirements and Procedures	
<b>9</b> No Retaliation	<b>22</b> Confidentiality	
<b>10</b> Violations of Policy	<b>22</b> Anonymous Reporting	
<b>10</b> Outside Employment and Volunteer Activities of Employees and Officers	<b>22</b> Records of Report	
<b>10</b> Use of LSC Property and Services	<b>22</b> Interpretation	
<b>11</b> Conflict of Interest Questionnaire		
<b>11</b> Interpretation		

**PROFESSIONALISM RESPECT**  
**EXCELLENCE TEAMWORK**  
**INTEGRITY FAIRNESS**  
**TRUST DIVERSITY**

# Message from the LSC Board Chairman and President

**A**s the single largest funder of civil legal aid for low-income Americans in the country, and as a steward of public funds, the Legal Services Corporation has a responsibility to conduct business with honesty and integrity in accordance with the highest ethical and legal standards. LSC is guided by core values to define our conduct, including integrity, fairness, trust, respect, professionalism, excellence, diversity, and teamwork. These core values are not just aspirations. They are bonds that connect, unite, and focus us in our work. Ethical behavior serves as the foundation for meaningful and sustainable success. By operating at the highest ethical and legal standards, we all work to promote the delivery of the highest quality legal services to the greatest number of eligible clients, thereby maximizing access to justice.

The LSC Code of Ethics and Conduct defines LSC's values, responsibilities, and commitments. It is a framework that guides how we conduct our business and work with each other—and with the public—every day. It sets forth the Corporation's standards and expectations of conduct by all employees, officers, and members of the Board Directors. Everyone at LSC is expected to do the right thing in the right way.

Our conduct affects the integrity and credibility of the organization. Each of us plays an important role in establishing and sustaining an



**JOHN G. LEVI**



**JAMES J. SANDMAN**

environment that is respectful of others, committed to excellence, and attentive to the highest ethical standards. Each of us is responsible for adhering to the letter and spirit of the Code to ensure LSC's success.

It is important that every one of us feels comfortable raising concerns and identifying potential issues, so we offer many channels of communication to seek guidance and report concerns. We do not tolerate any retaliation against anyone who raises a concern in good faith.

Each of us needs to understand and abide by this Code every day, in everything we do. Please carefully review this Code and adhere to the standards it describes. While it cannot address every situation you may encounter, the Code is a valuable resource for helping ensure that our actions are consistent with LSC's values and that we all work to safeguard LSC's reputation. If you have any questions about the Code, please contact either of us, your manager, the Ethics Officer, the Director of the Office of Human Resources, or the Office of Inspector General.

A handwritten signature in blue ink, appearing to read "John G. Levi".

John G. Levi  
*Chairman*

A handwritten signature in blue ink, appearing to read "Jim Sandman".

James J. Sandman  
*President*

# Purpose

LSC maintains and enforces the highest standards of ethics and conduct. LSC expects all employees, officers, and Directors to perform their work with the utmost honesty, truthfulness, and integrity.

The purpose of this Code is to establish LSC's expectations for individual behavior, to provide basic guidelines for situations in which ethical issues arise, and to assist employees, officers, and Directors to carry out daily activities within appropriate ethical and legal standards. These ethical and legal standards apply to all of our business relationships and activities, including, but not limited to, those involving grantees, applicants, consultants, and vendors, as well as with one another. This Code is not intended to confer a legal right of action upon employees, officers, and Directors or third parties.



# Compliance

LSC's employees, officers, and Directors are required to comply with this Code and with all laws, rules, regulations, and policies pertaining to LSC and to act in the best interests of LSC. This means following both the letter and spirit of the law. When compliance questions arise, employees should seek advice from their managers, the Ethics Officer, the Director of the Office of Human Resources, or the Office of Inspector General. The Board of Directors shall designate an official to serve as the Ethics Officer for the Corporation.

The policies and procedures set out in this Code are applicable to the Office of the Inspector General, except in the event that they are inconsistent with the provisions of the Inspector General Act or other applicable laws. The Inspector General will designate an official to function as the Ethics Officer for members of the Office of Inspector General, subject to ratification by the Board of Directors.



# Leadership Responsibilities

LSC’s managers, officers, and Directors have a special obligation to help create a culture within LSC that promotes the highest standards of ethics and compliance. All employees shall have sufficient information, training, and guidance to comply with all laws, regulations, and policies pertaining to LSC, as well as access to the Ethics Officer, or the OIG Ethics Officer for OIG employees and officers, to help resolve ethical dilemmas.



# Confidentiality

LSC, by law and regulation, will make information and records concerning its operations, activities, and business available to the public to the maximum extent possible. Records will be withheld from the public only in accordance with the Freedom of Information Act, the LSC Act and regulations, and other applicable laws. However, LSC employees, officers, and Directors must take reasonable care to avoid disclosure of confidential information, including exercising due care with regard to LSC records. The obligation to preserve confidential information continues even after employment with LSC or service on the Board of Directors ends.



# Conflicts of Interest

## Purpose

The purposes of this policy are to protect LSC and to provide guidance to LSC employees, officers, and Directors in identifying and handling any conflicts and potential conflicts of interest affecting the interests of LSC.

## Statement of Policy

Employees, officers, and Directors are to avoid legal, financial, personal, or other conflicts and potential conflicts of interest involving LSC, to disclose any such conflicts that arise, and to remove themselves from a position of decision-making authority or influence on decisions or actions with respect to any conflict involving LSC.

In accordance with § 1005(c) of the LSC Act and Section 3.05 of the LSC Bylaws, Directors may not participate in any decision, action, or recommendation with respect to any matter that directly benefits such Director or pertains specifically to any firm or organization with which such Director is then associated or has



# Conflicts of Interest

been associated within a period of two years.

## Scope

This policy applies to all LSC employees, officers, and Directors acting in their official capacity. Employees of the Office of Inspector General (“OIG”) are covered by this policy, except as otherwise indicated herein. This policy also applies to non-Director members of committees of the Board of Directors. Any reference to “Directors” in this policy includes non-Director members of Board committees with respect to their participation in, and any action they may take in connection with, LSC-related activities. Depending on the nature of the conflict or potential conflict, this policy may also apply to immediate family members of LSC employees, officers, and Directors. This policy applies to all LSC matters, including, but not limited to, grants, contracts, purchases, leases, investments, or other commitments of LSC resources, and personnel matters.

## Definitions

**ABUSE:** Abuse involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse also includes misuse of authority or position for one’s personal financial interests or those of an immediate family member or business associate. Abuse does not necessarily involve fraud or violation of laws, regulations or provisions of a contract or grant agreement.

**CONFLICT OF INTEREST:** A conflict of interest exists when an outside interest, activity, or relationship influences or appears to influence the ability of an employee, officer, or Director to exercise objectivity, or impairs or appears to impair his or her ability to perform his or her responsibilities as an employee, officer, and Director impartially and in the best interests of LSC. A conflict of interest occurs when:

- The employee, officer, or Director, or

any immediate family member has the opportunity to influence LSC’s grant-making, business, administrative, or other decisions or actions in a manner that could lead to personal gain or advantage;

- The employee’s, officer’s, or Director’s impartiality or duty of loyalty to LSC is impaired or appears to be impaired by the existence of a relationship with another person or entity; or
- The employee, officer, or Director, or any immediate family member has a potential or existing financial or other interest which impairs or appears to impair independence in the discharge of responsibilities to LSC.

**FRAUD:** A false representation of a material fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which deceives another so that he or she acts, or fails to act, to his or her detriment.

# Conflicts of Interest

**IMMEDIATE FAMILY MEMBER:** For purposes of this policy, the term “immediate family member” includes spouse, domestic partner, parents, children and their spouses, siblings and their spouses and children, and any members of the household. Also included are persons in those categories as step-relations.

**WASTE:** Waste involves not receiving reasonable value for money, or the dissipation of assets or resources, in connection with any Corporation-funded activities due to an inappropriate act or omission by persons with control over or access to Corporation resources. Waste does not necessarily involve a violation of law, and can arise from mismanagement, inappropriate or irresponsible actions, and the failure to exercise reasonable care and prudence in dealing with corporate assets and activities.

## Examples of Conflict of Interest Activities and Relationships to be Avoided

The following activities and relationships

illustrate the types of conflicts or potential conflicts of interest that should be avoided and disclosed, as applicable, in accordance with this policy. This list is representative only, and is intended to provide guidance. It is not exhaustive.

**SELF-BENEFIT:** An employee, officer, or Director using his or her position or relationship within LSC to promote his or her own interests or those of immediate family member(s). This includes use of confidential or privileged information gained in the course of employment with, or as a Director of, LSC for personal benefit or gain or for the personal benefit or gain of immediate family member(s).

**OTHER BUSINESS RELATIONSHIPS AND DEALINGS:** Participating in deliberations or actions resulting in the approval of a grant or contract with an organization in which an employee, officer, or Director or immediate family member(s) has a financial or other interest or relationship, including an

organization with whom the employee, officer, or Director or immediate family member(s) is negotiating over prospective employment or has an arrangement regarding prospective employment.

**OTHER ORGANIZATIONAL RELATIONSHIPS AND DEALINGS:** Participating in deliberations or actions regarding policy proposals or advocacy positions advanced by organizations in which an employee, officer, or Director is an active participant (e.g., serving as an official of the organization, as a committee or subcommittee chairperson, as a spokesperson, or in another capacity going beyond mere membership) or with respect to proposals or positions advanced by an outside organization that the employee, officer, or Director has been involved in preparing.

**USE OF LSC PROPERTY FOR PERSONAL ADVANTAGE:** Using or taking LSC resources, including facilities, equipment, personnel,

# Conflicts of Interest

and supplies, for private use (except as allowed under LSC policy for de minimis or emergency purposes) or other unauthorized activities.

## **MATTERS INVOLVING GRANTEES, SUBGRANTEES, AND GRANT APPLICANTS:**

An employee, officer, or Director who has a position or association with, or connection to, a grantee, subgrantee, or grant applicant, or had such a position within the past three (3) years, participating in discussions or decisions relating to the grantee or grant applicants, about topics such as grant applications, reviews, questioned cost proceedings, personnel decisions, sanctions, or program performance evaluations. Possible positions, associations, or connections may include, but are not limited to: serving on a board or committee; serving as a former staff member or consultant; any financial ties to a program or a staff member; being or having been privy to confidential or other non-public information regarding LSC grantees; or having a significant, personal relationship with a member of program staff.

**GIFTS:** Personally accepting anything of value from an organization or individual that has a grant application, policy proposal, advocacy position paper, or contract proposal pending before LSC, or currently has a grant or contract from LSC, or has received a grant or contract from LSC within the preceding five years. (Items having a value of less than \$20.00 are excepted in accordance with § 11.13 of the Employee Handbook.)

**INFLUENCE PEDDLING:** An employee, officer, Director, or immediate family member(s) soliciting a benefit from an outside organization in exchange for using influence to affect the interests of that organization within LSC.

**PROPERTY TRANSACTIONS:** Directly or indirectly leasing, renting, trading, or selling real or personal property to or from LSC, or benefitting from such a transaction.

**RECORDING OR REPORTING FALSE INFORMATION:** Misrepresenting, withholding,

or falsifying relevant information required to be reported to external parties or used internally for decision-making purposes, in order to derive personal benefits.

## **Reporting Requirements and Procedures**

Reporting requirements are different for: (1) LSC employees and officers; (2) OIG employees and officers; and (3) Directors.

### **LSC Employees and Officers**

Any employee or officer who has or believes he or she has a conflict or potential conflict, or who becomes aware of a conflict or potential conflict of interest involving another individual, must promptly disclose it to his or her manager, the Ethics Officer, or one of the following individuals within LSC: the General Counsel, the Director of the Office of Human Resources, the Vice President for Grants Management, or the Inspector General.<sup>1</sup> The manager, or any of the other individuals identified above, will promptly notify the Ethics

<sup>1</sup> Employees, officers, and Directors should report fraud, waste, abuse, and violations of LSC laws or regulations to the OIG. The OIG maintains a hotline to receive reports of suspected fraud, waste, or abuse. More information for the OIG Hotline is available at <http://www.oig.lsc.gov/org/hotline.htm>. Reports to the OIG Hotline can be made via: Telephone: 1-800-678-8868 or 202-295-1670 • E-mail: [hotline@oig.lsc.gov](mailto:hotline@oig.lsc.gov) • Online: Form is available at [http://www.oig.lsc.gov/hotline\\_form/hotline.aspx](http://www.oig.lsc.gov/hotline_form/hotline.aspx) • Fax: 202-337-7155 • Mail: PO Box 3699, Washington, DC 20027-0199

# Conflicts of Interest

Officer of any conflicts or potential conflicts, as well as any actions taken to resolve the issues. Employees or officers who believe it is not possible to avoid a conflict of interest must make full written disclosure of the pertinent circumstances to their manager or any of the other individuals identified above, who will bring it to the attention of the Ethics Officer. The Ethics Officer will notify the OIG of reported conflicts or potential conflicts of interest involving an officer of the Corporation or an office director, and of any conflicts or potential conflicts that involve violations of laws, rules, or regulations, fraud, waste, abuse, or mismanagement, or other serious wrongdoing.

Except as otherwise provided herein, the Ethics Officer will make a determination as to whether a conflict or potential conflict of interest exists and what actions, if any, are necessary to resolve the issue. In the event that the employee or officer wishes to appeal the Ethics Officer's decision, he or she may submit a written appeal to the LSC President

within ten (10) business days of receiving the Ethics Officer's written decision.

Conflicts or potential conflicts of interest involving the Ethics Officer must be disclosed to the LSC President, who will make a determination as to whether a conflict or potential conflict of interest exists and what, if any, actions are necessary to resolve the issue. The Ethics Officer may appeal the President's decision to the Board of Directors.

The LSC President will disclose any conflict or potential conflict of interest involving the President to the Ethics Officer for determination and resolution. The Ethics Officer will render a written decision and report his or her decision to the Board. The LSC President may submit a written appeal to the Board of Directors within ten (10) business days of receiving the Ethics Officer's written decision. The Ethics Officer will be notified of the Board's decision and any action taken for purposes of record-keeping.

## **OIG Employees and Officers**

Any OIG employee or officer who has or believes he or she has a conflict or potential conflict, or becomes aware of a conflict or potential conflict of interest involving another individual, must promptly disclose it to his or her manager, the OIG Ethics Officer, or other appropriate individual within the OIG (e.g., an Assistant Inspector General). The manager or other individual referenced above will promptly notify the OIG Ethics Officer of any conflicts or potential conflicts, as well as any actions taken to resolve the issues. Employees who believe it is not possible to avoid a conflict of interest must make full written disclosure of the surrounding circumstances to their manager or any of the other individuals identified above, who will bring it to the attention of the OIG Ethics Officer. The OIG Ethics Officer will make a determination as to whether a conflict or potential conflict of interest exists and what actions, if any, are necessary to resolve the issue. In the event the OIG officer or employee wishes to appeal the OIG's Ethics Officer's

# Conflicts of Interest

decision, he or she may submit a written appeal to the Inspector General within ten (10) business days of receiving the OIG Ethics Officer's decision.

Conflicts or potential conflicts of interest involving the OIG Ethics Officer must be disclosed to the Inspector General, who will make a determination as to whether a conflict or potential conflict of interest exists and what, if any, actions are necessary to resolve the issue.

## **Directors**

Any Director who has or believes he or she has a conflict or a potential conflict of interest, or who becomes aware of a conflict or potential conflict of interest within LSC, will promptly bring it to the attention of the Ethics Officer who will make a determination as to whether a conflict or potential conflict of interest exists and what actions, if any, are necessary to resolve the issue, including abstaining from discussion and voting on the matter. If a Director wishes to appeal the Ethics Officer's

written decision, he or she may submit a written appeal to the Board of Directors within ten (10) business days. Any matter involving a conflict or potential conflict of interest will be approved only when a majority of disinterested Directors determine that it is in the best interest of LSC to do so. The minutes of the meetings at which such votes are taken will record such disclosure, abstention, and voting results.

If a Director becomes aware of a personal affiliation or involvement (including seeking future employment) with an organization applying for or receiving an LSC grant or contract, or otherwise seeking LSC business, or any such affiliation or involvement of an immediate family member of the Director, the Director must fully disclose the nature of such affiliation or involvement in writing to the Ethics Officer and the Board of Directors. The Ethics Officer, in conjunction with the Board of Directors, will make a determination about any appropriate limitations on the Director's involvement in any decision related to the LSC

grant or business.

The Ethics Officer and Inspector General will be notified of any reported conflict or potential conflict of interest involving a Director.

## **Confidentiality**

Reports of conflicts or potential conflicts of interest may be submitted on a confidential basis and will be kept confidential to the extent practicable. Identity or other information will be disclosed only as reasonably necessary for purposes of this policy or when legally required; however, confidentiality is not guaranteed.

## **No Retaliation**

LSC will not discharge, threaten, or discriminate against any employee, officer, or Director in any manner for reporting in good faith conflicts or potential conflicts of interest involving another employee, officer, or Director. Any such act of retaliation will be reported immediately to the Inspector General. The

# Conflicts of Interest

Ethics Officer (or the OIG Ethics Officer for OIG employees) will also be informed.

## Violations of Policy

Violation of this policy will be treated as serious misconduct. Notify the Ethics Officer if you have a question or wish to report a potential or actual conflict of interest. Misinterpretation of this policy or lack of knowledge regarding its scope or applicability will not excuse a violation.

## Outside Employment and Volunteer Activities of Employees and Officers

In an effort to prevent conflicts or potential conflicts of interest and to ensure that outside commitments do not infringe on any employee's or officer's official LSC duties and responsibilities, an employee paid in Band 3 or above may engage in outside employment or in volunteer activities relating to the provision of legal services only upon written notification to his or her manager and the approval of the

Ethics Officer, or of the OIG Ethics Officer for OIG employees. The Ethics Officer may engage in outside employment or in volunteer activities relating to the provision of legal services subject to the approval of the President. The OIG Ethics Officer may engage in outside employment or in volunteer activities relating to the provision of legal services subject to the approval of the Inspector General. LSC employees paid in Band 2 or below may engage in outside employment or in volunteer activities relating to the provision of legal services only if they notify their manager. Any notifications under this section must include the organization for which the work will be done, the nature of the work, the expected time commitment and remuneration, if any, to be received, as well as an evaluation of any potential conflicts of interest that could arise with LSC as a result of the employee's or officer's engagement in such activity. The manager must consult with the Ethics Officer, or the OIG Ethics Officer for OIG employees, for a determination as to whether a conflict of

interest or potential conflict of interest exists with respect to the outside employment or volunteer activities relating to legal services of an employee paid in Band 2 or below. If a conflict of interest or potential conflict of interest exists, then the employee may engage in such outside employment or activities only upon the approval of the Ethics Officer. Refer to § 5.4 of the LSC Employee Handbook (Outside Employment Policy) for further guidance on outside employment, and § 5.3 (LSC Property and Services) on using LSC assets for personal benefit. OIG employees may be subject to additional requirements or limitations on outside employment or activities.

In accordance with § 1005(a) of the LSC Act, LSC officers may not receive any salary or other compensation for services from any source other than the Corporation, except as authorized by the Board.

## Use of LSC Property and Services

Employees, officers, and Directors should not

# Conflicts of Interest

use LSC property and services, or allow their use, for personal benefit. LSC property and services may only be used for purposes related to the performance of an employee, officer, or Director's official duties, for limited (de minimis) personal uses, or for emergency situations. Refer to § 5.3 of the Employee Handbook (LSC Property and Services) for further guidance on using property and assets for personal benefit.

## **Conflict of Interest Questionnaire Employees and Officers**

Upon commencement of employment and annually thereafter, all employees and officers must complete a "Conflict of Interest Questionnaire." Employees and officers are required to update the Conflict of Interest Questionnaire promptly whenever there has been a change in the affiliations or responses to questions. Employees and officers must disclose all of their affiliations, as requested by the form, even if there is no current conflict of interest. OIG employees may be subject to a separate or additional conflicts review process.

## **Directors**

In accordance with § 3.05 of the LSC Bylaws and Guidelines on the Annual Disclosure of Outside Interests of the LSC Board of Directors, upon assuming office and annually thereafter, Directors must file a disclosure statement identifying any firm or organization with which he or she is or has been associated within the prior two years and the nature of the association. In the event the association is a result of a financial or ownership interest, that fact must be reflected in the disclosure statement, but the Director need not reveal the amount of financial interest.

## **Interpretation**

This policy cannot describe all conflicts of interests that may arise involving LSC. Employees, officers, and Directors must use good judgment to avoid any conflicts or appearances of impropriety. If you have any questions about this policy or its application, promptly seek advice from the appropriate Ethics Officer.

# Recordkeeping

LSC requires honest and accurate recording and reporting of information in order to make responsible business decisions. In the course of their work, employees, officers, and Directors will create or receive LSC records in electronic and hardcopy form, including, but not limited to, e-mails, internal memoranda, voicemail, letters, charts, graphs, visual materials, and reports. Records created or received during the course of LSC business are LSC property and, regardless of their location, do not belong to the individual who created, received, or maintained them. All records of LSC must be kept according to approved retention and disposal procedures, or as prescribed by LSC policy or law.

All of LSC's books, records, accounts, and financial statements must be maintained in reasonable detail, must accurately and appropriately reflect LSC's transactions, and must conform both to applicable legal requirements and to LSC's system of internal controls. It is a violation of this Code to



# Recordkeeping

prepare records or reports that are intentionally misleading. It is also a violation of this Code to intentionally omit or delete essential information from any record or report.

Employees, officers, and Directors must exercise prudence in formulating the communications they make while transacting LSC business. They must take care to use appropriate language and behave professionally when communicating with others in connection with the transaction of LSC business, including, but not limited to, their communications via e-mail.

Whenever it appears that records may be required in connection with a pending or reasonably anticipated lawsuit or government investigation, all potentially relevant records in electronic and hardcopy form must be preserved and retained, and ordinary disposal or alteration of any records pertaining to the subject(s) of the pending or reasonably anticipated lawsuit or investigation must be

immediately suspended. If an individual is uncertain as to whether certain records under his or her control must be preserved because they may relate to a pending or reasonably anticipated lawsuit or investigation, he or she must preserve such records and contact LSC's Office of Legal Affairs for further guidance and direction.

# Audits and Financial Statements

Employees, officers, and Directors must be responsive and accessible to auditors and will not in any way limit the scope of the auditors' work or restrict their access to LSC records or personnel.

Officers and Directors are responsible for the design and implementation of policies and processes to promote full, fair, accurate, timely, and understandable disclosure of LSC finances in public reports.

Officers and the Inspector General are responsible for reporting to the Board of Directors any significant disagreements between the LSC financial staff and the auditors with respect to accounting principles, methods, or practices, whether or not subsequently resolved.



# Protection of LSC Assets

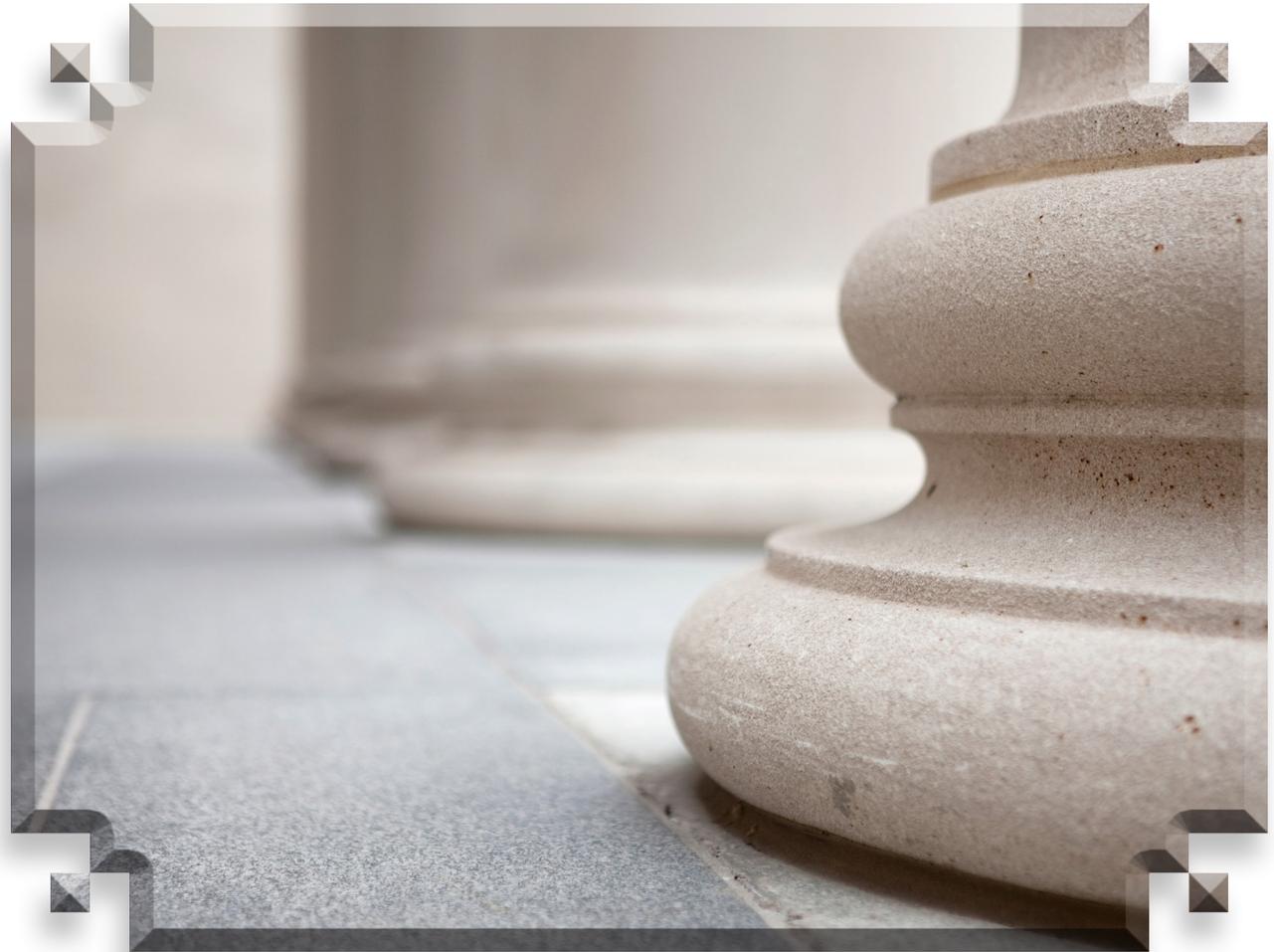
Employees, officers, and Directors have a continuing obligation to protect and conserve all corporate money, property, and other resources, expending them strictly in accordance with LSC policies and procedures. For further information, refer to § 5.3 of the Employee Handbook.



# Restricted Political Activities

Employees and officers must comply with certain restrictions on political activity that are imposed by the LSC Act and regulations. Specifically, employees and officers must not intentionally identify LSC with the political activity of any party, association, or candidate. They must comply with the same federal “Hatch Act” restrictions on political activity that apply to state and local officials, which include prohibitions on using official authority (including official titles) to influence elections; advising or coercing a covered employee to contribute to a party, group, or person for political purposes; and running for political office in a partisan election. See 42 U.S.C. § 2996e(e)(2); 5 U.S.C. §§ 1501 et seq. Employees, officers, and Directors may not use any political test or qualification in taking personnel actions or administering grants.

The Office of Legal Affairs and the U.S. Office of Special Counsel are available to provide information and advice concerning Hatch Act restrictions.



# Fair Dealing

Each employee, officer, and Director must endeavor to respect the rights of, and deal fairly with, LSC's grantees, applicants, stakeholders, suppliers, consultants, and employees. No one may abuse his or her authority or take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice. Employees, officers, and Directors may not receive gifts or loans in connection with their LSC business dealings. Token gifts may be accepted in accordance with the LSC gift policy in § 11.13 of the Employee Handbook. Anyone found to be soliciting, receiving, accepting, or condoning a bribe, kickback, or other unlawful payment, or attempting to initiate such activities, will be subject to termination and referral to law enforcement authorities for possible criminal proceedings.



# Whistleblower Protection

## Purpose

The purposes of this policy are to encourage employees, officers, and Directors to report unlawful and unethical activity without fear of retaliation and to provide procedures for reporting and investigating such activity.

## Statement of Policy

An employee, officer, or Director who observes, learns of, or in good faith believes it is likely that another employee, officer, or Director, or a director or an employee of an LSC contractor or of a recipient of LSC funding, has engaged in unlawful or unethical activity, must immediately report the actual or suspected activity to the Office of Inspector General (OIG) and cooperate fully in the investigation of the report by the OIG or other authorized law enforcement entities. Reported activities will be reviewed and addressed promptly. LSC will not retaliate against any employee, officer, or Director for reporting or participating in good faith in the investigation of such activity.



# Whistleblower Protection

## Scope

This policy applies to all LSC employees, officers, and Directors. Employees of the OIG are covered by this policy and included within the term “LSC employees and officers,” except as otherwise indicated. Any reference to “Directors” in this policy includes non-Director members of committees of the Board of Directors.

## Examples of Unlawful or Unethical Activities

It is important that LSC be apprised of unlawful or unethical activity, or suspicions thereof, including, but not limited to, any of the following conduct:

- Violation of any law, rule, or regulation, or gross mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to public health and safety;

- Fraud;<sup>2</sup>
- Embezzlement, misappropriation of LSC funds, or use of LSC assets for personal gain or benefit;
- Theft from LSC;
- Supplying false or misleading information on LSC’s financial or other public documents, including its tax return (Form-990);
- Payment by LSC for services or goods that are not rendered or delivered;
- Providing false information to or withholding material information from Congress, the General Accounting Office, LSC’s Board, LSC’s auditors, or the OIG;
- Improper, questionable, or undocumented financial transactions on behalf of LSC;
- Violations of the LSC Code of Ethics and Conduct;
- Improper destruction of LSC records;
- Accepting or seeking anything of value from grantees, contractors, vendors, or people providing goods or services to LSC, with the exception of gifts in accordance with § 11.13 of the LSC Employee Handbook (Gifts, Fees, and Honoraria); or
- Facilitating or concealing any of the above or similar activity.

## No Retaliation

LSC will not take, or threaten to take, a prohibited personnel action or otherwise retaliate against any employee, officer, or Director for reporting in good faith what he or she perceives to be unlawful or unethical activity, or suspicions thereof, involving another employee, officer, or Director, including an employee of the OIG, or a director or

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<sup>2</sup> Fraud is a false representation of a material fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which deceives another so that he or she acts, or fails to act, to his or her detriment.

# Whistleblower Protection

an employee of an LSC contractor or of a recipient of LSC funding, or for participating in the investigation of such a report. Prohibited personnel action includes, but is not limited to, recommended, threatened, or actual termination, demotion, suspension, or reprimand; involuntary transfer, reassignment, or detail; referral for psychiatric or psychological counseling; or failure to promote or hire or take other favorable personnel action.

If an employee, officer, or Director believes he or she has been subject to any such act of retaliation, he or she must report it immediately to the Inspector General. The OIG will investigate reports of retaliation or refer such reports to LSC management for investigation. Depending on the findings of such investigations, the LSC Board, management, or the Inspector General with respect to employees of the OIG, may impose disciplinary measures, up to and including removal from the Board (subject to § 3.06 of the LSC Bylaws) or termination of employment, against

an employee, officer, or Director who threatens or retaliates against another employee, officer, or Director.

## Acting in Good Faith

Anyone reporting unlawful or unethical activity, or suspicions thereof, must act in good faith and have reasonable grounds for believing the information disclosed indicates unlawful or unethical activity. Reports made under this policy will be deemed in good faith if the person reporting had reasonable grounds to believe or suspect that the unlawful or unethical activity occurred, even if that belief or suspicion should prove to be unfounded.

Any allegations by employees, officers, or Directors that prove to be unfounded and which prove to have been made maliciously or knowingly to be false, will be subject to appropriate disciplinary action, up to and including removal from the Board (subject to § 3.06 of the LSC Bylaws) or termination of employment.

## Reporting Requirements and Procedures

LSC has an open door policy and encourages employees, officers, and Directors to share their questions, concerns, suggestions or complaints with the OIG, who has the responsibility to investigate all reported complaints.

Any employee, officer, or Director who observes, learns of, or in good faith believes it is likely that another employee, officer, or Director, or a director or an employee of an LSC contractor or of a recipient of LSC funding, has engaged in unlawful or unethical activity must promptly disclose it to the Inspector General or the Assistant Inspector General for Investigations.

The OIG will notify the sender of the report of receipt of the report within five (5) business days. The OIG will review the report to determine whether an investigation is warranted and, if so, whether LSC management (the LSC President, Ethics

# Whistleblower Protection

Officer, General Counsel, Vice President for Grants Management, Controller, or Director of the Office of Human Resources), the OIG, or external law enforcement officials should conduct such investigation.

If the OIG conducts such an investigation, it may refer the matter to LSC management, the LSC Board of Directors, or to external law enforcement authorities for follow-up action. If the OIG refers the matter to LSC management for investigation or follow-up action, the OIG may also require that, upon completion of the investigation or follow-up action, LSC management provide the OIG a report concerning the investigation or follow-up action.

In the event an LSC employee or officer (other than an employee of the OIG) who is the subject of an investigatory report or follow-up action wishes to appeal LSC management's report or action, he or she may submit a written appeal to the Chairman of the Board within ten (10) business days of receiving notice

of the report or action by LSC management.

Except as otherwise provided below, where an OIG employee is the subject of an OIG investigation, upon completion of the investigation, the Assistant Inspector General for Investigations will provide a written report to the Inspector General for review and follow-up action, if warranted by the investigation.

## **Reports Involving the Inspector General or Senior Employees of the OIG**

Reports of unlawful or unethical activity regarding the Inspector General must be disclosed to the OIG; they may be made to the Assistant Inspector General for Investigations or to the OIG Ethics Officer. All such reports will be referred by the OIG to the Integrity Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE Integrity Committee) for review and investigation, if warranted, in accordance with the provisions of §11(d) of the Inspector General Act of 1978, as amended (IG Act), and the

policies and procedures of the CIGIE Integrity Committee promulgated thereunder. Where an investigation is conducted by or under the purview of the CIGIE Integrity Committee, a report, including recommendations of the CIGIE Integrity Committee, will be forwarded to the Board of Directors for resolution. The CIGIE Integrity Committee is also required to provide a summary of the report and recommendations to designated committees of the Senate and House of Representatives. 5 U.S.C. App. § 11(d).

Reports of unlawful or unethical activity involving a senior employee of the OIG (an Assistant Inspector General or other employee who reports directly to the Inspector General) must be disclosed to the Inspector General, who will make a determination as to referral and investigation of the allegation(s) in accordance with the provisions of § 11(d) of the IG Act and the policies and procedures of the CIGIE Integrity Committee.

# Whistleblower Protection

## Confidentiality

Reports of unlawful or unethical activity, or suspicions thereof, may be submitted on a confidential basis. LSC will maintain confidentiality to the extent possible. Identity or other information will be disclosed only as reasonably necessary for purposes of this policy or when legally required.

## Anonymous Reporting

Reports of unlawful or unethical activity, or suspicions thereof, may be made anonymously to the OIG or by completing an online form.<sup>3</sup> Because the OIG, or designated investigator, will be unable to interview anonymous whistleblowers, it is important that anonymous whistleblowers provide as much specific detail in the report as possible, including, but not limited to, names of individuals involved and potential witnesses, to allow for an investigation of the report.

## Records of Report

The OIG must retain for a period of at least seven (7) years all records relating to any reports of unlawful or unethical activity reported in accordance with this policy.

## Interpretation

If you have any questions about this policy or its application, please promptly seek advice from the OIG.

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<sup>3</sup> In addition, the OIG maintains a hotline to receive reports of suspected fraud, waste, or abuse. More information for the OIG Hotline is available at <http://www.oig.lsc.gov/org/hotline.htm>. Reports to the OIG Hotline can be made via: Phone: 1-800-678-8868 or 202-295-1670 • Email: [hotline@oig.lsc.gov](mailto:hotline@oig.lsc.gov) • Online: Form is available at [http://www.oig.lsc.gov/hotline\\_form/hotline.aspx](http://www.oig.lsc.gov/hotline_form/hotline.aspx) • Fax: 202-337-7155 • Mail: PO Box 3699, Washington DC 20027-0199

# Equal Employment Opportunity

## Purpose

LSC is committed to providing equal employment opportunity in all of its employment programs and decisions. Discrimination in employment on the basis of any characteristic protected under federal, state, or local law is illegal and is a violation of LSC's policy. The purposes of this policy are to prohibit and prevent discrimination and harassment in the workplace, encourage employees, officers, and Directors to report instances of alleged discrimination and harassment without fear of retaliation, and to provide procedures for reporting and investigating such activity.

## Scope

This policy applies to all LSC employees, officers, Directors and third parties over whom LSC has control. Employees of the Office of Inspector General (OIG) are covered by this policy and included within the term "LSC employees and officers," except as otherwise indicated. Any reference to "Directors" in this



# Equal Employment Opportunity

policy includes non-Director members of committees of the Board of Directors. This policy applies to all terms and conditions of employment, appointment or contracting, including, but not limited to, recruiting, hiring, firing, transferring, promoting and demoting, evaluating, disciplining, scheduling, training, or deciding compensation and benefits.

## Statement of Policy

Equal employment opportunity is provided to all employees and applicants for employment without regard to race, color, sex, age, religion, national origin, sexual orientation, personal appearance, political affiliation, pregnancy, genetic information, gender identity or transgender status, status as a victim of an intrafamily offense, domestic partner or familial status, marital status, matriculation, family responsibilities, source of income, place of residence or business, veteran status or active military service, or disability, or any other factor protected by local, state, or federal law (collectively “protected traits”).

In accordance with applicable federal, state, and local laws protecting qualified individuals with disabilities, LSC will attempt to reasonably accommodate those individuals unless doing so would create undue hardship for LSC or if, with reasonable accommodation, the employee is unable to perform the essential functions of his or her position without posing a direct threat to the health or safety of the employee or other individuals in the workplace. Any applicant or employee who needs a reasonable accommodation to apply for employment or to perform the essential functions of his or her job should contact the Director of the Office of Human Resources (HR Director).

LSC is committed to providing a diverse and inclusive work environment free of discrimination and harassment, including sexual harassment. LSC strictly prohibits and does not tolerate discrimination and harassment by anyone regardless of the sex of the individuals involved. This policy

applies to all discrimination and harassment, regardless of whether it is verbal, non-verbal, or physical, on the basis of a protected trait. Discrimination and harassment are prohibited in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings, and LSC-sponsored events.

An employee, officer, or Director who believes that he or she has been subjected to, or witnesses or becomes aware of, behavior that may violate this policy should promptly report the conduct in accordance with the procedures provided under § 5 (Reporting Requirements and Procedures). LSC will not retaliate nor tolerate retaliation against any individual who, in good faith, reports or participates in the investigation of potential violations of this policy. LSC will take reasonable and appropriate remedial action to address violations of this policy, up to and including termination.

# Equal Employment Opportunity

## Definitions

**COMPLAINANT:** An individual who has alleged a violation(s) of this policy.

**DISCRIMINATION:** For the purposes of this policy, adverse treatment of an individual based on any protected trait(s) under applicable federal, state, or local law, rather than on the basis of his or her individual merit, with respect to the terms, conditions, or privileges of employment, appointment or contracting including, but not limited to, recruiting, hiring, firing, transferring, promoting and demoting, evaluating, disciplining, scheduling, training, or deciding compensation and benefits.

**GENDER IDENTITY OR EXPRESSION:** A gender-related identity, appearance, expression, or behavior of an individual, regardless of the individual's assigned sex at birth.

**GENETIC INFORMATION:** Information about the presence of any gene, chromosome, protein, or certain metabolites that indicate or confirm

that an individual or an individual's family member has a mutation or other genotype that is scientifically or medically believed to cause a disease, disorder, or syndrome, if the information is obtained from a genetic test.

**HARASSMENT:** For the purposes of this policy, any unwelcome verbal, non-verbal, or physical conduct that has the purpose or effect of unreasonably interfering with an individual's work performance and/or creating an intimidating, hostile, or offensive work environment as a result of an individual's protected trait(s) under applicable federal, state, or local law. Examples of harassment include, but are not limited to:

- **VERBAL** – Epithets, negative or derogatory statements, threats, slurs, comments, stereotyping, or jokes regarding a person's protected trait(s).
- **NON-VERBAL** – Inappropriate gestures, distribution or display of any written or

graphic materials, including calendars photographs, posters, cartoons, or drawings that ridicule, denigrate, insult, belittle, or show hostility or aversion toward an individual or group because of their protected trait(s).

- **PHYSICAL** – Assault, unwanted or inappropriate physical contact, including, but not limited to, pushing, slapping, poking, punching, shoving, blocking normal movement, or purposely bumping into an individual.

**MARITAL STATUS:** The state of being married or in a domestic partnership, divorced or separated (as such statuses are determined by applicable law), or the state of being single or widowed, and the usual conditions associated therewith, including pregnancy or parenthood.

**PERSONAL APPEARANCE:** The outward appearance of any person, irrespective of sex, with regard to bodily condition or

# Equal Employment Opportunity

characteristics, manner or style of dress, and manner or style of personal grooming, including, but not limited to, hair style and beards. It shall not relate, however, to the requirement of cleanliness, uniforms, or prescribed standards, when uniformly applied for admittance to a public accommodation, or when uniformly applied to a class of employees for a reasonable business purpose; or when such bodily conditions or characteristics, style or manner of dress or personal grooming presents a danger to the health, welfare, or safety of any individual.

**RESPONDENT:** An individual alleged to have violated this policy.

**SEXUAL HARASSMENT:** For the purposes of this policy, any harassment based on an individual's sex or gender. It includes harassment that is not sexual in nature (for example, offensive remarks about an individual's sex or gender), as well as any unwelcome sexual advances, requests for

sexual favors, or any other conduct of a sexual nature, when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of employment; or
- Submission to or rejection of such conduct is used as a basis for an employment decision or an adverse action; or
- Such conduct has the purpose or effect of substantially or unreasonably interfering with an employee's work performance by creating an intimidating, hostile, or offensive work environment.

Sexual harassment applies to males sexually harassing females or other males, and to females who sexually harass males or other females.

Examples of sexual harassment include, but are not limited to:

- **VERBAL** – Epithets, derogatory statements, sexually degrading words to describe an individual, slurs, threats, sexually-related or suggestive comments or jokes; unwelcome sexual advances, propositions, suggestions, movement, or physical action; requests for any type of sexual favors; sexual innuendoes; lewd remarks; gossip regarding an individual's sex life; comments on an individual's body or dress; comments about an individual's sexual activity, deficiencies, or prowess; inquiring into an individual's sexual experiences; or discussion of one's sexual activities.
- **NON-VERBAL** – Distribution or display of any written or graphic material, including calendars, posters, cartoons, or drawings that are sexually suggestive, or that show hostility toward an individual or group because of sex; suggestive or insulting gestures, sounds, leering, staring, and whistling; obscene gestures or content in letters, notes, facsimiles, and e-mail; or

# Equal Employment Opportunity

knowingly playing music or visual media with lyrics or dialogue of a sexual or offensive nature.

- **PHYSICAL** – Unwelcome, unwanted physical contact, including, but not limited to, touching, tickling, pinching, patting, brushing up against, hugging, cornering, kissing, fondling or sexual assault.

Other sexually oriented conduct, whether it is intended or not, that is unwelcome and has the effect of creating a work environment that is hostile, offensive, or intimidating may also constitute sexual harassment.

## Reporting Requirements and Procedures

### Complaints by LSC Employees, Officers, and Directors (including Employees of the OIG)

Any employee, officer, or Director (including employees of the OIG) who believes he or she has been subjected to discrimination or

harassment prohibited by this policy, or who witnesses or becomes aware of alleged discrimination or harassing conduct, except as provided for under § 5.B. (Complaints Against OIG Officers and Employees), should promptly report, orally or in writing, the conduct to his or her manager, the General Counsel, the Vice President for Grants Management or the HR Director. If the report is made to anyone other than the HR Director, the person receiving the report must promptly communicate the report to the HR Director. The HR Director will consult with the appropriate manager(s) to ensure that immediate action is taken to stop any potential policy violations and prevent further potential policy violations while the allegations are being investigated.

The HR Director, independently or through her or his designated agent, will conduct a prompt, thorough, and impartial investigation of all complaints (and may, in her or his discretion, engage external investigators to conduct an investigation of a report). The HR Director or

designated investigator will consult with the complainant and respondent and interview all relevant identified witnesses or other parties. LSC expects all officers and employees to fully cooperate with any investigation conducted. The HR Director or designated investigator will conclude the investigation expeditiously and prepare a written summary of her or his findings and, if it is determined that a policy violation has occurred, the HR Director will prepare recommendations as to corrective action(s), commensurate with the severity of the offense, up to and including termination. If the HR Director's investigation is inconclusive or it is determined that there has been no policy violation, but some potentially problematic conduct is revealed, recommendations may be made for preventative or ameliorative action.

After the investigation is concluded, the HR Director will promptly meet with the complainant and respondent separately to notify them of the findings of the investigation and the action being recommended. In the event the complainant

# Equal Employment Opportunity

or the respondent wishes to appeal the HR Director's findings or recommendations, he or she may submit a written appeal to the President within ten (10) business days after meeting with the HR Director.

If the alleged discriminatory or harassing conduct involves the HR Director, the complainant should promptly report the conduct to the Ethics Officer. The Ethics Officer will conduct a prompt, thorough, and impartial investigation of a report and will render a written summary of his or her findings and, if it is determined that a policy violation has occurred, recommend corrective action(s) to be taken.

If the alleged discriminatory or harassing conduct involves the LSC President or a Director, the HR Director will conduct a prompt, thorough, and impartial investigation of the complaint and will render a written summary of her or his findings and, if it is determined that a policy violation has occurred, recommend corrective action(s) to be taken to the Board. The

LSC President, a Director, or the complainant may submit a written appeal to the Board of Directors within ten (10) business days of receiving the HR Director's written decision. The Chairman of the Board will promptly refer the appeal to the Governance and Performance Review Committee for a recommendation regarding the Board's action. The Committee will review the appeal and make a recommendation to the Board. The Board will then consider and act on the recommendation. Consistent with the provisions of the LSC Act, 42 U.S.C. § 2996c(g), and 45 C.F.R. Part 1622, consideration and action by the Committee and Board regarding an appeal may be held in closed session. The Chairman of the Board will notify the HR Director of the Board's decision and any action taken for purposes of record-keeping.

## **Complaints Against OIG Employees and Officers**

Any employee, officer, or Director who believes he or she has been subjected to discrimination or harassment by an employee or officer of the

OIG prohibited by this policy, or who witnesses or becomes aware of alleged discrimination or harassing conduct by an employee or officer of the OIG, should promptly report, orally or in writing, the conduct to his or her manager, the General Counsel, the Vice President for Grants Management, the HR Director, or the Inspector General. If the report is made to anyone other than the Inspector General, the person receiving the report will promptly communicate the report to the Inspector General. The Inspector General will take immediate action to stop any potential policy violations and prevent further potential policy violations while the allegations are being investigated.

The Inspector General or his or her designee will fully investigate all complaints (and may, in his or her discretion, engage external investigators to conduct an investigation of a report). The Inspector General or designated investigator will consult with the complainant and respondent and interview all relevant identified witnesses or other parties. The Inspector

# Equal Employment Opportunity

General will conclude the investigation expeditiously and prepare a written summary of his or her findings and, if it is determined that a policy violation has occurred, the Inspector General will determine the corrective action(s) to be taken. If the Inspector General's investigation is inconclusive or it is determined that there has been no policy violation, but some potentially problematic conduct is revealed, preventative or ameliorative action may be taken. After the investigation is concluded, the Inspector General or his or her designee will meet with the complainant and respondent separately to notify them of the findings of the investigation and the action being recommended.

If the alleged discriminatory or harassing conduct involves the Inspector General the complainant or LSC official to whom a complainant has made an initial report must promptly report, orally or in writing, the conduct to the Assistant Inspector General for Investigations or the OIG Ethics Officer. All such reports will be referred to the Integrity Committee of the

Council of the Inspectors General on Integrity and Efficiency (CIGIE Integrity Committee) for review and investigation, if warranted, in accordance with the provisions of § 11(d) of the Inspector General Act of 1978, as amended (IG Act), and the policies and procedures of the CIGIE Integrity Committee promulgated thereunder. Where an investigation is conducted by or under the purview of the Integrity Committee, a report, including recommendations of the CIGIE Integrity Committee, will be forwarded to the Board of Directors for resolution. The CIGIE Integrity Committee is also required to provide a summary of the report and recommendations to designated committees of the Senate and House of Representatives. 5 U.S.C. App. § 11(d).

If the alleged discriminatory or harassing conduct involves a senior employee of the OIG (e.g., an Assistant Inspector General or other employee who reports directly to the Inspector General), the Inspector General will make a determination as to referral and investigation

of the allegation(s) in accordance with the provisions of § 11(d) of the IG Act and the policies and procedures of the CIGIE Integrity Committee.

## **Complaints Against Employees, Officers or Governing Body Members of Recipients**

Any employee, officer, or Director (including employees of the OIG) who believes he or she has been subjected to discrimination or harassment prohibited by this policy by an employee, an officer, or a member of the governing body of a recipient of LSC funds, or who witnesses or becomes aware of alleged discrimination or harassing conduct, should promptly report, orally or in writing, the conduct to his or her manager, the General Counsel, the Vice President for Grants Management or the HR Director. If the report is made to anyone other than the HR Director, the person receiving the report must promptly communicate the report to the HR Director.

# Equal Employment Opportunity

The HR Director will promptly communicate the report to the Executive Director of the recipient or, if the report involves the Executive Director, to the chair of the recipient's governing board. The HR Director will request that the recipient promptly investigate the report, consistent with the recipient's Equal Opportunity and Sexual Harassment Policy required under LSC's Grant Assurances. The HR Director will request the recipient to prepare a written summary of the recipient's findings and any follow-up actions the recipient has taken or proposes to take. LSC reserves the right to take further action, including conducting its own investigation, following receipt of the recipient's report.

## Confidentiality

Reports of alleged discrimination and harassment may be submitted on a confidential basis. LSC will maintain confidentiality to the extent possible, consistent with a thorough investigation. Information received and the privacy of the individuals involved will be disclosed only as reasonably necessary for purposes of this

policy or when legally required; however, confidentiality is not guaranteed.

## No Retaliation

LSC prohibits retaliation against individuals who report or allege violations of this policy, or who are involved in the investigation of potential policy violations. An individual who makes a good faith report of what he or she believes to be violations of this policy; participates in the investigation of potential violations of this policy; or files, testifies, assists, or participates in any manner in any investigation, proceeding, or hearing conducted by a governmental enforcement agency, will not be subject to reprisal or retaliation, including, but not limited to, termination, demotion, suspension, failure to hire or consider for hire, failure to give equal consideration in making employment decisions, failure to make employment recommendations impartially, adversely affecting working conditions or otherwise denying any employment benefit. Any person found to have retaliated against an individual for reporting a

violation of this policy or for participating in an investigation of allegations of such conduct will be subject to appropriate disciplinary action, up to and including termination.

Contact the HR Director if you have any questions or concerns regarding this policy or if you believe this policy may have been violated.



# LSC Code of Ethics and Conduct Acknowledgment Form

I hereby acknowledge that I have reviewed and understand the Legal Services Corporation's Code of Ethics and Conduct (Code). I agree to comply with the standards contained in the Code and all related policies and procedures as is required as part of my continued employment or association with LSC. I understand that LSC does not intend for the Code to create a contract of employment or any type of binding obligation on LSC. I further understand that any violation of the Code or failure to take action as mandated by the Code may result in disciplinary action, up to and including termination of employment.

LSC may periodically review the Code and it reserves the right to amend or interpret the Code as it deems appropriate in its sole discretion. A copy of this acknowledgment form will be placed in my personnel file.

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Office:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_







**Design** Marcos A. Navarro

**LSC Print Shop** Moe Wilson, Bobby Harris, and Sharon Parks



Legal Services Corporation ■ **Code of Ethics and Conduct**

**DRAFT COPY**



BOARD OF DIRECTORS

## RESOLUTION

### ADOPTING A REVISED LSC CODE OF ETHICS AND CONDUCT

**WHEREAS**, by Resolution #2008-007, the Legal Services Corporation (“LSC” or “Corporation”) Board of Directors (“Board”) adopted a *Code of Ethics and Conduct* (“the Code”) to provide guidance to Board members, officers, and employees regarding the Corporation’s expectations for standards of ethics and conduct;

**WHEREAS**, the Board has recently amended several policies in the Code, including the Conflicts of Interest, Whistleblower, and Equal Employment Opportunity policies; and

**WHEREAS**, in the process of replacing the Conflicts of Interest, Whistleblower, and Equal Employment Opportunity policies with the Board-amended versions, Management determined that the Corporation would benefit from a reformatted Code that more effectively communicates, both internally and externally, LSC’s commitment to the highest levels of ethics and conduct, and recommends adoption of the attached revised LSC Code of Ethics and Conduct;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the Board of Directors adopts the attached revised *LSC Code of Ethics and Conduct* effective immediately.

**Adopted by the Board of Directors**

On January 24, 2015

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**John G. Levi**

*Chairman*

**Attest:**

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**Ronald S. Flagg**

*Vice President for Legal Affairs,*

*General Counsel & Corporate Secretary*

# **Management Transition Resources**

## List of Resources for LSC Management Transitions

### **History of LSC**

The Founding of LSC  
CLASP article – Civil Legal Aid in the US  
Fordham Urban Law Journal Article on LSC

### **Mission and Overview**

Fact Sheet - What is LSC?  
Strategic Plan 2012-2016  
FY 2015 Budget Request

### **Congress**

Overview of Congressional Appropriations and Oversight  
Annual appropriations and budget timeline

### **Legal Structure**

LSC Resource Book

- LSC Act
- 2014 Appropriation Act
- LSC Regulations
- IG Act
- Property Acquisition and Management Manual

Overview of LSC's Entity Status

- 2007 & 2010 GAO Reports

LSC FOIA Policy Memo  
Compilation of Important OLA Opinions  
2012 Compilation of LSC Policies

### **Organizational Structure**

Organizational Chart and Staff  
Count  
Departmental Descriptions  
Fiscal Oversight Task Force Report

### **Management Responsibilities**

Annual Departmental Goals  
LSC Project Management Calendar

#### **Grants Management**

- Descriptions of LSC's grant programs (Basic, TIG, PBIF, LRAP, Migrant, Sandy, Emergency)
- TIG (list of awards and notable projects, and TIG Conference Program)
- Pro Bono Innovation Fund (list of awards, notable projects, and Pro Bono Task Force Report)
- Competition and Grantee Oversight Flow Chart
- Grant cycle timelines
- 2015 Grant Assurances (Basic Field, TIG, PBIF)
- 2015 Special Grant Conditions
- OIG Semi-Annual Report to Congress
- LSC Performance Criteria
- Oversight visit schedule
- Sample oversight visit reports (OCE/OPP)
- Examples of management decisions in questioned cost proceedings
- OCE/OPP quarterly activity reports
- Reports to Audit Committee on Audits and Investigations

#### **Fiscal Management**

- Current Operating Budgets (Corporation-wide and Departmental)
- Guidelines for Consolidated Operating Budgets
- Last Audited Financial Statements
- Last Annual Report
- Last Income Statement
- Sample management memos to Finance Committee
- Overview of annual audit process
- Quarterly contracting reports

### **Management Responsibilities (Cont.)**

#### **Human Resources Management**

- Who's Who at LSC
- Staff Directory and Key Staff Contact Information
- Travel and Expenses Guidelines
- Employee Handbook
- LSC Administrative Manual
- Performance Management System Overview
- Code of Ethics and Conduct
- CBA (whenever completed)
- Local 135 Bargaining Unit descriptions
- Memo on Political Activities
- Hatch Act Guidance

#### **Board**

Bylaws  
List of board members with terms and biographies  
Board Committee Charters  
List of board committee assignments  
List of board meeting locations  
Copy of most recent Board Book  
Government in the Sunshine Act Memo

#### **Development**

Board resolution initiating the campaign  
LSC Case Study  
40th Anniversary Schedule of Events  
Solicitation and Contribution Protocols

#### **LSC Grantees**

LSC by the Numbers  
Fact Sheet – LSC Restrictions  
CRS Report on LSC Restrictions  
Overview of Grantee Audit Process/IPAs

# **Audit Committee**

# Agenda

# **AUDIT COMMITTEE**

**January 22, 2015**

## **Agenda**

### **Open Session**

1. Approval of agenda
2. Approval of minutes of the Committee's Open Session meeting of October 6, 2014 meeting
3. Discussion of Committee's evaluations for 2014 and the Committee's goals for 2015
4. Presentation of the Fiscal Year (FY) 2014 Annual Financial Audit
  - John Seeba, Assistant IG for Audits
  - Nancy Davis, WithumSmith+Brown
5. Review of LSC's Form 990 for FY 2014
  - David Richardson
6. Briefing by Office of Inspector General
  - Jeffrey Schanz, Inspector General
7. Management update regarding risk management
  - Ron Flagg, General Counsel
8. Briefing about referrals by the Office of Inspector General to the Office of Compliance and Enforcement's including matters from the annual Independent Public Accountants audits of grantees
  - Jeffrey Schanz, Inspector General
  - John Seeba, Assistant IG for Audits

- Lora Rath, Director of Compliance and Enforcement
9. Consider and act on 403(b) Thrift Plan Amendment, ***Resolution 2015-XXX***
    - Mark Freedman, Senior Assistant General Counsel
    - Sophia Mason, Benefits Manager
  10. Public comment
  11. Consider and act on other business

**Closed Session**

12. Communication by Corporate Auditor with those charged with governance under Statement on Auditing Standard 114
  - Jeffrey Schanz, Inspector General
  - John Seeba, Assistant Inspector General for Audits
  - Nancy Davis, WithumSmith+Brown
13. Approval of minutes of the Committee's Closed Session meeting on July 21, 2014
14. Briefing by Office Compliance and Enforcement on active enforcement matters and follow-up on open investigation referrals from the Office of Inspector General
  - Lora Rath, Director of Compliance and Enforcement
15. Consider and act on adjournment of meeting

**Draft Minutes of the October 6, 2014  
Open Session Meeting**

**Legal Services Corporation  
Meeting of the Audit Committee**

**Open Session**

**Monday, October 6, 2014**

**DRAFT**

Chairman Victor B. Maddox convened an open session meeting of the Legal Services Corporation's ("LSC") Audit Committee ("the Committee") at 7:51 a.m. on Monday, October 6, 2014. The meeting was held at the Hilton Albany, 40 Lodge Street, Albany, New York 12207.

The following Committee members were in attendance:

Victor B. Maddox, Chairman  
Harry J. F. Korrell, III  
Gloria Valencia-Weber  
David Hoffman, Non-Director Member (by telephone)  
Paul L. Snyder, Non-Director Member (by telephone)  
John G. Levi, ex officio

Other Board members present:

Robert J. Grey, Jr.  
Charles N.W. Keckler  
Father Pius Pietrzyk, O.P.  
Laurie Mikva  
Martha L. Minow  
Julie A. Reiskin

Also in attendance were:

James Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel & Corporate Secretary
David L. Richardson	Treasurer and Comptroller, Office of Financial and Administrative Services
Wendy Rhein	Chief Development Officer
Julia Kramer	Program Counsel, Office of Compliance and Enforcement (OCE), Executive Office
Jeffrey E. Schanz	Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General (OIG)

Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, Office of the Inspector General (OIG)
John Seeba	Assistant Inspector General for Audit, Office of the Inspector General (OIG)
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant, Office of Government Relations and Public Affairs (GRPA)
Janet LaBella	Director, Office of Program Performance (OPP)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Bernie Brady	LSC Travel Coordinator
Herbert Garten	Non-Director Member, LSC's Institutional Advancement Committee
C. Kenneth Perri	Executive Director, Legal Assistance of Western New York
Paul J. Lupia	Executive Director, Legal Aid Society of Mid-New York
Barbara Finkelstein	Executive Director, Legal Services of the Hudson Valley
Lisa Wood	American Bar association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)
Robin C. Murphy	National Legal Aid and Defender Association (NLADA)

The following summarizes actions taken by and presentations made to the Committee:

Committee Chairman Maddox called the meeting to order.

**MOTION**

Professor Valencia-Weber moved to approve the agenda. Mr. Korrell seconded the motion.

**VOTE**

The motion was approved by voice vote.

**MOTION**

Professor Valencia-Weber moved to approve the minutes of the Committee's meeting of July 21, 2014. Mr. Korrell seconded the motion.

## **VOTE**

The motion passed by voice vote.

Mr. Schanz briefed the Committee on the reports the Office of the Inspector General (OIG) completed since the last Audit Committee meeting. The reports include an update on the Council of Inspectors General for Integrity and Efficiency's (CIGIE) memorandum to Congress supporting the Department of Justice supporting increased access to records. Mr. Seeba briefed the Committee on OIG's audit processes. Mr. Schanz and Mr. Seeba answered Committee members' questions.

Ms. Rath provided a briefing on OCE's follow-up of referrals from the OIG regarding audit and investigation reports and the annual independent public accountants' audits of grantees. Ms. Rath answered Committee members' questions.

Mr. Flagg presented the revised LSC Risk Management matrix and answered Committee members' questions.

Committee Chairman Maddox invited public comment and received none.

There was no new business to consider.

## **MOTION**

Professor Valencia-Weber moved to adjourn meeting. Mr. Korrell seconded the motion.

## **VOTE**

The motion passed by voice vote.

The Committee meeting adjourned at 9:23 a.m.

# **2014 Committee Evaluation and 2015 Goals**

## **SUMMARY OF 2014 AUDIT COMMITTEE EVALUATION RESPONSES**

### **All members strongly agreed that:**

- Committee members understand the goals and purpose of our committee; committee members agree on the goals and purpose of the committee.
- There is alignment between our committee's goals and purposes and the actions taken and/or the decisions made by the committee.
- Our committee has adequate resources (for example, staff time and expertise) to support its function.
- We receive the meeting agenda and materials sufficiently in advance of the meeting to allow for appropriate review and preparation.
- The minutes of our meetings are accurate and reflect the discussion, next steps and/or action items articulated by the members.
- Our committee membership represents the talents and skills required to fulfill the goals and purposes of the committee. Our committee members come to meetings prepared and ready to contribute.
- Our committee members treat each other with respect and courtesy.
- As a general rule, when I speak I feel listened to and that my comments are valued.

### **Members either strongly agreed or agreed that:**

- There is alignment between our committee's goals and purposes and the goals of LSC's Strategic Plan.
- Our committee has responded effectively and appropriately to issues of immediate concern brought before it; our committee has made significant progress on long-term strategic issues related to its goals and purposes.
- Our committee meetings are held regularly and with appropriate frequency.
- The length of our committee meetings is appropriate and respectful of the agenda. We consistently use our meeting time well; issues get the time and attention proportionate to their importance.

### **The following are direct quotes:**

#### **Members liked:**

- Our non-board members provide invaluable input.
- Well run meetings, significance of the issues presented .
- Generally focused.
- We have in depth discussion of issues that are of importance to LSC.

#### **Ideas for Improvement:**

- Chairman needs to run meetings more efficiently.
- Amount of time available for substantive discussions; see comments above

- On some technical matters, perhaps more time to discuss.
- Allow more time for the agenda.
- At times our meetings seem constrained by time limits imposed by the schedule. If we spent a little less time in quarterly meetings in hearings and panel discussions (especially on topics about which we have been fully briefed in the past), we could have more time for committee business. It might also help to set time limits in advance of certain testimony to the committee.

**Future Focus:**

- Better coordination between OIG and Committee, and between OIG and OCE to ensure that grantee issues are addressed promptly.
- Discussion of progress toward goals in strategic plan.
- Aligning our tasks with the strategic plan for full accountability.
- 1)Acceleration of LSC's process to conclude on matters raised by the IG; and 2) Continue to enhance the relationship with the IG.

**Office of the Inspector General**  
**Peer Review**

## Implementation Status of Peer Review Findings, Recommendations and Corrective Actions

Finding	Recommendations	Corrective Actions	Expected Completion Date	Date Completed
<b>1. Reports included Unsupported Statements about Assessing the Reliability of Computer-Processed Data</b>	1. LSC OIG should train its staff on assessing the reliability of computer-processed data.	Conduct training with the staff to ensure that computer processed data is properly analyzed and documented to support conclusions about that data.	12/31/14	Complete: Director of Audit Operations conducted training on 12/18/14.
	2. LSC OIG should implement sufficient controls so its personnel respond to questions about reliability of computer processed data on the Auditing Standards Certification and Quality Control Checklist and index those responses to the workpapers.	LSC OIG AIC's and Team Leaders will be instructed to perform reviews to ensure that responses are complete and adequately supported on the reliability of computer processed data. Managers will be tasked to ensure that the work performed is properly annotated on the Auditing Standards Certification and Quality Control Checklist and properly indexed to the work papers. This process will be emphasized during the training and by the Quality Assurance Reviewers.	12/31/14	Instructions to team leader and AIC's sent 9/9/14. Action complete.
	3. LSC OIG should implement appropriate controls for cross-indexing statements to supporting work papers and ensuring those statements are independently referenced before issuing a report.	As part of the indexing and referencing training that will be conducted by 12/31/14, emphasis will be placed on ensuring that all statements will be properly supported any information or statements in the report that are not indexed and referenced will be brought to the attention of the AIGA for resolution.	12/31/14	Instructions to team leader and AIC's 9/9/14
	4. LSC OIG should assess the need to notify users of the affected reports concerning whether there is insufficient evidence to support reported findings and conclusions.	Review work papers and determine whether the findings were supported.	12/31/14	9/30/14. Complete

Finding	Recommendations	Corrective Actions	Expected Completion Date	Date Completed
<b>2. No summary of Annual Quality Monitoring Activities</b>	5. LSC OIG should implement sufficient controls to prioritize its quality monitoring program such that it complies with ongoing monitoring and an annual summary of those quality activities per <i>Standards</i> .	LSC OIG's Director of Audit Operations will be assigned to specifically perform semiannual reviews of work papers and develop an annual summary to identify potential problems areas to ensure that the quality control program is operating as intended. LSC OIG will set up a schedule to ensure the reviews are completed timely.	12/31/14	Complete: Chapter 2, Quality Assurance Monitoring of <i>Audit Manual, Volume 2, Audit Procedures</i> , updated and revised as of 12/18/14. It includes a schedule for semi-annual quality monitoring reviews and semi-annual reporting. Semi-annual quality assurance monitoring review completed 12/5/14 and report issued to AIGA and IG on 12/30/14.
<b>3. NO IPA Monitoring Work Papers</b>	6. LSC OIG should ensure those responsible for IPA monitoring document their oversight in the work paper system of record and require supervisory review of work papers supporting the monitoring throughout the oversight period.	The AIGA will ensure that work papers are properly prepared in TeamMate and that adequate supervisory review takes place. LSC OIG will build an annual quality control review to ensure that the work is done properly, documented, and the work papers are safeguarded.	12/31/14	Complete: Chapter 2, Quality Assurance Monitoring of <i>Audit Manual, Volume 2, Audit Procedures</i> , updated and revised as of 12/18/14. Semi-annual quality assurance monitoring review, including IPA monitoring project, completed 12/5/14 and report issued to AIGA and IG on 12/30/14.
	7. LSC OIG should perform procedures to assure itself that the IPA work	LSC OIG will perform the necessary reviews from available information to	12/31/14	9/30/14. Complete

Finding	Recommendations	Corrective Actions	Expected Completion Date	Date Completed
	performed for the 2013 financial statement audit was in compliance with Standards.	ensure that the IPA work was done in accordance with Standards.		
<b>LOC – 1. Policies and Procedures were Insufficiently Documented, Outdated, or Incomplete</b>	1. If LSC OIG expects to continue performing attestations engagements, it should document its policies and procedures for such engagements.	Update the policies manual.	12/31/14	Complete: Added Chapter 7, Attestation Engagements, to <i>Audit Manual, Volume 2, Audit Procedures</i> as of 12/18/14.
	2. LSC OIG should document its process for referring matters to its Office of Investigations as well as procedures for electronically documenting independent reference reviews in Teammate.	Update the policies manual	12/31/14	Complete: Added section 4.06g, Referrals to Investigations, to <i>Audit Manual, Volume 2, Audit Procedures</i> as of 12/18/14.
	3. LSC OIG should ensure it includes the updated version of its Auditing Standards Certification and Quality Control Checklist (Form A-2) in its procedures manual.	Update the policies manual.	12/31/14	Complete: Auditing Standards Certification and Quality Control Checklist, Form A-2, was revised in December 2014 and the revised version added to procedures manual as of 12/18/14.
<b>LOC – 2 . Inconsistent Application of Quality Processes</b>	4. LSC OIG should implement sufficient controls to ensure personnel complete all steps on key audit quality forms, as well as including support for the Team’s responses. Further, LSC OIG should implement	Conduct training on independent referencing.	12/31/14	Complete: Director of Audit Operations conducted training on 12/18/14.

Finding	Recommendations	Corrective Actions	Expected Completion Date	Date Completed
	controls so that these forms are signed by a reviewer only when all steps are complete.			
	5. LSC OIG should implement sufficient controls over independent referencers completing and signing the Independence Declaration of Auditor. LSC OIG should also put in place controls so that independent referencing quality forms are signed prior to issuance of the final report.	Conduct training on independent referencing.	12/31/14	Complete: Director of Audit Operations conducted training on 12/18/14.
<b>LOC – 3. Certain Employees Did Not Meet CPE Requirements</b>	6. LSC OIG should implement controls to ensure that each employee conducting audit work meets Standards' continuing professional education requirements	LSC will institute a quarterly report to ensure that all CPE's are planned and completed within the required time period. The Director of Audit Operations will also check on a semi-annual basis and inform the AIGA of any forecasted shortages.	12/31/14	Complete: As of 9/30/14, Audit Services Manager reports quarterly to audit division Directors and Assistant Inspector General for Audit regarding planned and completed CPEs. On 12/30/14, Director of Audit Operations reviewed CPE tracking for FY 14 and will continue to monitor on a semi-annual basis.

# **Risk Management Matrix**

<b>RISK TO LSC RESOURCES – PEOPLE</b>							
<b>Risks</b>			<b>Strategies</b>	<b>Who is responsible?</b>		<b>Last report to Board<sup>1</sup></b>	<b>Next report to Board</b>
	<b>Probability</b>	<b>Severity</b>		<b>Management</b>	<b>Board</b>		
<b>Board Leadership and Governance</b> -- Potential for problems	L	H	<ul style="list-style-type: none"> <li>• Good information flow from management (including legal, financial, programmatic information) and from the OIG and outside auditors</li> <li>• Training of board</li> <li>• Orientation of new board</li> <li>• Evaluations/self-assessments</li> <li>• Sufficient staff support</li> <li>• Staying abreast of best board governance practices</li> <li>• Staying abreast of stakeholder and client concerns</li> <li>• Periodic review of governing documents to assure compliance and relevancy</li> </ul>		Board, Chairman, Gov. & Performance Review Com.		
-- Board Transitions	M	M	<ul style="list-style-type: none"> <li>• Board transition plan</li> <li>• Board orientation</li> </ul>	Secretary	Board, Chairman, Gov. & Performance Review Com.		
<b>Management Leadership Transitions</b>					Gov. & Performance Review Com.		

<sup>1</sup> Tracking of risk management reports to the Board began with the Board meeting in 2013, and thus no dates before that year are recorded in this matrix.

<b>RISK TO LSC RESOURCES – PEOPLE</b>							
<b>Risks</b>			<b>Strategies</b>	<b>Who is responsible?</b>		<b>Last report to Board<sup>1</sup></b>	<b>Next report to Board</b>
	<b>Probability</b>	<b>Severity</b>		<b>Management</b>	<b>Board</b>		
-- President	H	M	<ul style="list-style-type: none"> <li>• Presidential transition plan</li> </ul>	President			1/15
-- Other senior leadership changes	M	M	<ul style="list-style-type: none"> <li>• Transition plan</li> </ul>	President	Gov. & Performance Review Com.		1/15
<b>Management/IG Relations</b> -- Potential for problems	M	H	<ul style="list-style-type: none"> <li>• Communicate, coordinate, cooperate</li> <li>• Regular meetings</li> </ul>	President	Audit Com.	10/14	1/15
<b>Management Leadership Performance</b> -- Preventing leadership problems	L	H	<ul style="list-style-type: none"> <li>• Cohesive, effective management team</li> <li>• Emphasis on high standards</li> <li>• Regular communications with board, staff, grantees, public, OIG</li> <li>• Regular performance evaluations</li> </ul>	President	Gov. & Performance Review Com	4/6/14	
<b>Management System Risks</b> <ul style="list-style-type: none"> <li>■ Performance Management (failure to achieve performance of defined goals including implementation of Fiscal Oversight and Pro Bono Task Force)</li> </ul>	M	H	<ul style="list-style-type: none"> <li>• Create formal organizational management performance cycle including articulation of goals and metrics</li> <li>• Routine reporting of performance</li> <li>• Providing training to close competency gaps</li> </ul>	President OHR Director	Ops. & Regs. Com.	4/7/14	1/15 (PBTF Implementation Update)  4/15 (Overall Performance Management)



<b>RISK TO LSC RESOURCES – FUNDING</b>							
<b>Risks</b>			<b>Strategies</b>	<b>Who is responsible?</b>		<b>Last report to Board</b>	<b>Next report to Board</b>
	<b>Probability</b>	<b>Severity</b>		<b>Management</b>	<b>Board</b>		
<b>Adequacy of Basic Field Funding</b> -- Insufficient funding to accomplish LSC’s mission of providing equal access to justice -- Funding cut so severely that programs must close altogether or radically cut back services	H	H	<ul style="list-style-type: none"> <li>Public education</li> <li>Strengthen congressional relationships</li> <li>Develop stronger data to support funding requests, including data on outcomes and economic benefits of legal aid</li> </ul>	Government Relations/ Public Affairs (GRPA) Director	Finance Com.	1/14	1/15
	H	H	<ul style="list-style-type: none"> <li>Develop crisis-mode messaging and network</li> </ul>	GRPA Director			
<b>Adequacy of MGO Funding</b> -- Insufficient Management and Grants Oversight funding	H	H	<ul style="list-style-type: none"> <li>Strengthen congressional relationships</li> <li>Emphasize quantifying return on investment from oversight funding</li> <li>Emphasize grants oversight function</li> <li>Respond to and implement GAO recommendations</li> </ul>	GRPA Director	Finance Com.	10/14	1/15
					Gov. & Perform. Review Com.	10/14	

			<ul style="list-style-type: none"><li>Continue to assess MGO expenses to reduce any unnecessary duplication and inefficiencies</li></ul>	VPGM			
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<b>RISK TO LSC RESOURCES –ASSETS</b>							
<b>Risks</b>			<b>Strategies</b>	<b>Who is responsible?</b>		<b>Last report to Board</b>	<b>Next report to Board</b>
	<b>Probability</b>	<b>Severity</b>		<b>Management</b>	<b>Board</b>		
<b>Internal Fraud</b>	L	H	<ul style="list-style-type: none"> <li>• Effective internal controls</li> <li>• IG oversight</li> <li>• Annual corporate audit</li> </ul>	Treasurer	Audit Com.		
			<ul style="list-style-type: none"> <li>• Staff training on ethics</li> </ul>	Ethics Officer			
<b>Internal Financial Controls</b> -- Failures at LSC	L	H	<ul style="list-style-type: none"> <li>• Management accountability</li> <li>• Annual audit</li> <li>• Board oversight</li> <li>• Regular review/update of Accounting Manual</li> <li>• Implement GAO recommendations and OMB guidance</li> </ul>	Treasurer	Audit Com.	10/20/13	
<b>Litigation</b> -- Employment	M	M	<ul style="list-style-type: none"> <li>• Regular training of managers</li> <li>• Clear-cut policies and uniform application</li> </ul>	OHR Director	Ops. & Regs. Com.		
			<ul style="list-style-type: none"> <li>• Effective negotiation and use of releases</li> </ul>	VPLA			
<b>Integrity of electronic data/ information</b> -- Potential for Problems -- Security of electronic data	M	H	<ul style="list-style-type: none"> <li>• Effective system back-ups</li> <li>• Effective disaster recovery</li> <li>• Regular staff training</li> <li>• Maintain qualified IT staff</li> <li>• Effective document and system security</li> <li>• Maintain up-to-date</li> </ul>	CIO	Audit Com.	7/20/14	

<b>RISK TO LSC RESOURCES –ASSETS</b>							
<b>Risks</b>			<b>Strategies</b>	<b>Who is responsible?</b>		<b>Last report to Board</b>	<b>Next report to Board</b>
	<b>Probability</b>	<b>Severity</b>		<b>Management</b>	<b>Board</b>		
			technology				
<b>Accuracy of grantee data</b> -- Potential for Problems	M	H	<ul style="list-style-type: none"> <li>Data validation protocols (electronic analysis)</li> <li>Clear guidance/training on grantee reporting</li> <li>Improve grantee Activity Reports to receive better data</li> </ul>	VPGM Director OPP Director OCE	Ops. & Regs. Com.		
<b>LSC Records Management</b> -- Potential for Problems	L	M	<ul style="list-style-type: none"> <li>Update records management policy, including statement on the handling of confidential information</li> <li>Train staff in new policy</li> <li>Effective FOIA procedures</li> <li>Stay abreast of best practices</li> <li>Maintain effective computer back-ups</li> <li>Maintain effective security on electronic information access</li> <li>(continued on next page)</li> <li>Improve internal access to key records</li> </ul>	CIO VPLA	Ops. & Regs. Com.		

<b>RISK TO LSC RESOURCES –ASSETS</b>							
<b>Risks</b>			<b>Strategies</b>	<b>Who is responsible?</b>		<b>Last report to Board</b>	<b>Next report to Board</b>
	<b>Probability</b>	<b>Severity</b>		<b>Management</b>	<b>Board</b>		
			<ul style="list-style-type: none"> <li>improve public access to records</li> <li>Ensure compliance with legal requirements</li> </ul>				
<b>Preservation of LSC interest in grantee property</b> -- Potential for loss	L	L	<ul style="list-style-type: none"> <li>Maintain up to date Property Acquisition Manual</li> <li>Remind grantees of LSC policy</li> <li>Pursue remedies as necessary</li> </ul>	VPLA	Ops. & Regs. Com.		
<b>Continuation of Operations &amp; Organizational Resilience</b>	L	H	<ul style="list-style-type: none"> <li>Effective COOP plan</li> </ul>	Chief of Staff	Ops. & Regs. Com.		
	L	H	<ul style="list-style-type: none"> <li>Computer network back-up</li> </ul>	CIO			

<b>RISK TO LSC RESOURCES – GRANTEES</b>							
<b>Risks</b>			<b>Strategies</b>	<b>Who is responsible?</b>		<b>Last report to Board</b>	<b>Next report to Board</b>
	<b>Probability</b>	<b>Severity</b>		<b>Management</b>	<b>Board</b>		
<b>Grantee Oversight by LSC &amp; IPAs</b> -- Preventing lapses	M	H	<ul style="list-style-type: none"> <li>• Rigorous Compliance oversight</li> <li>• Maintain comprehensive procedures manuals</li> <li>• Well-defined workplans for program visits</li> <li>• Careful review of grantee reports to LSC</li> <li>• Communications between offices</li> <li>• Internal training</li> <li>• Regular communications with programs</li> <li>• Monitoring media reports</li> </ul>	VPGM	Ops & Regs. Com. Del. Of Legal Serv. Com.		
<b>Interpretations of regulations by LSC Staff</b> -- Preventing inconsistencies	L	H	<ul style="list-style-type: none"> <li>• Joint meetings and trainings</li> <li>• Joint work groups by topic</li> <li>• Feedback from grantees</li> </ul>	VPGM	Ops & Regs. Com.		

RISK TO LSC RESOURCES – GRANTEES							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
<b>Grantee Operations</b>				VPGM	Del. Of Legal Serv. Com.	7/20/14 (board composition and client board members)	
-- Major misuse of grant funds	M	H	<ul style="list-style-type: none"> <li>Rigorous selection process for grantees</li> <li>Enforcement of regulations</li> </ul>	Director OPP			
-- Failure of leadership	L	H	<ul style="list-style-type: none"> <li>Grant assurances</li> <li>Grant conditions</li> <li>Advisories</li> </ul>	Director OCE		4/7/14 (financial planning & budgeting)	1/15 (Performance Criteria – Leadership)
-- Failure of internal controls	M	H	<ul style="list-style-type: none"> <li>Program letters</li> <li>Compliance/Fiscal visits</li> </ul>			1/24/14 (Board governance – fiscal and financial oversight)	
-- Lack of board oversight	M	H	<ul style="list-style-type: none"> <li>LSC Resource Information</li> <li>Training of grantee staff</li> <li>Performance Criteria</li> </ul>			10/21/13 (Performance Criteria)	
-- Leadership transitions	H	M	<ul style="list-style-type: none"> <li>Outreach to local boards</li> <li>Local board education</li> </ul>			4/15/2013 Comprehensive legal needs assessments	
-- Restriction violations	M	H	<ul style="list-style-type: none"> <li>Outreach to Access to Justice community in region</li> <li>Review/redefine services</li> </ul>			1/25/2013 Succession planning and leadership development	
-- Poor records management	M	M	<ul style="list-style-type: none"> <li>Seek interim provider</li> </ul>				
-- Poor Quality legal services	L	H	<ul style="list-style-type: none"> <li>Work with programs to improve compliance and reduce chances that they will violate restrictions or otherwise require the imposition of sanctions</li> </ul>				
-- Need to replace program	L	H					

<b>RISK TO LSC RESOURCES – GRANTEES</b>							
<b>Risks</b>			<b>Strategies</b>	<b>Who is responsible?</b>		<b>Last report to Board</b>	<b>Next report to Board</b>
	<b>Probability</b>	<b>Severity</b>		<b>Management</b>	<b>Board</b>		
			<ul style="list-style-type: none"> <li>• Periodic review of regulations</li> <li>• OLA opinions</li> </ul>	VPLA			

## Responsibilities for Risk Management

### Board of Directors

- Sets strategic goals and objectives, adopts annual operating budget, and approves risk management plan.
- Reviews operational reports to monitor progress towards goals as defined in *Strategic Directions* and assure compliance with organizational requirements.
- Adopts and establishes policies and regulations.
- Reviews the organization's risk management plan (RMP).
- Maintains working relationship with members of Congress.
- Board Committees to review implementation of RMP.

### President

- Has overall responsibility for the effective implementation of the RMP.
- Assigns staff to design and carry out risk management activities.
- Assigns staff to perform annual review of the risk management activities.
- Approves all grants for the Corporation.
- Executes major contracts for the organization.
- Keeps the Board apprised of emerging threats and opportunities facing the organization.
- Leads the Executive Team in periodic review and update of the risk management plan.
- Gives final approval to the plan.
- Maintains effective relationship with members of Congress and staff.

### Vice President for Legal Affairs

- Serves as advisor to the Board of Directors in legal matters, consulting outside counsel on an as needed basis.
- Advises senior staff on contracts; reviews contracts on an as needed basis.
- Monitors implementation of risk management program.
- Recommends any necessary modifications.

### Vice President for Grants Management

- Supervises oversight of grantee operations and compliance.

### Treasurer/Comptroller

- Establishes, conducts, and maintains internal controls for financial transactions.
- Purchases D&O insurance.

### Executive Team

- Oversees organization-wide effort to protect the vital assets of LSC
- Convenes periodically to review the Corporation's priority risks and corresponding risk management strategies.

### Office Directors

- Review and recommend modifications to corporate risk management program.
- Supervise implementation of risk management strategies within their area of responsibility.

**Office of the Inspector General Referrals  
to the Office of Compliance &  
Enforcement**

**Office of Compliance and Enforcement**

**MEMORANDUM**

**To:** Audit Committee

**From:** Lynn A. Jennings, Vice President for Grants Management  
Lora M. Rath, Director, Office of Compliance and Enforcement

**Re:** Status of Referrals from the OIG Audit Division to LSC Management

**Date:** January 7, 2015

During Calendar Year (CY) 2014, the Office of Inspector General’s Audit Division made five referrals to LSC Management. Of those, three have been closed and two are still pending. In addition, LSC Management investigated and closed five referrals that had been pending at the start of CY 2014.

	Pending at Outset	Referred during Quarter	Closed during Quarter	Remaining Open at End of Quarter
Q 1	5	0	3	2
Q 2	2	1	2	1
Q 3	1	3	0	4
Q 4	4	1	3	2

**Summary of 2014 Activity**

**OIG Audit Referrals Open at Beginning of the Year and Closed during the Year: 5**

1. **Inland Counties Legal Services, Inc.** On August 6, 2012, the OIG referred \$1,384,670 in questioned costs related to stipends and other benefits charged to the LSC fund during the period 2007-2011. On November 15, 2012, the OIG reduced the referral amount to \$1,367,480:
  - a. \$291,629 for stipends and other benefits charged to the LSC funding line in 2006;
  - b. \$301,989 for stipends and other benefits charged to the LSC funding line in 2007;
  - c. \$336,873 for stipends and other benefits charged to the LSC funding line in 2009; and
  - d. \$436,989 for stipends and other benefits charged to the LSC funding line in 2010.

At the time of the OIG’s referral, the \$291,629 charged to LSC funds in 2006 was not subject to review, as LSC regulations allow Management to question only costs incurred within a five-year time frame. Additionally, the \$301,989 charged to LSC funds in 2007

became exempt from review on January 1, 2013, within six weeks after the OIG's revised referral; six weeks was not sufficient time for Management to complete its review.

On September 30, 2013, a Notice of Questioned Costs was issued in the amount of \$252,069. That amount was based on the portion of stipends and other benefits that should have been proportionally charged to non-LSC funding sources in 2009 and 2010:

- a. \$106,115 for stipends and other benefits that should have been charged to non-LSC funding sources in 2009, and
- b. \$145,954 for stipends and other benefits that should have been charged to non-LSC funding sources in 2010.

The remaining \$521,793 (\$230,758 charged to LSC in 2009 and \$291,035 charged to LSC in 2010) was determined to be an allowable expense pursuant to 45 CFR Part 1630 and OMB Circular A-122.

On January 29, 2014, LSC issued a Management Decision confirming the Notice of Questioned Costs and determining to recoup \$252,069 from ICLS' remaining funding checks for 2014.

On April 18, 2014, the LSC President upheld the Management Decision to recoup \$252,069. Those funds were recouped by withholding amounts from ICLS' remaining grant payments during 2014.

Total time from date of the revised referral to the date of the President's decision was 519 days. Total time from date the Notice of Questioned Costs was issued to the date of the President's decision was 200 days.

2. **Lone Star Legal Aid.** On January 24, 2013, the OIG referred \$45,762 in questioned costs. On February 22, 2013, the OIG reduced the referral amount to \$18,481:
  - a. \$13,178 was referred based on the program's failure to request LSC's prior approval before purchasing personal property (computer software), and
  - b. \$5,303 was referred as a combination of:
    - i. \$2,481 in unallowable expenses (flowers and other items purchased for staff);
    - ii. \$2,157 in unsupported costs (credit card expenses without proper documentation); and
    - iii. \$665 for three missing inventory items (a camera and other IT items).

LSC Management determined that the OIG's interpretation of the LSC Property Acquisition and Management Manual did not comport with Manual's intended meaning of "acquisition of single items of over \$10,000." As a result, the \$13,178 referred by the OIG was not subject to question, as LSC's prior approval was not required for the purchase in question. This misinterpretation, and Management's plans to revise the Manual to avoid such misinterpretations, was discussed with the OIG prior to LSC Management's issuance of a Notice of Questioned Costs.

On February 28, 2014, a Notice of Questioned Costs was issued in the amount of \$5,303 (as noted above).

On April 28, 2014, LSC issued a Management Decision to recoup \$2,116:

- a. \$1,451 in unallowable costs, and
- b. \$665 for missing property items.

The program was able to demonstrate that the remaining amount initially questioned, \$3,187, had either been incurred outside of the five year period allowed by 45 CFR Part 1630 or was properly supported. As the amount to be recouped was less than \$2,500, LSLA had no right to appeal. The \$2,116 was recouped by withholding amounts from LSLA's remaining grant payments during 2014.

Total time from date of the revised referral to the date of the Management Decision was 430 days. Total time from date the Notice of Questioned Costs was issued to the date of the Management Decision was 59 days.

3. **Idaho Legal Services.** On April 1, 2013, the OIG referred \$215,015 in questioned costs:
  - a. \$211,011 was referred based on failure to adequately document personnel and fringe benefit expenses related to TIG grant expenditures, and
  - b. \$4,040 was referred as unexpended TIG funds that were not returned at the conclusion of the grant.

As the result of informal investigation and negotiation, LSC Management determined not to pursue a questioned costs proceeding. The program was able to demonstrate sufficient documentation existed to support the personnel and fringe benefit expenses allocated to its TIG grant. The program was also able to demonstrate additional expenditures of \$631 that had not originally been charged to the TIG grant. As a result, the amount of unexpended TIG funds was reduced to \$3,409. On March 4, 2014, the program submitted a check to repay that amount.

Total time from date of the referral to the date Management received the recouped funds was 337 days.

4. **Central Virginia Legal Services.** On September 30, 2013, the OIG referred \$909 in questioned costs:
  - a. \$241 in unallowable costs (flower purchases and donations for staff), and
  - b. \$129 in unsupported costs (credit card expenses without documentation and purchases that did not comply with CVLAS policy requirements).

On March 13, 2014, as the result of informal investigation and negotiation, the program submitted a repayment of \$241 for the unallowable expenses. LSC Management determined that the program had taken sufficient action to remedy the procedural

deficiencies related to insufficient supporting documentation and, therefore, determined not to recoup those expenses.

Total time from date of the referral to the date Management received recouped funds was 164 days.

5. **Indiana Legal Services.** On September 30, 2013, the OIG referred \$4,159 in questioned costs:
  - a. \$667 in unallowable costs (flowers purchased for staff and late fees on credit card charges);
  - b. \$614 in unsupported costs (expenses lacking supporting documentation); and
  - c. \$2,878 in unsupported costs (contract missing).

On March 7, 2014, the program provided LSC Management with a copy of the missing contract; therefore, the cost was determined to be properly supported and not subject to question. Additionally, the program provided evidence of previously reimbursing its LSC funding line by \$1,281 for the remaining unallowable and unsupported costs noted above.

Total time from date of referral until evidence provided by ILS was deemed sufficient was 158 days.

### **New Referrals Opened and Closed During The Year: 3**

1. **Legal Services of Alabama.** On June 11, 2014, the OIG referred \$29,914 in questioned costs:
  - a. \$3,462 in unallowable costs (including membership dues or fees, flower purchases, etc.);
  - b. \$6,569 in unsupported costs (credit card and other expenses without supporting documentation);
  - c. \$15,179 in insufficiently supported costs (travel expense reports not included with credit card disbursements); and
  - d. \$4,704 in expenses related to matching costs, when other non-LSC funds existed.

After the issuance of the OIG's report and referral, the program provided LSC Management with additional information and supporting documentation.

On July 31, 2014, after reviewing the additional information provided, a Notice of Questioned Costs was issued in the amount of \$19,717:

- a. \$3,605 in unallowable costs;
- b. \$2,184 in unsupported charges;
- c. \$9,224 in insufficiently supported costs; and
- d. \$4,704 in expenses related to matching costs.

On November 20, 2014, LSC Management issued a Management Decision to recoup \$12,736:

- a. \$2,840 in unallowable costs (including flower and alcohol purchases);
- b. \$1,256 in undocumented costs (credit card expenses without proper documentation);
- c. \$3,935 in insufficiently supported costs (travel expense reports not associated with credit card payments, luncheons without documentation supporting business reasons); and
- d. \$4,704 used for matching funds when other funds existed.

LSC determined that the program was able to provide documentation sufficient to support the use of LSC funds for the remaining \$6,981. Pursuant to 45 CFR § 1630.7(c), LSA was allowed 30 days, until December 20, 2014, to appeal the decision to the LSC President. As of January 5, 2015, no appeal had been received. Therefore, LSC Management considers this referral to be closed. The \$12,736 that the Management Decision determined should be recouped will be withheld from LSA's remaining grant payments in 2015.

Total time from date of the referral to the date the appeal period lapsed was 192 days. Total time from date Notice of Questioned Costs issued to the date of the Management Decision was 162 days.

2. **Legal Aid of Services of Oregon.** On July 30, 2014, the OIG referred \$4,789 in questioned costs:
  - a. \$1,453 in unallowable costs (local bar membership dues incorrectly charged to LSC funds in 2009);
  - b. \$1,732 in unallowable costs (bar membership dues incorrectly charged to LSC funds 2010); and
  - c. \$1,604 in unallowable costs (bar membership dues incorrectly charged to LSC funds in 2011).

OCE conducted a previously scheduled onsite review of the grantee during the week of October 6, 2014 and used that opportunity to obtain additional or clarifying information.

It was determined that \$3,648 should be recouped for unallowable costs (bar dues charged to LSC funds). Documentation provided by the program demonstrated that the remaining amount (\$1,141.30), also for bar dues, had been incurred outside of the 5-year recoupment period allowed by 45 CFR Part 1630, as those expenses were incurred in February and May of 2009 - before the OIG report/referral was issued. On October 9, 2014, the grantee provided LSC with a check for \$3,648.

Total time from date of the referral to the date Management received recouped funds was 71 days.

3. **Southern Arizona Legal Aid.** On September 11, 2014, the OIG referred questioned costs in the amount of \$599 for unallowable costs related to flower purchases.

On September 24, 2014, due to the minimal amount in question, LSC Management initiated informal negotiations with SALA, rather than initiating a formal questioned costs proceeding. OCE received a check for the full amount on December 2, 2014. SALA also refunded LSC the \$1,000 in attorneys' fees mentioned in the OIG's report, but not included in the referral.

Total time from date of the referral to the date Management received recouped funds was 82 days.

### **New Referrals Opened and Remaining Open at End of Year: 2**

1. **Nevada Legal Services, Inc.** On August 18, 2014, the OIG referred \$1,375 in questioned costs:
  - a. \$1,246 in unallowable costs (flower and alcohol purchases, membership fees), and
  - b. \$129 in inadequately supported costs (cell phone charges for staff member).

On October 17, 2014, the NLS ED provided OCE with additional information which NLS felt the OIG had not correctly considered. OCE staff is in the process of reviewing this information and will make a recommendation regarding course of action to the Vice President for Grants Management by January 15, 2015.

2. **Legal Services NYC.** On October 16, 2014, the OIG referred \$196,837 in questioned costs for attorneys' fees received by the program during Fiscal Year 2013, for cases supported in whole or in part with LSC funds, but for which the attorneys' fees received were not allocated to the LSC funding line.

On October 22, 2014, LSC Management contacted LSNYC to request an accounting of the time charged to, and the funding sources so charged, for each of the 25 cases in question. That information was provided on November 27, 2014. After reviewing the materials provided, on December 15, 2014, LSC asked LSNYC to provide additional documentation. LSC has been in communication with LSNYC and expects to receive the information on or about January 12, 2015.

**Reconciliation of OIG Questioned Costs to Amounts Recouped on Closed Referrals**

	<u>Costs</u>	<u>% of Total</u>
Total Questioned Costs on Closed Referrals	<u>\$1,641,382</u>	<u>100%</u>
Supporting Documentation Subsequently Received or Research Indicated Was Allowable	<u>\$ 767,329</u>	<u>47%</u>
Questioned Cost Not Pursued Due to Statute of Limitations	<u>\$ 597,286</u>	<u>36%</u>
Subtotal of Costs for Management to Pursue	<u>\$ 276,766</u>	<u>17%</u>
Amount Recouped	<u>\$ 277,099</u>	<u>100%</u>

STATUS OF OPEN REFERRALS FROM OIG AUDIT DIVISION TO OCE (Thru January 8, 2015)

State	Grantee	Date of OIG Onsite/ Review	Date of OIG Report	Date of Referral to OCE	OIG Referral - Issues and Amounts	LSC Action	Amount Disallowed by LSC	Resolution	Date Closed
1	NV Nevada Legal Services, Inc.	11/11-15/13	8/7/2014	8/18/2014	OIG referred \$1,375 in questioned costs: \$1,246 for unallowable charges and \$129 for inadequately supported costs. (OIG's referral originally indicated an additional \$599 of inadequately supported costs were to be questioned. The number was resolved as being only \$129 via email from the OIG's office dated September 5, 2014.)	OCE has been in contact with the OIG to obtain supporting documentation and clarifying information. OCE has recommended a course of action to the Vice President for Grants management which will include attempting informal negotiation regarding the questioned costs and requiring program submission of sufficient documentation to demonstrate corrective actions taken in regard to its: cash disbursements policies and procedures to ensure that LSC funds are not used for prohibited purposes; its contracting policies and procedures to ensure they address all elements required by LSC's fundamental criteria, including training of staff on those polices/procedures. On October 17, 2014, the NLS ED provided OCE with additional information which NLS felt the OIG had not correctly considered.			Pending
2	NY Legal Services NYC	1/13-17/14 and 6/2-6/14	10/9/2014	10/16/2014	OIG referred \$196,837 in questioned costs - all stemming from attorneys' fees received during 2013. The OIG examined 6 of the 25 cases in question and determined, based on the % of LSC funding used to support those 6 cases, that \$196,837 should have been allocated to the LSC funding line.	OCE contacted the LSNYC ED, on October 17, 2014, to inquire as to whether any actions had yet been taken in response to the OIG report. The ED informed OCE that LSNYC had begun reviewing case and time records to determine the amount of time actually allocated to LSC for each case - rather than depending on the OIG's sampling to determine what, if any additional funds need to be questioned. By email dated October 22, 2014, OCE requested that OIG provide case information related to the 6 cases the OIG reviewed on site. That documentation was provided on October 23, 2014. By email dated October 22, 2014, OCE contacted the LSNYC ED to formalize its request for information related to the 25 cases for which LSNYC received attorneys' fees in 2013. LSNYC provided the requested information on November 26, 2014. On December 15, 2014, OCE requested that clarifying information be provided. This information is expected to be received on or before January 16, 2015.			

RESOLVED REFERRALS (Involving Questioned Costs) FROM OIG AUDIT DIVISION TO OCE - Calendar Year 2014

	State	Grantee	Date of OIG Onsite/ Review	Date of OIG Report	Date of Referral to OCE	OIG Referral	OCE Action	Resolution & Reasoning	Date OIG advised of Closure
1	CA	Inland Counties Legal Services, Inc.	1/11-15/11 and 8/1- 5/11	7/25/12 revision provided on 11/15/12	8/6/12	The OIG originally referred questioned costs in the amount of \$1,384,670 for stipends and other benefits charged to the LSC fund. This amount was reduced to \$1,367,480 by memo dated 11/15/12 and was comprised of: \$291,629 for costs incurred in 2006; \$301,989 for costs incurred in 2007; \$336,873 for costs incurred in 2009; and \$436,989 for costs incurred in 2010.	On 9/30/13, a Notice of Questioned Costs in the amount of \$252,069.33 was issued. This amount was based on the following: 1) pursuant to LSC regulation 45 CFR Part 1630, \$291,629 of the amount referred was not questionable at the time of the OIG's referral; 2) pursuant to LSC regulation, an additional \$301,989 was not questionable within 6 weeks of the OIG's resolution and notification of final amount to be questioned; 3) of the remaining \$773,862, OCE determined that it should only question that portion of the allocated funds that should have been allocated to non-LSC funding sources, as the use of stipends was allowable and reasonable but only to the extent that the LSC grant was benefited. As LSC provided 68.5% and 66.6% of ICL's funding, respectively in 2009 and 2010, the amount questioned was calculated as the 31.5% and 33.4% of the stipends that should have been allocated to non-LSC funding sources for 2009 and 2010, respectively.	By decision dated January 29, 2014, LSC determined to recoup \$252,069.33. On April 14, 2014, the LSC President upheld that decision in full. The amount recouped was based on subtracting the \$291,629 expended in 2006 (unquestionable pursuant to 1630 at time of referral as outside of 5 year period allowed by regulation) and \$301,989 expended in 2007 (realistically not questionable at time of referral) from \$1,367,480 left a total of \$773,862 (expended in 2009 and 2010) as potentially questionable. As OMB Circulars allow for the use of funds for stipends/incentive pay, OCE determined that a portion of the funds expended were allocable to LSC funds and determined to question only that portion of the stipends that should have been allocated to non-LSC funds. These funds were recouped by withholding funds from the program's 2014 disbursement checks.	04/18/14
2	TX	Lone Star Legal Aid	5 visits between 8/10 and 1/11	1/15/13 revision provided on 2/22/13	1/24/13	OIG originally referred \$45,762 in questioned costs due to unallowable expenses (\$2,481), unsupported credit card charges (\$2,157), purchases exceeding \$10,000 for which LSC prior approval was not obtained (\$40,458), and physical inventory items that could not be located (\$665). That amount was reduced by \$27,280 on 2/22/13. The remaining \$13,178 for failing to request prior approval and the other costs (unallowable expenses, unsupported credit card charges and missing inventory items) remained questioned for a total of 18,482.	On 2/28/14, a Notice of Questioned Costs in the amount of \$5,303 was issued. This amount was based on unallowable expenses (\$2,481) unsupported credit card charges (\$2,157) and missing personal property (\$665). An OLA opinion issued in February opined that the software purchase of \$13,178 was not personal property and was therefore not subject to prior approval requirements.	By decision dated April 28, 2014, LSC determined to recoup \$2,116. This amount was comprised of \$1,451 for unallowable expenses (the program provided evidence that the remaining \$1,030 in unallowable expenses took place outside of the 5 year period allowed by 45 CFR Part 1630) and \$665 for missing property. Additionally, the program provided evidence supporting \$660 in credit card charges and argued, correctly, that the remaining \$1,497 was outside of the 5 year recoupment period. The recouped funds were withheld from the program's 2014 disbursement checks.	5/2/2014
3	ID	Idaho Legal Services		4/1/13	4/1/13	OIG referred \$215,051 in questioned costs related to TIG expenditures. Of that amount \$211,011 was questioned due to failure to adequately document personnel and fringe benefit expenditures and \$4,040 was noted to be unexpended funds that were not returned to LSC at the completion of the grant.	Based on OCE's experience in initiating questioned costs on three (3) earlier TIG referrals from the OIG, it was decided to contact the program regarding the types of evidence it would be able to submit in response to a 1630 proceeding. Based on the information received LSC, determined that it would not question the \$211,011 in personnel and fringe benefit expenditures but would require the program to return \$3,409 in unexpended TIG funds pursuant to 45 CFR Part 1628. (The program was able to verify an additional \$631 in expenditures thus reducing the unexpended fund balance amount.)	The program submitted a check in the amount of \$3,409 on 3/4/14.	3/4/2014

RESOLVED REFERRALS (Involving Questioned Costs) FROM OIG AUDIT DIVISION TO OCE - Calendar Year 2014

	State	Grantee	Date of OIG Onsite/ Review	Date of OIG Report	Date of Referral to OCE	OIG Referral	OCE Action	Resolution & Reasoning	Date OIG advised of Closure
4	VA	Central Virginia Legal Services		9/30/13	9/30/13	OIG referred \$909 in questioned costs: \$241.20 in unallowable costs for purchases of flowers or donations in lieu of; \$129.61 in unsupported costs for credit card charges without supporting documentation; and \$538.61 in unapproved costs for in office supply purchases that did not have purchase orders as required by the grantee's policy.	Due to the minimal amount in question, LSC entered into informal negotiations to settle this referral. As a result, the program reimbursed LSC for \$241.20 and provided evidence of receiving benefits for the remaining \$748.22 in question, as well as evidence of changes in policy/procedure to ensure future documentation or process deficiencies do not occur.	The program submitted a check in the amount of \$241.20 on 3/13/14.	3/19/2014
5	IN	Indiana Legal Services, Inc.		9/30/13	9/30/13	OIG referred \$4,159 in questioned costs: \$363 in Unallowable costs for purchases of flowers for bereaved employees and \$304 for late fee charges on credit/gas cards (Total = \$667) and unsupported costs in the amounts of \$55 for conference; \$13 for lunch; \$546 for lunches without business purpose/attendee names on receipt (\$614); and \$2,878 for moving expenses without statement of work detailing the number of hours/workers required to complete (Total = \$3,492).	Due to the minimal amount in question, LSC entered into informal negotiations to settle this referral. As a result, the program demonstrated that it had used non LSC funds to reimburse LSC for the \$667 in unallowable charges and the \$614 in unsupported costs that had been identified. Additionally, the program provided sufficient supporting evidence for the \$2,878 that the OIG questioned, as well as evidence of changes in policy/procedure to ensure future deficiencies do not occur. As a result no costs were questioned but the LSC funding line was reimbursed \$1,281.	LSC funding line was reimbursed \$1,281.	3/7/2014
6	AL	Legal Services Alabama	10/16- 24/13	6/9/14	6/11/14	OIG referred \$29,914.03 in questioned costs: \$3,462 for unallowable charges; \$6,569 for unsupported charges; \$15,179 for insufficiently supported costs; and \$4,704.03 related to matching costs.	OCE contacted the OIG to request supporting documentation. After reviewing the available material, OCE submitted a memorandum of recommended action to the Vice President for Grants Management on June 25, 2014. On June 27, 2014, LSA contacted OCE to ask if it could provide additional documentation in response to the OIG's report. The information was received via email the same day and was reviewed in order to determine if the recommendation to the VP should be modified. On July 30, 2014, the Vice President for Grants Management issued a Notice of Questioned Costs in the amount of \$19,717.01 (\$3,605.25 for unallowable charges; 2,184.49 for unsupported charges; \$9,224.24 for insufficiently supported charges; and \$4,704.03 related to matching costs). By email dated August 27, 2014, LSA requested an extension of time to respond to the Notice. LSA's response was received on September 19, 2014. LSC issued a Management Decision on November 20, 2014 in which it determined that \$12,736 should be recouped.	Prior to the issuance of the Notice of Questioned Costs, LSA was able to provide sufficient documentation to support allowance of \$10,197 of the expenses referred by the OIG. In responding to the Notice, LSA provided additional documentation related to \$6,980.78 questioned in the Notice. LSC issued a Management Decision to recoup \$12,736.23 (\$2,840.25 for unallowable charges; \$1,256.20 for unsupported charges; \$3,935.75 for insufficiently supported charges; and \$4,704.03 related to matching costs). These funds will be recouped from the program's 2015 funding payments.	As of January 5, 2015, LSA had not submitted an appeal. As the 30 day appeal period lapsed on December 20, 2014, OCE considers this matter closed as of December 31, 2014. OIG was advised of this closure on January 9, 2015.
7	OR	Legal Aid Services of Oregon	1/8-15/13 and 11/4-5/13	6/30/14	7/2/14	OIG referred \$4,789.08 in questioned costs related to local bar association fees incorrectly charged to LSC funds in 2009, 2010, and 2011 due to fees being paid out of a pooled (non-LSC and LSC) funding account: amounts questioned were \$1,453.50 for 2009, \$1,731.58 for 2010, and \$1,604.00 for 2011.	OCE conducted an onsite review of LASO during the week of October 6, 2014 and used that opportunity to obtain additional or clarifying information regarding the amount of funds referred by the OIG that were within the 5 year recoupment period allowed by LSC regulations. It was determined that \$3,647.78 should be recouped.	The program provided LSC with a check for \$3,647.78. The remaining amount referred - (\$1,141.30) was outside of the 5 year recoupment period, having been paid in February and May of 2009 - before the date of the OIG report/referral.	10/17/14
8	AZ	Southern Arizona Legal Services	11/27/12 - 12/5/12 and 6/24- 26, 2013	5/15/2014	9/11/2014	OIG referred \$ 559.48 related to unallowable costs (the purchase of flowers)	On September 24, 2014, because of the minimal amount in question, LSC management initiated informal negotiations with SALA, rather than initiating a formal questioned cost proceeding. On October 29, 2014, the SALA ED sent an email stating that a check would be issued to OCE for the full amount. OCE received the check on December 2, 2014. SALA also refunded LSC for \$1,000 in attorneys fees mentioned in the OIG's report but not included in the referral.	The program provided LSC with a check for \$1,559.48.	12/2/14

Pending Issues Referred from Audited Financial Statements

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
1		Appalachian Research and Defense Fund	2013-618030-01	9/10/2013	For the second straight year, there was a prior period adjustment required.	OIG noted that, for the second straight year, there was a prior period adjustment required due to improper recording of unearned grant revenue. Referred to OCE for follow-up to ensure corrective action is taken.	OCE conducted an onsite Compliance Review in June 2013. Fiscal and regulatory compliance issues noted during the review have been the subject of ongoing communications with the grantee. LSC has continued to provide this grantee with necessary technical assistance and training as it deals with ongoing financial and leadership issues. These referrals are being kept open in order to ensure that all required corrective actions have been - and continue to be - taken to ensure grantee compliance.	OCE and OPP continue to work with this program. A new Executive Director will begin work in February 2015. LSC has imposed Special Grant Conditions on the program's 2015 funding which require that the new Executive Director undergo an OCE-provided training webinar within his first two months of employment and that the program submit to a Technical Assistance Review within 6 months of his start date.
		2013-618030-02	9/10/2013	The Organization does not have a formal written policy that was effectively communicated to staff.	OIG reported that time keeping requirements were not met because the grantee lacked a formal written policy which was effectively communicated to staff. Grantee management stated that they would implement policies. Referred to OCE for follow-up to ensure corrective action is taken.			
		2013-618030-03	10/3/2013	Time keeping requirements were not met in that the grantee lacked a formal written policy which was effectively communicated to staff.	OIG noted that grantee management stated that they would develop a written time keeping requirements policy in accordance with Legal Services Corporation regulations and ensure that the policy is effectively communicated to staff. Referred to OCE for follow-up to ensure corrective action is taken.			
2	AZ	DNA Peoples Legal Services	2014-703068-01	6/3/2014	IPA noted numerous material audit adjustments were required at year-end. Thus, the unadjusted General Ledger was not materially correct under accounting principles accepted in the United States.	OIG noted that grant allocation information should be accurate and timely so it properly reflects the operations of the organization.	The program sufficiently completed the actions required by its Special Grant Condition. It is anticipated that the new processes will cure the deficiencies noted in the 2013 audit. OCE will keep this referral open until the IPA issues its findings for the 2014 audit.	This information has been noted in OCE's risk assessment chart. OCE is also offering the program New Executive Director Orientation training to assist the program with fiscal oversight. OCE recommended that a targeted Special Grant Condition, related to budgetary controls and processes, be imposed on the program's 2014 grant. Senior Management accepted that recommendation. OCE continues to work with DNA's Director of Finance to ensure that new policies, procedures, and practices are put into place to ensure adequate and timely oversight of the allocation processes. The program sufficiently completed the actions required by its Special Grant Condition.
			2014-703068-02	6/3/2014	OIG noted a segregation of duties concern relating to bank reconciliations where they are being reviewed by the same staff who prepares them without prior review by the ED.	OIG noted that this was a finding in prior years and it poses a risk for fraud.	OCE reviewed the Corrective Actions proposed by the program, in response to the Independent Public Auditor's finding, and found they would be sufficient if implemented. Review of the program's responses to the fiscal component of the 2015 funding application determined that the program has sufficient segregation of duties in place related to bank reconciliations. OCE will keep this referral open until the IPA issues its findings for the 2014 audit.	This information has been noted in OCE's risk assessment chart. Additionally, during the July 2013 onsite review, OCE was provided with information regarding DNA's Fraud Risk Prevention Policy and training programs that had taken place and found, when taking into account the small number of program staff, the policy and the training to be sufficient to alleviate concerns such as those expressed by the IPA. OCE will follow-up with DNA to determine what additional preventive measures have already or can be taken.

Pending Issues Referred from Audited Financial Statements

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
			2014-703068-03	6/3/2014	OIG noted that DNA holds Certificates of Deposit (CD) but the Board of Directors did not permit this. Further, DNA's depreciation schedule did not track property purchased with LSC funds.	OIG noted that the CD issue was noted in prior years, and that the depreciation schedule should track property purchased with LSC funds.	Under Review	This information has been noted in OCE's risk assessment chart. OCE will contact the program to determine whether the Board of Directors prohibits the use of CDs or whether they did not affirmatively approve the purchase. Additionally, OCE will advise the program as to the LSC Accounting Guides' requirements for accounting for personal property purchased with LSC funds.
3	CA	Inland Counties Legal Services, Inc.	2012-805230-01	8/13/2012	Internal Controls over cash accounts were not adequate.	OIG noted that grantee management accepted the finding and stated that a new controller had been hired. Referred to OCE for follow-up to ensure that controls over cash accounts have been implemented.	Accept CAP. OCE reviewed the documents submitted by ICLS and found the actions taken appear to be sufficient. OCE is conducting an onsite review in January 2015, at which time all of the IPA's concerns will be reviewed. This referral is being kept open until OCE can ensure - via onsite visit in January 2015 - that the corrective actions taken were sufficient.	OCE reviewed the documents submitted by ICLS and found the actions taken appear to be sufficient. OCE is conducting an onsite review in January 2015, at which time all of the IPA's concerns will be reviewed.
			2012-805230-02	8/13/2012	Policies and procedures for use of the accounting software and preparing transactions and reconciliations was not adequately documented. The new controller did not expend a significant effort to understand the system.	OIG noted that grantee management stated that they would strive to have that accounting manual updated in 2012 by the new controller. Referred to OCE for follow-up needed to determine if accounting manual was updated.	OCE reached out to the program to request the new policies, procedures, Manual etc. OCE has reviewed documents submitted by ICLS and determined the new procedures to be appropriate and adequately documented. This referral is being kept open until OCE can ensure - via onsite visit in January 2015 - that the corrective actions taken were sufficient.	
			2012-805230-03	8/13/2012	Grantee did not obtain all necessary documentation from subrecipients to provide reasonable assurance that federal awards were properly administered and to ensure that performance goals were achieved.	OIG noted that grantee stated that full charge bookkeeper had been hired to review monthly subgrantee submissions & that subgrantees have been notified of their deficiencies. Referred to OCE for follow-up to ensure on-going implementation.	This issue was addressed via follow-up correspondence with grantee in which ICLS submitted documentation regarding improved/increased oversight of subgrantee activities. OCE considers this referral closed but will review the concerns during the upcoming onsite review.	OCE will be reviewing the IPA's concerns during the upcoming onsite review in January 2015.

Pending Issues Referred from Audited Financial Statements

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
			2013-805230-01	6/26/2013	Policies & procedures for use of the accounting software and preparation of monthly, quarterly and annual transactions & reconciliations were not adequately documented. There were also account reconciliations that were not updated or thoroughly analyzed.	OIG noted that grantee management stated that continual turnover of key accounting personnel resulted in the condition. Grantee had stated that they would have the accounting manual updated by 2012. Referred to OCE for follow-up to ensure corrective action is taken as this was a prior year finding.	ICLS submitted a revised/updated accounting manual containing the requested policies and procedures. OCE considers this referral closed but will review the concerns during the upcoming onsite review.	OCE will be reviewing the IPA's concerns during the upcoming onsite review in January 2015.
			2013-805230-02	6/27/2013	The grantee did not maintain effective oversight over its retirement plan. The grantee did not always obtain signed payroll deduction forms authorizing payroll deductions to repay retirement plan loans and the form was outdated.	OIG noted that grantee management stated that they will develop a written protocol/checklist of actions necessary when a plan administrator leaves the program to be included in the accounting manual being updated. Referred to OCE for follow-up to ensure corrective action is taken.	OCE reviewed the documents submitted by ICLS and found the corrective actions taken and protocols established appear to be sufficient. OCE is conducting an onsite review in January 2015, at which time all of the IPA's concerns will be reviewed.	OCE will be reviewing the IPA's concerns during the upcoming onsite review in January 2015.
			2014-805230-01	6/3/2014	IPA noted grantee did not have a system in place to verify whether vendors were suspended or disbarred.	According to the IPA, the grantee stated that written protocols would be put in place to ensure that when considering bids for procurement in excess of \$25,000, a debarment and suspension check would be conducted. Referred to OCE for follow-up to ensure corrective action is taken.	OCE will review the sufficiency of the corrective actions take by the program during the January 2015 onsite review.	
			2014-805230-02	6/3/2014	IPA noted that 5 clients who had expired immigration cards received legal services.	The IPA noted that the program is reviewing and revising their policies to ensure compliance with 45 CFR Part 1626. The OIG referred the issue to OCE to ensure necessary actions are undertaken.	The program's adherence to 45 CFR Part 1626 will be assessed as part of the OCE onsite review in January 2015.	
4	MO	Legal Aid of Western Missouri	2013-526010-01	6/27/2013	Initial testing and follow-up testing showed that the vast majority of the organization's staff members comply with LSC timekeeping requirements. There are, however, a small number of staff members who are not in compliance.	OIG reported that grantee mgmt. fully understands the nature of the requirement and will take necessary steps to ensure that all staff is in compliance. OIG further noted that grantee mgmt. states that upon being informed by the IPA of the issue; they took action to address the issue. Referred to OCE for follow-up to ensure corrective action taken.	OCE considers this referral to have been resolved. Once a Final Report is issued, it will be provided to the OIG as evidence of the resolution.	An OCE Compliance Review was conducted in November 2013. This issue was reviewed and found to no longer be a concern.

Pending Issues Referred from Audited Financial Statements

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
5	AL	Legal Services Alabama, Inc.	2013-601037-01	10/3/2013	One difference was noted for payroll time entry used for cost allocation purposes.	OIG referred this as a repeat finding which requires OCE follow-up.	An onsite OCE site visit has been scheduled for January 2015.	OCE has noted this deficiency in its risk assessment chart. OCE will conduct an onsite visit in January 2015. At that time OCE will conduct testing to determine whether this a systemic issue or has been solved. (As noted in 2013 audited financial statements, it is likely the issue has been resolved.)
6	NM	New Mexico Legal Aid	2013-732010-01	6/26/2013	Improper Board Composition	OIG noted that this was repeat finding from 2011. The ED and the Human Board Composition Resources Director have been working with Board members and management staff to identify potential new client members and qualified appointing organizations willing to nominate them. Referred to OCE for follow-up to ensure corrective action is taken.	OCE is waiting for official documentation from NMLA before advising the OIG that this finding should be closed.	As previously noted, LSC formed a multi-divisional working group to address the issue of Board Composition. NMLA indicated that it would be in compliance with 45 CFR Part 1607 by September 27, 2014.
7	VA	Central Virginia Legal Services, Inc.	2014-447030-01	2/25/2014	Recipient must state who prepares monthly bank reconciliations, who reviews the reconciliations, and who approves & certifies the reconciliations. Due dates for each steps to be established. Follow-up by LSC management needed to ensure implementation.	OIG noted based upon inquires with management that bank reconciliations and reviews were not being performed on a timely basis. OIG also noted that management during their review was not tracing bank reconciliation totals back to the trial balance and General Ledger.	By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to close #2014-447030-03 but not ## 2014-447030-01, 2014-447030-02 and 2014-447030-05. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014 .	This information has been noted in the OCE Risk Assessment Chart for consideration in selecting upcoming visits. Additionally, as OCE received a copy of CVLAS' 2013 audited financial statements during the competition cycle for 2015 funding, OCE recommended that several targeted Special Grant Conditions be imposed on the program's 2015 grant. That recommendation was accepted. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014 and will continue to provide additional oversight and training as necessary.
			2014-447030-02	2/25/2014	This is a repeat finding from the prior year. The CA mentions a payroll module being added to the case management system but does not mention a timeframe.	Based upon inquires with management and review of time records OIG noted instances were attorneys had not contemporaneously inputted a portion of their time into CVLAS' time keeping system by case matter and supporting activities.	By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to close #2014-447030-03 but not ## 2014-447030-01, 2014-447030-02 and 2014-447030-05. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014 .	

Pending Issues Referred from Audited Financial Statements

	Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
		2014-447030-03	2/25/2014	OIG indicated that LSC Management may want to follow-up on this requirement as 12 of 25 selections made by the IPA did not contain notice to the funding source. The CA mentions sending letters will be the sole responsibility of the ED, does not mention when the action will be put into place.	OIG noted instances where CVLAS had not provided to the source of funds written notification of LSC prohibitions and conditions.	By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to close #2014-447030-03 but not ## 2014-447030-01, 2014-447030-02 and 2014-447030-05. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014. <b>This referral is being left open until all related referrals can be closed.</b>	
		2014-447030-04	2/25/2014	Incorrect cost and time allocations can lead to possibly incorrect revenues and expenses for grants/contracts. Program management should make decisions based on revenues/expenses. The CA should be followed up on.	Cost allocations are not being performed on a timely basis. Also timesheet are not being properly monitored by management and adjusted when funding sources have been eliminated or depleted. Also the funds in the accounting system need to be utilized.	<b>This issue was addressed via Special Grant Conditions. OCE also conducted a Technical Assistance Review of this program in August 2014 and provided additional training and support. This referral is being left open until all related referrals can be closed.</b>	
		2014-447030-05	2/25/2014	Based on review of the CA OIG feels LSC Management should ensure that the CA s being followed and follow-up on whether the Board approved the drafted policy mentioned.	OIG noted during inquires with management and review of credit card files instances were credit card receipts were not being properly maintained.	By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to close #2014-447030-03 but not ## 2014-447030-01, 2014-447030-02 and 2014-447030-05. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014 .	

Pending Issues Referred from Audited Financial Statements

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
8	ME	Pine Tree Legal Assistance, Inc.	2014-120000-02	6/3/2014	OIG noted the IPA found a significant amount of equipment was fully depreciated. The IPA recommended that program management review the inventory annually and that disposed of assets should be removed from the General Ledger.	IPA recommended the asset list be evaluated annually and compared to a physical inventory count.	Based on review of the program's submissions in conjunction with the fiscal component of the competitive grant application, OCE believes this issue had been resolved.	During the competitive grant process, the program's property management policies were reviewed and found to be sufficient. OCE has noted this issue in its risk assessment chart and will include assessment of this issue as part of its next onsite review.
9	IL	LAF (Legal Assistance Foundation)	2014-514020-01	6/3/2014	The IPA noted it found that 45 CFR Part 1636 written statements of fact were not obtained for each represented plaintiff in three (3) cases.	OIG noted that since this is a compliance requirement, OCE should follow-up to ensure compliance with 45 CFR Part 1636.	During the course of a recent onsite review, OCE found this issue to have been resolved. Referral being kept open until Final Report is issued by OCE.	OCE conducted an onsite review of this program in April, 2014. The visit found 2 (out of 756 case files reviewed) files that did not contain the required documentation. This was noted and explained to LAF both orally and in the draft report. LAF reported taking the required corrective action to avoid this deficiency in the future. The Final Report is in the process of being issued. Once the Final Report is issued, OCE will provide a copy of the Report to the OIG.
10	SD	East River Legal Services	2014-542026-01	6/3/2014	OIG noted the organization does not have an internal control system to support the preparation of audited financial statements. The IPA was requested to draft financial statements and notes accompanying financial statements.	OIG noted this was a finding in prior years.	OCE considers this referral to have been resolved. Once a Final Report is issued, it will be provided to the OIG as evidence of the resolution.	OCE conducted an onsite review of grantee in April, 2014. The Final Report, which found no deficiencies in internal controls given the small size of the fiscal staff, is in the process of being issued. Once issued, OCE will provide a copy of the Report to the OIG.

# **LSC 403(b) Thrift Plan**



## MEMORANDUM

**TO:** The Board of Directors

**FROM:** Traci L. Higgins, Director, Office of Human Resources  
Mark Freedman, Senior Assistant General Counsel

**DATE:** January 7, 2015

**SUBJECT:** Amendments to the 403(b) Thrift Plan

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This memorandum outlines the proposed amendments to the 403(b) Thrift Plan.

### **Expanding Distribution Methods to Include Partial Withdrawals**

As currently drafted, LSC's 403(b) Thrift Plan (Plan) allows former LSC employees to withdraw funds in three ways: a lump sum, installments on a specified schedule, or through an annuity created by the employee. LSC would like to amend the Plan to allow former employees to make partial withdrawals, which would permit the withdrawal of an employee-specified portion of their funds in a manner similar to how current employees over the age of 59.5 may take in-service partial distributions. Outside counsel advises that this proposal raises no legal issues and that more plans are allowing this distribution method. Similarly, our Plan Advisor, Dave Ponder, supports the amendment, as it will maximize flexibility for former employees who wish to use a variety of financial planning options. This change will not result in any increased expenses for LSC.

### **Defining Spouse Without Applying a One Year of Marriage Requirement**

A legacy provision in many thrift plans imposes limits on what a surviving spouse could receive if married for less than one year. Counsel advises that current practice is to remove these requirements from plan documents. LSC wishes to remove any such limitations from its Thrift Plan. This change will not result in any increased expenses for LSC.

### **Allowing Age-Eligible Employees to Make Up to Four In-Service Withdrawals Per Calendar Year**

As currently drafted, the Plan allows current employees who have reached the age of 59.5 to make one in-service withdrawal per calendar year. We have learned that LSC has been allowing more than one in-service withdrawal per calendar year, in violation of the Plan. We would like to amend the Plan to allow employees to make up to four in-service withdrawals per calendar year, or one withdrawal per quarter. Formalizing this change will continue to allow employees flexibility in accessing their funds, while ensuring LSC's Plan compliance and

limiting the administrative burden of processing these requests. This change will not result in any increased expenses for LSC.

**Allow the Use of the Equivalency Method to Credit the Hours of Service of Temporary Employees Who Staff Program Visits**

The Plan currently utilizes the Actual Method for crediting an employee for his or her hours of service. Under the Actual Method, an employee's time is tracked hour by hour. This approach works well for regular LSC employees who report to duty every day. LSC, however, utilizes a number of temporary employees to supplement the teams dispatched to perform grantee program visits and reviews. These individuals are paid on a project basis – not an hourly basis – thereby imposing a timekeeping requirement on these temporary employees solely for Plan compliance purposes. By adopting an Equivalency Method for these temporary employees, LSC would credit the employee with a pre-determined specific number of hours for the time worked, either on a daily or weekly basis. Implementation of this approach would obviate the need for temporary employees to submit timesheets and lessen the administrative burden on LSC to track their time.

BOARD OF DIRECTORS

## RESOLUTION

### On Amendments to the 403(b) Thrift Plan Regarding Partial Distributions, the Spouse Definition, In-Service Withdrawals, and the Use of Equivalency Method

**WHEREAS**, Legal Services Corporation (LSC) is the sponsor of the 403(b) Thrift Plan for Employees of the Legal Services Corporation (“Thrift Plan” or “Plan”) and American United Life (AUL) provides LSC with a 403(b) prototype plan annuity contract funding vehicle and recordkeeping services; and

**WHEREAS**, Article 1.04 of the Thrift Plan provides that LSC has the right to add addenda to the Plan at any time, and Article 9.02 of the Thrift Plan provides that LSC has the right to amend the Plan at any time; and

**WHEREAS**, the Thrift Plan does not permit former employees to take partial distributions from their accounts, which limits the options for former employees who retain accounts in the Thrift Plan; and

**WHEREAS**, the Thrift Plan’s definition of a spouse has a one-year marriage requirement in some instances, which excludes some spouses; and

**WHEREAS**, the Thrift Plan does not permit current age-eligible employees to take more than one in-service withdrawal per year; and

**WHEREAS**, the Thrift Plan allows LSC to use various methods to credit employees with hours of service, which will afford LSC greater flexibility in crediting the hours of service of temporary employees who staff the grantee visits and reviews conducted by LSC’s regular employees; and

**WHEREAS**, LSC Management recommends amending the plan to address these four issues.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Board of Directors authorizes and directs the appropriate officers, employees, and agents of LSC to amend the Thrift Plan, to the extent permissible by law, in order to:

1. permit distributions to former employees through partial withdrawals,
2. define “spouse” without applying a one year of marriage requirement,
3. permit eligible employees to make up to four in-service withdrawals per calendar year, and
4. allow the use of the equivalency method for crediting the hours of service of temporary employees who staff grantee visits and reviews.

**Adopted by the Board of Directors**

On January 24, 2015

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John G. Levi  
*Chairman*

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Ronald S. Flagg  
*Corporate Secretary*



OFFICE OF HUMAN RESOURCES

## MEMORANDUM

**TO:** The Audit Committee  
**FROM:** Traci L. Higgins  
**DATE:** January 5, 2015  
**SUBJECT:** LSC 403(b) Thrift Plan – 4<sup>th</sup> Quarter 2014 Update

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### 403 (b) Plan Performance

Our funds performed well in 2014, with eighteen of the twenty-five funds ending the year with continued growth over the last review period (through August 2014) and overall positive performance for 2014. BMO Small-Cap Growth, one of the seven underperforming funds, continued its lackluster performance from the last review period (-0.43%). Five of the remaining six underperforming funds belong to sectors that have been lagging on world markets – world/foreign/emerging markets funds and bond funds. The seventh fund is in the natural resources sector.

A report detailing fund performance through December 31, 2014 is attached.

### Fund additions

As reported in September, LSC accepted the recommendation of its financial adviser, Dave Ponder, to add additional lower-cost index funds to the portfolio. At the time, Mr. Ponder recommended three funds and subsequently recommended a fourth, a bond fund, TIAA-CREF Bond Index Retirement. Beginning January 19, 2015, LSC employees can begin purchasing the following four index funds: Columbia Mid Cap Index A, TIAA-CREF Large-CP Value Idx Retire, TIAA-CREF Large-Cap Gr Idx Retire, and TIAA-CREF Bond Index Retirement. Each fund had positive returns for 2014, 9.22%, 13.10%, 12.73% and 5.70%, respectively. Each fund is listed in the attached performance report.

### 403 (b) Plan Distributions

A total of \$272,981.91 in distributions was made during the period September 1, 2014 – December 31, 2014. \$227,981.91 of the distributions was paid to former employees. The remaining \$45,000 represented two in-service withdrawals made by a/ current employee.

Please let me know if you have any questions or require additional information.

# **Institutional Advancement Committee**

**Institutional Advancement  
Communications Subcommittee  
Agenda**

**INSTITUTIONAL ADVANCEMENT COMMITTEE  
COMMUNICATIONS SUBCOMMITTEE**

**January 22, 2015**

**Agenda**

**OPEN SESSION**

1. Approval of agenda
2. Approval of minutes of the Subcommittee's Open Session telephonic meeting of September 19, 2014
3. Discussion of communication efforts
4. Discussion of the subcommittee's charter
5. Public comment
6. Consider and act on other business
7. Consider and act on adjournment of meeting

**Draft Minutes of the September 19, 2014  
Subcommittee Open Session  
Telephonic Meeting**

**Legal Services Corporation  
Telephonic Meeting of the Institutional Advancement Communications Subcommittee**

**Open Session**

**Friday, September 19, 2014**

**DRAFT**

Chairman Julie A. Reiskin convened an open session meeting of the Legal Services Corporation's ("LSC") Institutional Advancement Communications Subcommittee ("the Committee") at 4:16 p.m. on Friday, September 19, 2014. The meeting was held at the Legal Services Corporation, 3333 K Street, N.W. Washington, D.C. 20007.

The following Committee members were present:

Julie A. Reiskin, Chairman  
Gloria Valencia-Weber  
Martha L. Minow  
John G. Levi, ex officio

Other Board members present:

None

Also attending were:

Wendy Rhein	Chief Development Officer
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Atitaya Rok	Staff Attorney, Office of Legal Affairs
Carol A. Bergman	Director, Office of Government Relations and Public Affairs
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs
Julia Kramer	Program Counsel, Office of Compliance and Enforcement & Executive Office
Jeffrey Schanz	Inspector General

The following summarizes actions taken by, and presentations made to, the Committee:

Chairman Reiskin called the meeting to order.

Mr. Rauscher briefed the committee on the results of press clippings and social media coverage of the 40<sup>th</sup> anniversary conference. He stated future plans and goals to promote the 40<sup>th</sup> anniversary and Pro Bono Innovation Fund would be centered on video recordings of the speakers at 40<sup>th</sup> anniversary conference. Mr. Rauscher answered Committee members' questions.

Mr. Levi and Dean Minow recommended creating a listing of significant quotes made by speakers who attended the 40<sup>th</sup> anniversary.

Chairman Reiskin suggested including highlights of veterans' issues as a way to increase web activity of an audience other than lawyers, and getting people engaged. The Committee discussed adding non-director board members to the Subcommittee.

Chairman Reiskin invited public comments and received none.

There was no other business to consider.

### **MOTION**

Mr. Levi moved to adjourn the meeting. Professor Valencia-Weber seconded the motion.

### **VOTE**

The motion passed by voice vote.

The Committee meeting adjourned at 5:08 p.m.

# **2014 Communications Subcommittee Evaluations and 2015 Goals**

## **SUMMARY OF 2014 INSTITUTIONAL ADVANCEMENT COMMUNICATIONS SUBCOMMITTEE EVALUATION RESPONSES**

### **All members strongly agreed that:**

- There is alignment between our committee's goals and purposes and the goals of LSC's Strategic Plan.
- Our committee members treat each other with respect and courtesy.
- As a general rule, when I speak I feel listened to and that my comments are valued.

### **All members agreed that:**

- Committee members understand the goals and purpose of our committee; committee members agree on the goals and purpose of the committee.
- There is alignment between our committee's goals and purposes and the actions taken and/or the decisions made by the committee.
- Our committee has adequate resources (for example, staff time and expertise) to support its function.
- The length of our committee meetings is appropriate and respectful of the agenda. We consistently use our meeting time well; issues get the time and attention proportionate to their importance.

### **Members either strongly agreed or agreed that:**

- Our committee membership represents the talents and skills required to fulfill the goals and purposes of the committee. Our committee members come to meetings prepared and ready to contribute.

### **Mixed responses (2 agreed/1 disagreed) that:**

- Our committee has responded effectively and appropriately to issues of immediate concern brought before it; our committee has made significant progress on long-term strategic issues related to its goals and purposes.
- Our committee meetings are held regularly and with appropriate frequency.
- We receive the meeting agenda and materials sufficiently in advance of the meeting to allow for appropriate review and preparation.
- The minutes of our meetings are accurate and reflect the discussion, next steps and/or action items articulated by the members.

### **The following are direct quotes:**

#### **Members liked:**

- Learn new and impressive communications outcomes, products of the committee's efforts.
- I like that we have this committee.

**Ideas for Improvement:**

- Maybe make a priority list of work to be undertaken.
- A clearer focus on exactly what the role of the subcommittee is.
- Really creating a strong communications agenda that goes beyond op-ed and the legal community
- We are loading more work on some already hard working folks. Not clear how long before more staffing is needed.

**Future Focus:**

- Not sure what we should do for a successful 40th and what follows.
- Develop one or two concrete ways in which the committee can be of use to the Corporation.
- Communications to the general public

# Agenda

# INSTITUTIONAL ADVANCEMENT COMMITTEE

January 22, 2015

## Agenda

### OPEN SESSION

1. Approval of agenda
2. Approval of minutes of the Committee's Telephonic Open Session meeting of October 1, 2014
3. Approval of minutes of the Committee's Open Session meeting of October 6, 2014
4. Approval of minutes of the Committee's Telephonic Open Session meeting of December 2, 2014
5. Committee discussion of 2014 committee evaluation and 2015 goals
6. Consider and act on LSC Leaders Council, *Resolution 2015-XXX*
  - Wendy Rhein, Chief Development Officer
7. Communications Subcommittee report
  - Julie Reiskin, Chairman, Communications Subcommittee
  - Carl Rauscher, Director of Communications and Media Relations
8. Public comment
9. Consider and act on other business

## **CLOSED SESSION**

1. Approval of minutes of the Committee's Closed Session meeting of October 6, 2014
2. Approval of minutes of the Committee's Telephonic Closed Session meeting of December 2, 2014
3. Current donor report
4. Consider and act on prospective funders
5. Consider and act on prospective members of Leaders Council
6. Consider and act on adjournment of meeting

**Draft Minutes of the October 1, 2014  
Open Session Telephonic Meeting**

**Legal Services Corporation  
Meeting of the Telephonic Institutional Advancement Committee**

**Open Session**

**Wednesday, October 1, 2014**

**DRAFT**

Chairman John G. Levi convened an open session telephonic meeting of the Legal Services Corporation's ("LSC") Institutional Advancement Committee ("the Committee") at 5:02 p.m. on Wednesday, October 1, 2014. The meeting was held at the Legal Services Corporation 3333 K Street, N.W. Washington, D.C. 20007.

The following Committee members were present:

John G. Levi, Chairman  
Robert J. Grey, Jr.  
Father Pius Pietrzyk  
Herbert S. Garten, (Non-Director Member)  
Thomas Smegal (Non-Director Member)  
Frank B. Strickland (Non-Director Member)

Other Board members present:

Julie A. Reiskin  
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Wendy Rhein	Chief Development Officer
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Lynn Jennings	Vice President for Grants Management
Jeffrey Schanz	Inspector General
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement, Executive Office
Atitaya Rok	Staff Attorney, Office of Legal Affairs

The following summarizes actions taken by, and presentations made to, the Committee:  
Chairman Levi called the meeting to order.

**MOTION**

Father Pius moved to approve the agenda. Mr. Strickland seconded the motion.

**VOTE**

The motion passed by voice vote.

Chairman Levi began the discussion by thanking LSC staff for making the 40<sup>th</sup> anniversary celebration a great success.

Ms. Rhein briefed the Committee on follow up to the 40<sup>th</sup> anniversary event, including evaluation of feedback. She provided statistics on the attendance at the 40<sup>th</sup> anniversary; and stated that additional information would be available after the board meeting in Albany, New York. She answered Committee members' questions. At the suggestion of Father Pius and Ms. Reiskin, Ms. Rhein agreed to create a feedback form for comments about the 40<sup>th</sup> anniversary event. The feedback form will be posted to the LSC 40<sup>th</sup> anniversary website along with other links to gather social media feedback.

Ms. Reiskin and Mr. Rauscher briefed the Committee on the first Communications Subcommittee telephonic meeting held on September 19, 2014. They discussed the success of the 40<sup>th</sup> anniversary event, and the local press it received. Future communications strategies include focus on local press coverage, social media engagement, and planned calendar events. Ms. Reiskin also stated going forward the subcommittee would be setting goals to measure engagement and relationship outcomes and establishing a board of leaders. She answered Committee members' questions.

Chairman Levi invited public comment and received none.

There was no new business to consider.

The closed session meeting was deferred to the next meeting.

**MOTION**

Father Pius moved to adjourn the meeting. Professor Valencia-Weber seconded the motion.

**VOTE**

The motion passed by voice vote. The Committee meeting adjourned at 5:42 p.m.

**Draft Minutes of the October 6, 2014  
Open Session Meeting**

**Legal Services Corporation  
Meeting of the Institutional Advancement Committee**

**Open Session**

**Monday, October 6, 2014**

**DRAFT**

Chairman John G. Levi convened an open session meeting of the Legal Services Corporation's ("LSC") Institutional Advancement Committee ("the Committee") at 10:03 a.m. on Monday, October 6, 2014. The meeting was held at the Hilton Albany, 40 Lodge Street, Albany, New York 12207.

The following Committee members were present:

John G. Levi, Chairman  
Robert J. Grey, Jr.  
Father Pius Pietrzyk  
Herbert S. Garten, (Non-Director Member)  
Thomas Smegal (Non-Director Member)  
Frank B. Strickland (Non-Director Member)

Other Board members present:

Harry J. F. Korrell, III  
Victor B. Maddox  
Laurie Mikva  
Julie A. Reiskin  
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Wendy Rhein	Chief Development Officer
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Lynn Jennings	Vice President for Grants Management
Jeffrey Schanz	Inspector General
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement, Executive Office

Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Janet LaBella	Director, Office of Program Performance (OPP)
Lillian M. Moy	Executive Director, Legal Aid Society of Northeastern New York
David Richardson	Comptroller/Treasurer, Office of Financial and Administrative Services
Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, Office of the Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General
John Seeba	Assistant Inspector General for Audit, Office of Inspector General
Bernie Brady	Travel Coordinator
William J. Hawkes	Executive Director, Neighborhood Legal Services
C. Kenneth Perri	Executive Director, Legal Assistance of Western New York
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Lisa Wood	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Committee:

Chairman Levi called the meeting to order.

**MOTION**

Dean Minow moved to approve the agenda. Mr. Keckler seconded the motion.

**VOTE**

The motion passed by voice vote.

**MOTION**

Dean Minow moved to approve the minutes of the Committee's meeting of July 20, 2014. Mr. Keckler seconded the motion.

**VOTE**

The motion passed by voice vote.

Ms. Rhein began the discussion by briefing the Committee on topics covered at the telephonic meeting held on October 1, 2014. She also thanked everyone who participated in the 40<sup>th</sup> anniversary conference.

Ms. Reiskin briefed the Committee on the first Communications Subcommittee telephonic meeting held on September 19, 2014. She stated that future communications strategies include focus on local press coverage, social media engagement, and planned calendar events. Ms. Reiskin also stated the subcommittee would be setting goals to measure engagement, relationship outcomes and establishing a board of leaders. She answered Committee members' questions.

Chairman Levi invited public comment and received none.

There was no new business to consider.

The Committee continued its meeting in close session at 10:20 a.m.

**Draft Minutes of the December 2, 2014  
Open Session Telephonic Meeting**

**Legal Services Corporation  
Telephonic Meeting of the Institutional Advancement Committee**

**Open Session**

**Tuesday, December 2, 2014**

**DRAFT**

Chairman John G. Levi convened an open session telephonic meeting of the Legal Services Corporation's ("LSC") Institutional Advancement Committee ("the Committee") at 4:32 p.m. on Tuesday, December 2, 2014. The meeting was held at the Legal Services Corporation, 3333 K Street, N.W. Washington, D.C. 20007.

The following Committee members were present:

John G. Levi, Chairman  
Robert J. Grey, Jr.  
Martha L. Minow  
Father Pius Pietrzyk, O. P.  
Herbert S. Garten (Non-Director Member)  
Frank B. Strickland (Non-Director Member)

Other Board members present:

Harry J. F. Korrell, III  
Julie A. Reiskin  
Gloria Valencia-Weber

Also attending were:

Wendy Rhein	Chief Development Officer
Renee Hickman	Development Associate
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Atitaya Rok	Assistant General Counsel, Office of Legal Affairs
Carol A. Bergman	Director, Office of Government Relations and Public Affairs
Jeffrey Schanz	Inspector General

The following summarizes actions taken by, and presentations made to, the Committee:

Chairman Levi called the meeting to order.

## **MOTION**

Dean Minow moved to approve the agenda. Mr. Strickland seconded the motion.

## **VOTE**

The motion passed by voice vote.

Ms. Rhein briefed the Committee on the financial report from the 40th anniversary conference. She reported after paying all expenses, the conference came in under budget. Ms. Rhein answered Committee member's questions.

Ms. Rhein led the discussion on the creation of the proposed LSC Leaders Council, and presented draft documents to the Committee for review. Ms. Rhein also briefed the Committee on current development activities. She answered Committee members' questions.

Chairman Levi invited public comments and received none.

There was no other business to consider.

At 5:01 p.m. the Committee meeting adjourned to executive session.

# **2014 Committee Evaluations and 2015 Goals**

## SUMMARY OF 2014 INSTITUTIONAL ADVANCEMENT COMMITTEE EVALUATION RESPONSES

### Members either strongly agreed or agreed that:

- Committee members understand the goals and purpose of our committee; committee members agree on the goals and purpose of the committee.
- There is alignment between our committee's goals and purposes and the actions taken and/or the decisions made by the committee.
- There is alignment between our committee's goals and purposes and the goals of LSC's Strategic Plan.
- Our committee has responded effectively and appropriately to issues of immediate concern brought before it; our committee has made significant progress on long-term strategic issues related to its goals and purposes.
- Our committee has adequate resources (for example, staff time and expertise) to support its function.
- Our committee meetings are held regularly and with appropriate frequency.
- The length of our committee meetings is appropriate and respectful of the agenda. We consistently use our meeting time well; issues get the time and attention proportionate to their importance.
- We receive the meeting agenda and materials sufficiently in advance of the meeting to allow for appropriate review and preparation.
- The minutes of our meetings are accurate and reflect the discussion, next steps and/or action items articulated by the members.
- Our committee membership represents the talents and skills required to fulfill the goals and purposes of the committee. Our committee members come to meetings prepared and ready to contribute.
- Our committee members treat each other with respect and courtesy.
- As a general rule, when I speak I feel listened to and that my comments are valued.

### The following are direct quotes:

#### Members liked:

- Timing; organization.
- The free exchange and discussion of ideas.
- Building a new function for the Corporation.
- We are launching an important step for LSC.
- Wendy Rhein's informative and professional reports

#### Ideas for Improvement:

- The committee is working well. I'm satisfied with our efforts to date. I look forward to continued implementation of the committee's current agenda.
- Appreciation of the possible.

- We sometimes seem to discuss for the sake of discussion; focusing on action would be helpful.
- Now that the 40th anniversary event has concluded, and the Advancement Office in LSC has been running for some time, we should re-evaluate our goals.

**Future Focus:**

- The committee seems to have a full agenda and should remain committed to the implementations of the committee's agenda.
- Along with the anniversary and new institutions, we should try to strategically seek private grants for new programs.
- Continue to broaden our reach and effort.
- Now that we have been functioning for some time, we should review some of our policies, particularly the donor-approval policy.

# **Proposed LSC Leaders Council**

## MEMORANDUM

**TO:** Board of Directors

**FROM:** Wendy Rhein  
Chief Development Officer

**DATE:** January 5, 2015

**SUBJ:** Proposed LSC Leaders Council

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This memorandum outlines the purpose and structure of a proposed Legal Services Corporation Leaders Council (Council).

### **Background**

The Legal Services Corporation had a strong history of engaging the expertise and advice of leaders outside of the legal aid field, most recently through panels and presenters at the national quarterly board of directors meetings, the Fiscal Oversight Task Force, the Pro Bono Task Force, and the 40<sup>th</sup> Anniversary conference. These voices and perspectives expand our reach to new communities, raising awareness of the need to support and expand civil legal aid. As a result of the 40<sup>th</sup> Anniversary conference and the convergence of audiences and leaders who attended, LSC would now, in response to their encouragement, like to launch a Leaders Council that builds on the networks and relationships the board and leadership have forged throughout the years.

### **Purpose**

The purpose of the LSC Leaders Council (Council) is to raise awareness of LSC, support private fundraising, and increase recognition of the crisis in civil legal aid. By working with and seeking advice from leaders in the private sector, LSC will be able to reach a wider audience and raise awareness of the need for increased support for civil legal aid and the millions of Americans who are eligible but turned away each year because of the lack of resources.

### **Authority**

The Council will serve in an advisory capacity and will be subject to oversight by the Board's Institutional Advancement Committee (IAC). The Council will not be authorized to exercise any powers of the Board. The Council may, from time to time, make recommendations to the IAC, but such recommendations will have no legal or binding effect on the Institutional Advancement Committee or LSC. Council recommendations, however, may influence the course of LSC's development work.

## **Structure**

The Council will be chaired by two members who will convene meetings of the Council in coordination with and with the approval of the Chair of the IAC. The Council will meet annually once in person and twice by telephone. The in-person meeting will be in conjunction with one of the Board's quarterly meetings. Special meetings may be called from time to time.

## **Composition**

The Council will consist of leaders in business, law, academia and other disciplines.

## **Selection Process**

The IAC will receive Council member nominations, vet nominees based on the attached selection criteria, and make recommendations to the Board for approval. Members will be appointed for their leadership, expertise, interest, wisdom, and networks.

## **Expectations and Responsibilities**

Council members will lend their names to support LSC on letterhead, websites, and in printed materials. Council members will provide experience, insight, strategic thinking, innovative ideas, networking, leadership, mentoring, and support. Council members may occasionally be asked to speak on behalf of LSC at national, regional, or local events. Council members may be asked to write opinion pieces for electronic and print platforms supporting civil legal aid.

## **Staffing/Support**

The Council will be staffed by LSC's Development Office.

## **Term**

Council members will serve one-, two-, or three-year terms. A Council member may be re-nominated for additional two-year terms if the IAC, LSC President, and the Council member consider the service mutually beneficial.

## Leaders Council Member Selection Process

Individuals must be nominated by members of the LSC board of directors and management. Nominations must be sent to LSC's Development Office to complete the Leaders Council Member Nomination Form (Nomination Form). The Development Office will provide completed Nomination Forms to the Institutional Advancement Committee for review and consideration. Based on the Nomination Form and any other relevant information, the IAC will recommend nominees meeting the selection criteria below to the Board for approval. Board-approved nominees will be invited by the Chairman of the Board to serve on the Council.

### Selection Criteria:

- Have leadership experience in business, professional, or volunteer positions that will enable him or her to provide useful insights into various matters addressed by the IAC.
- Demonstrate high ethical standards and integrity in his or her personal and public conduct.
- Have experience in and knowledge of (or willingness to learn about) civil legal aid sufficient to enable the individual to be an effective Council member.

## Leaders Council Member Nomination Form

Name of Nominee:

Occupation:

Title:

Company/Organization:

Mailing Address:

Phone:

Email:

Professional/Organizational Affiliations:

Volunteer/Community Involvement:

What skills, leadership experience, and interests would the nominee bring to the Council?

## RESOLUTION

### ESTABLISHING THE LSC LEADERS COUNCIL

**WHEREAS**, the Legal Services Corporation (“LSC” or Corporation”) has a history of engaging the expertise and advice of leaders outside of the legal aid field to hear different voices and obtain diverse perspectives in an effort to expand LSC’s reach to new communities; and

**WHEREAS**, the LSC Board of Directors (“Board”) desires to work with and seek advice from leaders in business, law, academia, and other disciplines to enable LSC to reach a wider audience and raise awareness of the need to support and expand civil legal aid;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the LSC Board of Directors hereby establishes the LSC Leaders Council for the purpose of raising awareness of the Corporation, supporting private fundraising efforts, and increasing awareness of the crisis in civil legal aid;

**BE IT FURTHER RESOLVED THAT**, the LSC Leaders Council will serve in an advisory capacity subject to oversight by the Board’s Institutional Advancement Committee, and it has no authority to exercise any powers of the Board;

**BE IT FURTHER RESOLVED THAT**, the LSC Leaders Council will be structured in accordance with Attachment A, *LSC Leaders Council Charter*; and

**BE IT FURTHER RESOLVED THAT**, membership of the LSC Leaders Council will be through a nomination and selection process in accordance Attachment B, *Leaders Council Member Selection Process*.

**Adopted by the Board of Directors**  
On January 24, 2015

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**John G. Levi**  
*Chairman*

**Attest:**

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**Ronald S. Flagg**  
*Vice President for Legal Affairs,  
General Counsel & Corporate Secretary*

## ATTACHMENT A

### LSC Leaders Council Charter

#### **Purpose**

The purpose of the LSC Leaders Council (Council) is to raise awareness of LSC, support private fundraising, and increase awareness of the crisis in civil legal aid. By working with and seeking advice from leaders in the private sector, LSC will be able to reach a wider audience and raise awareness of the need for increased support for civil legal aid and the millions of Americans who are eligible but turned away each year due to lack of resources.

#### **Authority**

The Council serves in an advisory capacity subject to oversight by the Board's Institutional Advancement Committee (IAC). The Council is not authorized to exercise any powers of the Board. The Council may, from time to time, make recommendations to the IAC, but such recommendations will have no legal or binding effect upon LSC. Council recommendations, however, may influence the course of LSC's development work.

#### **Structure**

The Council will be chaired by two members who will convene meetings of the Council in coordination with the Chairman of the IAC. The Council will meet annually once in-person and twice by telephone. The in-person meeting will be in conjunction with one of the Board's quarterly meetings. Special meetings may be called from time to time.

#### **Composition**

The Council will consist of leaders in business, law, academia and other disciplines.

#### **Selection Process**

Council members will serve at the invitation of the Chair of the Board of Directors. The IAC will receive Council member nominations, vet nominees based on the attached selection criteria, and make recommendations to the Board for approval. Members will be appointed for their leadership, expertise, wisdom, and network, which they can use to further the effectiveness and reputation of LSC.

#### **Expectations and Responsibilities**

Council members will lend their names to support LSC on letterhead, websites, and in printed materials. Council members will provide experience, insight, strategic thinking, innovative ideas, networking, leadership, mentoring, and support. Council members will occasionally be asked to speak on behalf of LSC at national, regional, or local events. Council members may be asked to write opinion pieces for electronic and print platforms supporting civil legal aid. Council members may also be asked to attend educational meetings with Members of Congress as appropriate.

#### **Staffing/Support**

The Council will be staffed by LSC's Development Office.

**Term**

Council members will serve one-, two-, or three-year terms. A Council member may be re-nominated for additional two-year terms if the IAC, LSC President, and the Council member consider the service mutually beneficial.

## ATTACHMENT B

### LSC Leaders Council Member Selection Process

Individuals must be nominated by members of the LSC Board of Directors and LSC management. Nominations must be sent to LSC's Development Office to complete the Leaders Council Member Nomination Form (Nomination Form). The Development Office will provide Nomination Forms to the Institutional Advancement Committee for review and consideration. Based on the Nomination Form, the IAC will recommend nominees meeting the selection criteria below to the Board for approval. Board-approved nominees will be invited by the Chairman of the Board to serve as a Council member.

#### Selection Criteria:

- Demonstrate high ethical standards and integrity in his or her personal and public conduct.
- Possess experience in mission, business, professional, or volunteer positions that will enable him or her to provide useful insights into various matters addressed by the IAC.
- Possess experience in and knowledge of (or willingness and ability to obtain knowledge of) the civil legal aid or development industry sufficient to enable the individual to be an effective Council member.

## **Leaders Council Member Nomination Form**

Name of Nominee:

Phone:

Email:

Occupation:

Title:

Company/Organization:

Company Address:

Professional/Organizational Affiliations:

Volunteer/Community Involvement:

Skills, experience, and interests would the nominee bring to the Council?

# **Operations & Regulations Committee**

# Agenda

# **OPERATIONS & REGULATIONS COMMITTEE**

**January 22, 2015**

## **Agenda**

### **OPEN SESSION**

1. Approval of agenda
2. Approval of minutes of the Committee's Open Session meeting on October 5, 2014
3. Discussion of Committee's evaluations for 2014 and the Committee's goals for 2015
4. Consider and act on Management's report on implementation of the Strategic Plan 2012-2016, as provided by section VI (3) of the Committee Charter
  - Jim Sandman, LSC President
5. Update on Rulemaking Agenda: 45 CFR Part 1628—Fund Balances; 45 CFR Part 1603—State Advisory Councils
  - Ron Flagg, General Counsel
  - Stefanie Davis, Assistant General Counsel
  - Mark Freedman, Senior Assistant General Counsel
6. Consider and act on Notice of Proposed Rulemaking for 45 CFR Part 1640—Application of Federal Law to LSC Recipients
  - Ron Flagg, General Counsel
  - Stefanie Davis, Assistant General Counsel
  - Laurie Tarantowicz, Assistant Inspector General and Legal Counsel
  - Public comment
7. Consider and act on updating population data for grants to serve migratory and other farmworkers
  - Ron Flagg, General Counsel
  - Bristow Hardin, Program Analyst

8. Other public comment
9. Consider and act on other business
10. Consider and act on adjournment of meeting

**Draft Minutes of the October 5, 2014  
Open Session Meeting**

**Legal Services Corporation  
Meeting of the Operations & Regulations Committee**

**Open Session**

**Sunday, October 5, 2014**

**DRAFT**

Committee Chairman Charles N.W. Keckler convened an open session meeting of the Legal Services Corporation's ("LSC") Operations and Regulations Committee ("the Committee") at 3:30 p.m. on Sunday, October 5, 2014. The meeting was held at the Hilton Albany, 40 Lodge Street, Albany, New York 12207.

The following Committee members were present:

Charles N.W. Keckler, Chairman  
Robert J. Grey, Jr.  
Harry J. F. Korrell, III  
Laurie I. Mikva

Other Board members present:

Victor B. Maddox  
Father Pius Pietrzyk  
Julie A. Reiskin  
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Mark Freedman	Senior Assistant General Counsel, Office of Legal Affairs (OLA), (by telephone)
Stefanie Davis	Assistant General Counsel, Office of Legal Affairs (OLA),
David L. Richardson	Comptroller and Treasurer
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant, Office of Government Relations and Public Affairs (GRPA)
Marcos Navarro	Design Director, Office of Government Relations and Public Affairs (GRPA)

Julia Kramer	Program Counsel, Office of Compliance and Enforcement, Executive Office
Wendy Rhein	Chief Development Officer
Jeffrey E. Schanz	Inspector General
Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, Office of the Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General
John Seeba	Assistant Inspector General for Audit, Office of Inspector General
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Janet LaBella	Director, Office of Program Performance (OPP)
Bernie Brady	LSC Travel Coordinator
Herbert S. Garten	Non-Director Member, Institutional Advancement Committee
William J. Hawkes	Executive Director, Neighborhood Legal Services
C. Kenneth Perri	Executive Director, Legal Assistance of Western New York
Paul J. Lupia	Executive Director, Legal Aid Society of Mid-New York
Barbara Finkelstein	Executive Director, Legal Services of the Hudson Valley
Jeff Seigel	Nassau/Suffolk Law Services
Lillian M. Moy	Executive Director, Executive Director, Legal Aid Society of Northeastern New York
Michele Sleight	Legal Aid Society of Northeastern New York
Wendy Wahlberg	Legal Aid Society of Northeastern New York
Deb Collura	Legal Aid Society of Northeastern New York
Anne Malak	Legal Aid Society of Northeastern New York
Deanne Grimaldi	Legal Aid Society of Northeastern New York
Robert Romaker	Legal Aid Society of Northeastern New York
Robert Magee	Legal Aid Society of Northeastern New York
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Lisa Wood	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Chairman Keckler noted the presence of a quorum and called the meeting to order.

### **MOTION**

Mr. Grey moved to approve the agenda. Mr. Korrell seconded the motion.

### **VOTE**

The motion passed by voice vote.

### **MOTION**

Mr. Grey moved to approve the minutes of the Committee meetings of July 20, 2014. Mr. Korrell seconded the motion.

### **VOTE**

The motion passed by voice vote.

Mr. Flagg reported on the status of the update of population data for grants to serve migratory and other agricultural workers. Mr. Flagg answered Committee members' questions.

Next, Ms. Davis and Mr. Flagg provided a status report on the rulemaking agenda regarding 45 CFR Part 1610 and 45 CFR Part 1627, Transfers and Sub grants, 45 CFR Part 1640, Federal Law relating to proper use of Federal funds, and 45 CFR Part 1630, Property Acquisition and Management Manual. Ms. Davis and Mr. Flagg answered Committee members' questions.

Ms. Davis and Mr. Flagg updated the Committee on the proposed final rule amending 45 CFR Part 1614, Private Attorney Involvement, and answered Committee members' questions. Committee Chairman Keckler invited public comment on additional amendments to Part 1614 rule. The Committee received comments from Lisa Wood, American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID), and Robin Murphy, National Legal Aid and Defenders Association (NLADA).

### **MOTION**

Mr. Grey moved to recommend approval of the proposed final rule with Committee amendments to the Board. Ms. Mikva seconded the motion.

### **VOTE**

The motion passed by voice vote.

Mr. Grey commended Chairman Keckler for building a consensus with regard to the final rule. There was no other business to consider.

### **MOTION**

Mr. Grey moved to adjourn the meeting. Ms. Mikva seconded the motion.

**VOTE**

The motion passed by voice vote.

The meeting of the Committee adjourned at 5:32 p.m.

# **2014 Committee Evaluations and 2015 Goals**

## **SUMMARY OF 2014 OPERATIONS AND REGULATIONS COMMITTEE EVALUATION RESPONSES**

### **All members strongly agreed that:**

- Committee members understand the goals and purpose of our committee; committee members agree on the goals and purpose of the committee.
- There is alignment between our committee's goals and purposes and the actions taken and/or the decisions made by the committee.
- Our committee has adequate resources (for example, staff time and expertise) to support its function.

### **Members either strongly agreed or agreed that:**

- There is alignment between our committee's goals and purposes and the goals of LSC's Strategic Plan.
- Our committee has responded effectively and appropriately to issues of immediate concern brought before it; our committee has made significant progress on long-term strategic issues related to its goals and purposes.
- Our committee meetings are held regularly and with appropriate frequency.
- The length of our committee meetings is appropriate and respectful of the agenda. We consistently use our meeting time well; issues get the time and attention proportionate to their importance.
- We receive the meeting agenda and materials sufficiently in advance of the meeting to allow for appropriate review and preparation.
- The minutes of our meetings are accurate and reflect the discussion, next steps and/or action items articulated by the members.
- Our committee membership represents the talents and skills required to fulfill the goals and purposes of the committee. Our committee members come to meetings prepared and ready to contribute.
- Our committee members treat each other with respect and courtesy.
- As a general rule, when I speak I feel listened to and that my comments are valued.

### **The following are direct quotes:**

#### **Members liked:**

- We deal with real problems and generate positive change.
- Well run meetings; the sometimes difficult issues are handled respectfully and resolved appropriately.
- Feeling of nonpartisanship.

#### **Ideas for Improvement:**

- A broader discussion of ends as well as means.

- I think it would help to review soon the goals in the strategic plan that fall within the scope of our committee charter and to evaluate the Corporation's progress toward those specific goals.
- Although we are effective on short and medium term problems, we need to at least consider and evaluate systems in place for decades for possible regulatory action that could enhance Strategic Goal One. These relate, inter alia, to the delivery system (exclusive reliance on specialized nonprofits), data collection (such as replacement or supplement to counting "cases" as output), and possible flexibility for grantees to generate earned revenue. A possible mechanism is adjustment of the 12.5% PAI share as incentive.

**Future Focus:**

- We have a regulatory agenda and should complete it. However, we need to develop ideas and evidence for considering broader actions in delivery systems, timekeeping and program integrity.
- An assessment of progress of the Corporation toward specific goals in the strategic plan that fall within the scope of the Committee's responsibilities under its charter.
- Elimination of unnecessary and not mandated restrictions on grantees.

# **Strategic Plan 2012 - 2016 Implementation Memo**

**ACTIONS TO IMPLEMENT LSC'S STRATEGIC PLAN**  
**ANNUAL REPORT TO THE OPERATIONS AND REGULATIONS COMMITTEE**  
**JANUARY 2015**

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The following is an overview of actions LSC has undertaken to date to implement the three goals and related initiatives identified in LSC's 2012-2016 Strategic Plan.

**Goal No. 1: Maximize the Availability, Quality, and Effectiveness of Legal Services**  
**(Strategic Plan pp. 5-11)**

***Initiative One: Identify, promote, and spread best practices in meeting the civil legal needs of the poor***

- 1) Highlighted best practices at LSC's quarterly board meetings, White House forums, and 40<sup>th</sup> Anniversary events. Captured presentations on video, posted links to them on LSC's website, on social media, and included links in *LSC Updates*.
- 2) Updated, improved, and added content to the "LSC Resource Information" portion of LSC website ( <http://lri.lsc.gov/> ), which includes many examples of best practices from LSC grantees and other sources. Recent updates include overviews of Geographical Information Systems (GIS) mapping and organizing data through the use of Google Fusion Tables; these were also subjects of webinars for LSC grantees.
- 3) Expanded LSC's role and presence at the largest conferences for legal aid providers – including the Equal Justice Conference, the annual conference of the National Legal Aid and Defenders Association (NLADA), and the Management Information Exchange (MIE) conference. For example, in 2014, the Office of Compliance and Enforcement (OCE) made three presentations at the NLADA conference, including an overview of the purpose and scope of OCE reviews, recent regulatory and fiscal findings, and Case Service Reports. Similarly, the Office of Program Performance (OPP) staff presented a number of sessions at national conferences, including on technology tips, rural pro bono strategies, innovations in legal services, and rural service of delivery.
- 4) Successfully planned and executed panel discussions at LSC's 40th Anniversary Conference on best practices in non-profit leadership and management (both within LSC grantee community and in the broader non-profit world).
- 5) Revised Capability Assessment Visit Manual to improve and standardize procedures for assessing grant applicants in competitions.

**ACTIONS TO IMPLEMENT LSC'S STRATEGIC PLAN**  
**ANNUAL REPORT TO THE OPERATIONS AND REGULATIONS COMMITTEE**  
**JANUARY 2015**

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- 6) Updated "Technology Baselines" for LSC grantees – that is, LSC's recommendations for the basic technology that all grantees should have. New Base Lines discussed at 2015 TIG Conference.
- 7) Used Technology Initiative Grants (TIGs) to replicate and expand successful technology projects developed with prior TIGs.
- 8) In 2014, the Office of Program Performance (OPP) conducted 36 onsite grantee visits. Through these visits, OPP educated grantees about best practices and provided practical advice about improving legal practice and program operations. OPP followed up on recommendations from prior visits through the grant application process and through regular contact with grantees.

***Initiative Two: Develop meaningful performance standards and metrics***

- 1) Completed a business process analysis of LSC's collection and use of all information collected from grantees, which will facilitate the development of organizational performance standards and metrics and the standardization of LSC processes.
- 2) Office of Information Technology (OIT) developed plans for a new centralized data and document repository that will be used for enhanced analysis of and reporting on grantee performance.
- 3) Continued progress on the data outcomes collection and analysis project funded by the Public Welfare Foundation. Expanded an inventory of existing outcomes measurement tools used in legal aid to identify best practices. Reported findings from comprehensive survey of LSC grantees regarding their current and desired use of data to improve service delivery, to enhance program management, and to build an effective case for funding. Issued report to summarize project findings to date. Currently developing a tool-kit that grantees will be able to customize for their own operations and needs.
- 4) Improved LSC's process for timely and effectively evaluating and responding to complaints relating to grantee services. OCE developed a set of standard complaint response letters to allow for more standardized and timely responses to complainants. OCE also developed a survey that complainants are asked to complete after a complaint has been closed to provide feedback on the process to determine what, if any, aspects of the complaint process OCE should consider changing. This process will continue in 2015, with additional improvements and revisions to the complaint process and related survey.

**ACTIONS TO IMPLEMENT LSC'S STRATEGIC PLAN**  
**ANNUAL REPORT TO THE OPERATIONS AND REGULATIONS COMMITTEE**  
**JANUARY 2015**

---

- 5) Developed and implemented performance standards for LSC staff as part of an updated and expanded performance management system.
- 6) Updated comprehensive, multi-year analysis of Grant Activity Reports (begun in 2013), allowing comparisons of cases closed by each LSC grantee against median for all grantees and against results for each other grantee.

***Initiative Three: Provide legal practice and operational support to improve measurably the quality of civil legal services to the poor***

- 1) Continued to use program visits by OPP to educate grantees about best practices and to provide practical advice about improving legal practice and program operations.
- 2) Expanded collection of useful practice and operational tips on the LSC Resource Information section of LSC's website.
- 3) Continued to host and facilitate quarterly webinars featuring staff of the Federal Trade Commission's Bureau of Consumer Protection. The webinars, developed for LSC grantees, provide substantive training on consumer protection issues relevant to legal aid programs and identify free resources for grantees to access. Participation in the webinars has grown from 44 in February 2013 to typically more than 125 participants (with a high of 178 participants for the most recent webinar in October 2014).
- 4) Used the competitive TIG program to promote improvements in practice and service delivery. In 2014 LSC awarded 38 TIG grants. For example:

Two projects funded through LSC's TIG program recently were named finalists for the Hague Institute for the Internationalisation of Law's (Hiil's) 2014 Innovating Justice Awards. These awards encourage innovations across the justice sector by promoting successful ideas and initiatives to legal professionals around the world.

Statewide Legal Services of Connecticut's Online Advocacy Simulation for Self-Represented Parties was the top online vote-getter in Hiil's "Innovative Ideas" category. The Connecticut project uses gaming technology to provide self-represented litigants with advocacy experience before going to court and attempting to meet their own legal needs. The project was also recently the subject of an in-depth feature in the *Hartford Courant*. Connecticut is working closely with NuLawLab at Northeastern University School of Law on this project.

**ACTIONS TO IMPLEMENT LSC'S STRATEGIC PLAN**  
**ANNUAL REPORT TO THE OPERATIONS AND REGULATIONS COMMITTEE**  
**JANUARY 2015**

---

The A2J Author software application (funded through a partnership with Idaho Legal Aid Services) is a finalist in Hiil's "Successful Innovations" category. LSC has funded A2J Author in multiple TIG cycles, and nearly 2.5 million unrepresented people have now used interviews designed in A2J to create court forms and other legal documents. The current A2J TIGs focus on transitioning the software to an HTML5/JavaScript cloud application and incorporating simple native document assembly within the tool.

LSC highlighted these initiatives at the 2015 TIG Conference.

- 5) Continued to add content to LSC's Tech Blog, providing a channel for technology leadership in the legal services community.
- 6) Developed a competitive leadership development grant program to enhance quality of grantee leadership. Program will be rolled out in early 2015.

***Other Activities to Promote Goal 1:***

- 1) Closed out all Government Accountability Office recommendations, eliminating a potential impediment to LSC funding. This is the first time in seven years that LSC has not been operating with open GAO recommendations.
- 2) Initiated the competitive Pro Bono Innovation Fund (PBIF) grant program, awarding grants to 11 programs.
- 3) Initiated the Midwest Legal Disaster Coordination Project with private funding. Reviewed five proposals and made two awards in Iowa and Nebraska. Staff continued to monitor grants made with funds for relief from Hurricane Sandy.
- 4) Continued expanding outreach to Members of Congress (MOCs) to increase prospects for LSC's funding. In 2014, 51 MOCs provided quotes for LSC press releases regarding TIG and PBIF grants and 40<sup>th</sup> Anniversary statements for the Congressional Record. Seven MOCs contributed multiple quotes. Likewise, in 2014, seven MOCs and 60 congressional staff members attended LSC events (Board meetings, White House Forum, 40<sup>th</sup> Anniversary conference, and press conferences).
- 5) Made additional improvements to LSC's formal budget request to Congress, LSC's Annual Report, and LSC's By the Numbers (formerly LSC's Fact Book) to make a stronger case for funding.

**ACTIONS TO IMPLEMENT LSC'S STRATEGIC PLAN**  
**ANNUAL REPORT TO THE OPERATIONS AND REGULATIONS COMMITTEE**  
**JANUARY 2015**

---

- 6) OCE and OLA developed and implemented a training program on the requirements of 45 CFR Part 1612 (Restrictions on Lobbying and Certain Other Activities). This training was provided to OCE staff, one LSC grantee, and to an audience at the Annual NLADA Conference in November.
- 7) Conducted six Executive Director Orientation (EDO) sessions (combination of webinars and in person). During 2012 OCE conducted four sessions (two in person and two via webinar), and during 2013 OCE conducted ten sessions (one in person and nine via webinar).
- 8) The Office of Legal Affairs (OLA) revised Part 1614 (Private Attorney Involvement (PAI) Regulations), Part 1626 (restrictions on legal assistance to aliens), and Part 1613 (criminal representation in tribal courts); developed a rulemaking agenda; and implemented the new internal risk management committee, including enhanced reporting to the Board on risk management.
- 9) In 2014, LSC's Loan Repayment Assistance Program (LRAP) received 241 applications (new and renewal) from attorneys at 78 grantee offices in 40 states and Puerto Rico. The average law school debt for first-year applicants was nearly \$148,000. LSC provided loan repayment assistance to 181 of those 241 applicants, including 74 new LRAP participants.
- 10) OIT developed a new "Find Legal Aid" application for LSC's website that incorporates maps and simplifies searching. The new application was supplemented by a text messaging version developed by Frontline SMS.
- 11) Continued to improve OCE's report-writing process for onsite compliance reviews to provide more timely, clear, and effective communication of findings and required corrective actions. Engaged consultants to revise OCE's report structure to allow for more timely and streamlined reporting of OCE findings. Additionally, engaged consultants to evaluate OCE's onsite review processes and to provide recommendations for standardization and adoption of best practices.
- 12) Provided training on report writing and interview skills to a significant number of OPP program counsel. Program counsel held an all-day session to develop improvements for Program Quality Visit reports and related communications. Report templates and protocols were developed.
- 13) OPP Program Counsel worked with four programs that needed special assistance with improving quality and followed up on recommendations from program quality visits.

**ACTIONS TO IMPLEMENT LSC'S STRATEGIC PLAN**  
**ANNUAL REPORT TO THE OPERATIONS AND REGULATIONS COMMITTEE**  
**JANUARY 2015**

---

**Goal No. 2: Become a Leading Voice for Access to Justice and Quality Legal Assistance in the United States (Strategic Plan pp. 11-15)**

***Initiative One: Provide a comprehensive communications program around a compelling message***

- 1) Planned, hosted, and obtained media coverage of successful three-day conference attended by more than 500 people (including senior government officials and leaders from the business, academic, and non-profit sectors) to mark LSC's 40<sup>th</sup> Anniversary. Developed and managed list of more than 4,000 contacts for the conference and development database, coordinated outreach and logistics for more than 100 conference speakers, and drafted program catalog.
- 2) Continued active participation in Voices for Civil Justice, the "communications hub" funded by the Public Welfare Foundation and the Kresge Foundation, which is using survey research and communications expertise to expand public awareness of the role and importance of civil legal aid in the United States. LSC President serves on the hub's advisory committee. This project is a collaboration with a number of stakeholders, including the National Center for State Courts, the U.S. Department of Justice's Access to Justice Initiative, and the American Bar Association.
- 3) Organized a well-attended briefing by State Supreme Court Justices in a House of Representatives hearing room to educate congressional staff about the impact of pro se litigants on courts.
- 4) Expanded media coverage in both national and local markets. Targeted press releases to local markets to highlight, for example, TIG awards and Pro Bono Innovation Fund awards. Placed grantee op-eds in 10 local papers and legal publications.
- 5) Recent media highlights include: LSC President was featured in *New York Times* story on civil legal aid that touched on many of LSC's key message points; Chairman was interviewed by *American Lawyer* editor; robust media coverage of the 40<sup>th</sup> Anniversary conference; substantial coverage of Board meeting panels and awards (particularly Albany and Des Moines); and regular coverage in *National Law Journal* and other legal papers.
- 6) The Chairman and the President of LSC continued to seek and accept opportunities to speak to multiple audiences – such as law students, law firms, bar associations, community leaders, and state access-to-justice convenings.

**ACTIONS TO IMPLEMENT LSC'S STRATEGIC PLAN**  
**ANNUAL REPORT TO THE OPERATIONS AND REGULATIONS COMMITTEE**  
**JANUARY 2015**

---

- 7) Hired GRPA Communications Manager and Writer to improve consistency of messaging and tone across all of LSC's communications outlets.
- 8) Continued refinements to LSC's communications strategy. Further revised the annual budget submission to Congress, LSC's Annual Report (more fully multimedia), LSC's By the Numbers (formerly LSC Fact Book), and *LSC Updates* (including embedding videos and multiple links) to present a compelling case for legal aid and to communicate LSC's commitment to innovation, collaboration, strong management, and prudent stewardship of public funds. Continued upgrades to publication design to make them more user-friendly.
- 9) Further expanded the use of video, charts, graphics, and social media in LSC's communications to promote LSC activity and practices.
- 10) Used social media to amplify LSC's message. Created Facebook page with more than 500 followers. Twitter followers grew from 1,200 at beginning of 2013 to more than 2,600 at end of 2013, and more than 3,700 currently. Likewise, enhanced video capacity to record Board forums affords access to media, grantees, and equal justice community. This made robust coverage of White House forum possible, even though it was closed to the press.
- 11) Grew LSC's "story bank" documenting grantees' successes in serving clients from ten at beginning of 2013 to more than 1,000 stories, organized by state to facilitate targeted communications with local connections. Posted more than 100 of the most compelling stories to website, arranged by state. In the process of adding new stories and arranging all by Congressional district.
- 12) Re-designing and expanding capabilities of LSC's website to integrate all four websites and create more user-friendly taxonomy. Developed new website pages to focus on 40<sup>th</sup> Anniversary events, donations and development, Best Practices, and Pro Bono Task Force.

***Initiative Two: Build a business case for funding civil legal services***

- 1) Expanded library of studies of the economic benefits of legal aid for communities and for government. Cited the results of these studies in LSC's budget request to Congress for FY2015 (pp. 2-3)
- 2) LSC President participated in meetings of private foundations convened by the Public Welfare Foundation to explain the benefits of civil legal aid and was a panelist at the annual meeting of the Council on Foundations.
- 3) Used surveys of grantees to obtain evidence of the impact of funding reductions on client service. Publicized the results and used them in support of funding requests.

**ACTIONS TO IMPLEMENT LSC'S STRATEGIC PLAN**  
**ANNUAL REPORT TO THE OPERATIONS AND REGULATIONS COMMITTEE**  
**JANUARY 2015**

---

***Initiative Three: Recruit and enlist new messengers and sources of funds to increase private support for civil legal services***

- 1) Developed a comprehensive case statement for private funding for LSC.
- 2) Secured contributions or pledges of more than \$2.9 million from 18 leading law firms. Introduced naming opportunities for projects, and conducted first year-end personal appeal. Developed specific project outlines for funding (e.g., fellowships, technology, leadership training).
- 3) Secured \$65,500 in sponsorships for the 40<sup>th</sup> Anniversary conference.
- 4) Secured a \$1.2 million 2-year grant from the Margaret Cargill Foundation for disaster preparedness and response. This grant substantially expands LSC's ability to assist LSC grantees and their clients to respond to disasters. By way of comparison, in 2013, as the result of the enactment of the Hurricane Sandy Disaster Relief Appropriations Act, LSC established a grant program using appropriated funds and distributed \$874,041 to four LSC grantees. LSC made additional Sandy-related grants totaling \$295,379 using existing disaster relief resources.
- 5) Continued convening panels of justices and judges to address access to justice issues at quarterly Board meetings. Panel videos posted on LSC's website and highlighted in *LSC Updates*. Continued working with individual judges on access to justice issues. Promptly provided information on messaging to state Chief Judges and Justices, as requested.
- 6) Continued working with the Conference of Chief Justices and the National Association of Women Judges to encourage judges to address the access to justice crisis in America.
- 7) Continued work with the Public Welfare Foundation to encourage private foundations to provide support for civil legal aid.
- 8) Planned and executed donor cultivation events and receptions in Austin and New York City.
- 9) Secured six exhibitors and sponsors for the 2015 TIG conference, doubling the 2014 number.
- 10) Identified former and current Members of Congress to be included in events (e.g., Board meetings, White House Forum, 40th Anniversary events).

***Initiative Four: Institutional advancement and grantee development support***

**ACTIONS TO IMPLEMENT LSC'S STRATEGIC PLAN**  
**ANNUAL REPORT TO THE OPERATIONS AND REGULATIONS COMMITTEE**  
**JANUARY 2015**

---

- 1) Significantly expanded development and institutional advancement activities. Hired Development Associate to support Chief Development Officer. Coordinated activities of Institutional Advancement Committee (IAC) and IAC's Communications Subcommittee.
- 2) Launched <http://lsc40.lsc.gov/> campaign website, wrote web text for all pages, and integrated online giving into <http://www.lsc.gov/> and <http://lsc40.lsc.gov/>
- 3) Recruited and expanded list of messengers for civil legal aid through the 40th Anniversary conference and related cultivation activities. Continued to identify candidates for Leaders Council, honorary committees, and advisory groups.
- 4) Coordinated and executed more than 40 development meetings, including major cultivation events in Austin and New York City (80+ attendees).
- 5) Created and implemented a database for development purposes to track prospects, interactions, and gifts. Expanded database of donor prospects, adding more than 120 approved prospects. Integrated development prospects into Board meeting invitation lists for all 2014 meetings.
- 6) Registered LSC as an approved fundraiser in states requiring registration.
- 7) Continued developing policies and procedures for gift acceptance and related activities.

***Initiative Five: Enhanced Strategic Collaboration***

- 1) Continued working with the Department of Justice's Access to Justice Initiative and the Legal Aid Interagency Roundtable to expand awareness of civil legal aid in federal government agencies and to increase sources of funding for legal aid using grants by federal agencies that serve clients of legal aid programs. LSC President is a member of the roundtable.
- 2) Continued strong working relationships with state IOLTA programs and state bar foundations funding civil legal aid. LSC President participated in and spoke at biannual meetings of IOLTA funders and state bar foundations. Consulted with state funders on data collection and reporting, grant applications, and legal aid program oversight.
- 3) Collaborated regularly with the American Bar Association's leadership, Standing Committee on Legal Aid and Indigent Defendants, Standing Committee on Pro Bono and Public Service, and Resource Center for Access to Justice Initiatives.
- 4) LSC President participated in and spoke at multiple annual convenings of state access to justice leaders.

**ACTIONS TO IMPLEMENT LSC'S STRATEGIC PLAN**  
**ANNUAL REPORT TO THE OPERATIONS AND REGULATIONS COMMITTEE**  
**JANUARY 2015**

---

- 5) Coordinated regularly with the Conference of Chief Justices.
- 6) Participated actively in Voices for Civil Justice, the communications hub.
- 7) Established new relationships with private foundations interested in funding civil legal aid.
- 8) Established and expanded relationships with private foundations funding civil legal aid.

**Goal No. 3: Ensure Superior Fiscal Management (Strategic Plan pp. 15-17)**

- 1) LSC received a clean audit of its FY2014 annual financial statements with no management letter.
- 2) Revitalized the Technical Assistance Review (TAR) process. TARs are provided to LSC grantees that have not had a full OCE review recently, as well as grantees that have undergone leadership transitions or are experiencing difficulties. TARs focus on subjects such as intake, accurate case tracking and reporting, segregation of fiscal duties, bank reconciliations, and complying with lobbying and other restrictions on activities. Each TAR includes customized feedback and/or training at the end of each review day. During 2014, LSC conducted 3 TARs; by comparison, in both 2012 and 2013, LSC conducted one TAR per year.
- 3) Conducted training on LSC's budgeting process for new and existing budget-responsible staff members to help them better understand the process and their responsibilities.
- 4) OCE hired a Deputy Director for Fiscal Compliance in order to improve and standardize fiscal oversight functions. The new Deputy Director for Fiscal Compliance met with each OCE Fiscal Compliance Analyst (FCA) to understand the various tasks and responsibilities performed by OCE fiscal staff and identify opportunities to improve various fiscal compliance-related work processes. Additionally, the Deputy Director for Fiscal Compliance will continue to collaborate with the OIG to streamline and implement procedures that enhance the audited financial statement review and A-50 referral processes.
- 5) OCE continued to revise and improve upon the Fiscal Compliance Analysts' (FCA) review of grantees' grant applications during the LSC Grants competition process. The FCAs revised the fiscal application and corresponding evaluation guide and scoring system. The Deputy Director for Fiscal Compliance and FCAs will continue to work on the development of grant application questions and on the review and assessment of answers and materials provided during that process. OCE interviewed candidates and continues to actively recruit to fill two Fiscal Compliance Analyst (FCA) vacancies.

**ACTIONS TO IMPLEMENT LSC'S STRATEGIC PLAN**  
**ANNUAL REPORT TO THE OPERATIONS AND REGULATIONS COMMITTEE**  
**JANUARY 2015**

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- 6) Under leadership of Vice President for Grants Management (VPGM), the Directors OPP and OCE continue to focus on maximizing communication, coordination, and cooperation. VPGM, OPP, and OCE meet monthly to share information.
- 7) LSC's President and the Inspector General meet every two weeks. OCE, along with OPP and the VP for Grants Management, continued to hold monthly meetings with representatives of the OIG staff to discuss issues of concern and share information.
- 8) Further improved sharing of information between OIG and management that is relevant to grant applications, grant terms, and special grant conditions.
- 9) Continued to improve sharing of information between management and OIG to expedite investigations, avoid duplicative work, and provide early notice to management of potential problems with grantees.
- 10) OCE, along with members of the OIG staff, continued to make quarterly presentations to the Audit Committee of the LSC Board of Directors regarding fiscal oversight and communications between OIG and LSC management. Improved quantity and quality of reporting to the Audit Committee.
- 11) Office of Information Technology worked to implement new software to ensure that all LSC staff have access to LSC information and documentation relating to grantees.
- 12) Revised the Whistleblower, Equal Employment Opportunity (EEO), and other employee policies and consolidated on LSC eWeb (intraweb).
- 13) Implemented new internal Risk Management Committee, including enhanced reporting to the Board on risk management.
- 14) Development Unit initiated quarterly meetings with OFAS to reconcile gift records.
- 15) Continued using outside reviewers in the grant application process to ensure objectivity in the process.
- 16) Continued rotating review of grant applications by Program Counsel to ensure objectivity in the process.
- 17) Continued the use of special grant conditions and short-term funding to address fiscal concerns.
- 18) Continued planning overhaul of grants management system, including comprehensive business process analysis, to improve access to and management of all information LSC maintains on grantees. Expert to choose new grants management software in mid-2015.

# **Update on Rulemaking Agenda**



OFFICE OF LEGAL AFFAIRS

To: Operations and Regulations Committee

From: Ronald S. Flagg, Vice President and General Counsel  
Mark Freedman, Senior Assistant General Counsel  
Stefanie K. Davis, Assistant General Counsel  
Peter Karalis, OLA Post-Graduate Fellow

Re: Proposed Revisions to 45 C.F.R. Part 1628

Date: January 9, 2014

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LSC regulations limit the ability of recipients to carry over LSC funds that remain unused at the end of the fiscal year. 45 C.F.R. Part 1628. A recipient may automatically retain up to 10% of its LSC funds. 45 C.F.R. § 1628.3(a). If a recipient's end-of-year carryover exceeds the amount of funds that it is permitted to retain, the excess fund balance generally must be returned to the Corporation. *Id.* § 1628.3(e). For a recipient to retain more than 10% of its funds, it must request a waiver from the Corporation. *Id.* § 1628.3(b).

LSC revised Part 1628 in 2000 "to provide the Corporation with more discretion to determine whether to permit a recipient to maintain a fund balance of up to 25% of its LSC support for a particular period." 65 Fed. Reg. 66637, 66638 (Nov. 7, 2000). In addition, the revised rule "authorizes the Corporation to exercise its discretion to waive the 25% cap on excess fund balances in three specific circumstances when extraordinary and compelling reasons exist for such a waiver." *Id.* These "extraordinary and compelling circumstances" are narrowly limited to when a recipient receives certain types of income derived from its use of LSC grant funds: (1) "an insurance reimbursement," (2) "the proceeds from the sale of real property," or (3) "a payment from a lawsuit in which the recipient was a party." 45 C.F.R. § 1628.3(c). Although "[t]he Committee considered using a standard of 'extraordinary and compelling' for these waivers with the three specific circumstances discussed as examples," it ultimately decided "that more guidance was required to avoid erosion of the standard." 65 Fed. Reg. at 66640.

In the years since the revised rule was published, LSC grantees have experienced various unexpected occurrences leading to balances in excess of 25% of their annual funding that have fallen outside of the three "extraordinary and compelling circumstances" listed in section

## Proposed Revisions to 45 C.F.R. Part 1628

January XX, 2014

Page 2

1628.3(c). These occurrences have included an end-of-year transfer of assets from a former grantee to a current grantee, a natural disaster that resulted in a significant infusion of use-or-lose disaster relief funds from non-LSC sources, and receipt of a large attorneys' fees award in an LSC-funded case near the end of the fiscal year. Because these events are not among the three "extraordinary and compelling circumstances" that allow for a waiver in excess of 25% of funding, but are, at the very least, arguably legitimate reasons for a recipient to incur a large carryover, Management believes Part 1628 should be revised to allow LSC to consider granting waivers in those and other extraordinary and compelling circumstances, in addition to the three circumstances currently listed. Such unanticipated circumstances should include situations where a grantee receives income derived from its use of LSC grant funds as well as situations where a recipient is unable to expend its current LSC grant funds as originally planned.

The rulemaking to revise Part 1628 would include the following topics:

- Revise section 1628.3(c) to state that the list of "extraordinary and compelling circumstances" in that section is not exclusive, and that the situations described are intended to serve only as examples of when the Corporation has discretion to grant a waiver in excess of 25% of a recipient's annual fund balance;
- Consider adding to section 1628.3(c) additional examples of "extraordinary and compelling circumstances";
- Consider requiring that Management provide notice to the Board of any decision that the Corporation makes to grant a waiver in excess of 25% of a recipient's annual fund balance; and
- Consider expressly stating that a recipient may submit a request for a waiver prior to the close of the fiscal year. Section 1628.4(a) currently provides only that a recipient may request a waiver within 30 days of the submission of its annual audited financial statements. 45 C.F.R. § 1628.4(a). The preamble to the revised 2000 rule, however, notes that "[t]his rule does not preclude the recipient's request for a Corporation action on a waiver prior to the close of the fiscal year." 65 Fed. Reg. at 66640.

The proposed timeline for revision is as follows:

- **April 2015** – Present Committee and Board with a Rulemaking Options Paper and draft NPRM. We propose a 30-day comment period for the NPRM.
- **July 2015** – Present Committee and Board with a final rule.



## OFFICE OF LEGAL AFFAIRS

To: Operations and Regulations Committee

From: Ronald S. Flagg, General Counsel and Vice President for Legal Affairs  
Stefanie K. Davis, Assistant General Counsel  
Peter Karalis, OLA Graduate Fellow

Re: History of 45 C.F.R. Part 1603—State Advisory Councils

Date: November 17, 2014

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This memo responds to a request from the Operations and Regulations Committee (“Committee”) of the LSC Board of Directors for information on the history of 45 C.F.R. Part 1603, governing state advisory councils. The request arose from the Office of Inspector General’s (“OIG”) recommendation that LSC either act to request the governors of each state to appoint councils or rescind Part 1603, because the state advisory councils appeared to be defunct. The requested history is presented herein.

### **I. Text and Legislative History of Section 1004(f)**

Section 1004(f) of the LSC Act begins with a prescription of the process for appointing state advisory councils:

Within six months after the first meeting of the Board, the Board shall request the Governor of each State to appoint a nine-member advisory council for such State. A majority of the members of the advisory council shall be appointed, after recommendations have been received from the State bar association, from among the attorneys admitted to practice in the State, and the membership of the council shall be subject to annual reappointment. If ninety days have elapsed without such an advisory council appointed by the Governor, the Board is authorized to appoint such a council.

42 U.S.C. § 2996c(f). The legislative history behind this provision indicates how the word “authorized” arose in the final bill:

The House bill required the Board to appoint a State advisory council within 90 days if the Governor fails to do so. The Senate amendment authorized the Board to make such appointments. The House recedes.

S. Rep. No. 93-845, at 18 (1974).

The remainder of section 1004(f) prescribes the duties of both the state advisory councils and the Corporation once councils have been appointed:

The advisory council shall be charged with notifying the Corporation of any apparent violation of the provisions of this subchapter and applicable rules, regulations, and guidelines promulgated pursuant to this subchapter. The advisory council shall, at the same time, furnish a copy of the notification to any recipient affected thereby, and the Corporation shall allow such recipient a reasonable time (but in no case less than thirty days) to reply to any allegation contained in the notification.

*Id.* With regard to these duties, Senator Kennedy provided the following statement:

No provision is made for resources to provide staff for these councils, and we do not expect the very limited resources of the Corporation to be used for such purposes, since it is expected that they will function only when necessary to provide the required notifications.

120 Cong. Rec. S12,953 (daily ed. July 18, 1974) (statement of Sen. Kennedy).

Congress revisited the role of the state advisory councils more than seven years after the LSC Act was passed when Senator Chiles proposed amendments to an appropriations bill that would provide funding for LSC. John A. Dooley & Alan W. Houseman, *Legal Services History* ch. 4, at 11 & n.37 (Nov. 1984) (citing 127 Cong. Rec. S11,518 (daily ed., Oct. 15, 1981)). Senator Chiles' original amendments included his recommendation for "strengthening state advisory councils," but this language was removed during modification in committee. *Id.* Section 1004(f) was not amended at all.

## **II. Part 1603**

LSC promulgated Part 1603, which became effective on January 23, 1976, "to implement section 1004(f) of the Legal Services Corporation Act of 1974, 42 U.S.C. 2996c(f), which provides authority for the appointment of state advisory councils." 40 Fed. Reg. 59351 (Dec. 23, 1975). Section 1603.4 governs the procedure for the appointment of council, and begins as follows:

At the formal request of the Board, to be made before January 14, 1976, the Governor may appoint a council for the State. Those council members who are attorneys admitted to practice in the State shall be appointed by the Governor after recommendations have been received from the State bar association. In

making such appointments, it is recommended the Governor consult with other bar associations in the State, representatives of groups concerned with the interests of recipients, eligible clients and other interested groups.

45 C.F.R. § 1603.4. After describing additional recommended actions for the Governor to take in appointing council members, the provision contains an additional requirement regarding the maintenance of existing councils:

Sixty days prior to the expiration of a member's term, the Governor shall notify those groups mentioned in this Section so that their recommendations may be solicited for purposes of appointment of a new member or reappointment of an incumbent member of the council.

*Id.*

Part 1603 also contains several provisions that govern the duties of the Corporation regarding interaction with and support of state advisory councils. First, section 1603.5, in reference to complaints submitted by the council, states that “[t]he Corporation shall inform the complainant, the council and the recipient of all action taken on the complaint.” *Id.* § 1603.5(c). Second, section 1603.6, governing notification of apparent violations, provides:

(a) Upon receipt of a notification of an apparent violation, the matters contained therein shall be investigated and resolved by the Corporation in accordance with the Act and rules and regulations issued thereunder.

(b) Upon receipt from a council of a notification of an apparent violation, the Corporation shall allow any recipient affected thereby a reasonable time (but in no case less than thirty days) to reply to any allegation contained in the notification.

(c) The Corporation shall inform the Chairperson of a council of the action, if any, the Corporation has taken with regard to any notification received from such council.

*Id.* § 1603.6. Third, section 1603.8 governs the Corporation’s support of the councils:

(a) The Corporation shall inform the Chairperson of each council of the funds available to the council from the Corporation for actual and reasonable expenses incurred by members of the council to pursue council business.

(b) It shall be the duty of the President of the Corporation to keep the Chairperson of each council informed of the work of the Corporation.

(c) The Secretary of the Corporation shall mail annually to each recipient the name and address of the Chairperson of the appropriate council and a form of notice indicating where complaints may be sent.

*Id.* § 1603.8.

State advisory councils are mentioned in two other LSC regulations in addition to Part 1603. Part 1618 governs enforcement procedures and provides in relevant part that “[a] complaint of a violation of the Act by a recipient or an employee may be made to the recipient, the State Advisory Council, or the Corporation.” *Id.* § 1618.3. Part 1622 governs public access to meetings held by the Board, committees, and state advisory councils, and refers to councils throughout its provisions. *Id.* §§ 1622.1-1622.5, 1622.8. For example, section 1622.3 provides that “[e]very meeting of the Board, a committee or a council shall be open in its entirety to public observation except as otherwise provided in § 1622.5.” *Id.* § 1622.3.

### **III. Office of General Counsel’s 1989 Opinion on the Mandate of Section 1004(f)**

On September 19, 1989, the Office of General Counsel (“OGC”) issued an opinion in response to an inquiry from the Office of Rep. Pete Laney “regarding the responsibility of the Governor of Texas to appoint members to a state advisory council” in conformance with section 1004(f) of the LSC Act. Letter from Suzanne B. Glasow, Senior Counsel for Operations and Regulations, to Mike Sims, Office of Rep. Pete Laney at 1 (Sept. 19, 1989) (“1989 Opinion” or “Opinion”). In the 1989 Opinion, OGC determined that section 1004(f) “does not mandate the creation of state advisory councils; it merely permits their creation.” *Id.*

In its analysis, the 1989 Opinion contrasts the word “shall”—used in the statute to describe the Board’s duty to request the initial appointment of a council by a governor—with the word “authorized”—used to describe the Board’s ability to appoint a council if a governor failed to do so. *Id.* at 2 (quoting 42 U.S.C. § 2996c(f)):

. . . Congress did not require LSC to appoint state advisory councils; instead, Congress required LSC to request the state governors to appoint such councils and permitted LSC to appoint such councils if the governors did not.

*Id.*

The 1989 Opinion ultimately concluded that

LSC’s first Board of Directors met its six-month deadline to invite governors to appoint [state advisory councils]. Following the deadline, LSC had the discretion to appoint members for those states where the Governor failed to act, but LSC records do not show that the Board exercised its option to appoint.

*Id.* The 1989 Opinion closed with a brief history of the state advisory council program up to that point in time:

In June 1976, LSC President Thomas Ehrlich informed the LSC Board that 46 [state advisory councils] had been appointed. However, later reports reflect that many of these councils rarely met, if ever. By 1983 only six [state advisory councils] appeared to be operational. At present, only two appear to be functioning (Colorado and Indiana).

*Id.*

#### **IV. LSC Responses to Inquiries Regarding State Advisory Councils**

In 2002, LSC Assistant General Counsel Dawn M. Browning responded to a request from the Virginia State Legislature's Joint Legislative Audit & Review Commission regarding the status of the Virginia State Advisory Council to LSC. Memorandum from Dawn M. Browning, Assistant General Counsel, to Victor M. Fortuno, General Counsel (Dec. 3, 2002). After researching the issue with former LSC employees who were active at the time the councils were functioning, Browning responded, in part, as follows:

1) The Virginia State Advisory Council to LSC is inactive, as are the state advisory councils from all other states; 2) there is no plan at this time to appoint a state advisory council to Virginia or any other state . . . ; 3) the function of the state advisory councils – to identify non-compliance with the LSC Act and Regulations – are carried out practically by any number of parties including LSC employees, the LSC OIG clients, private citizens, etc.

*Id.*

In 2004, Browning responded to a request from Legal Services of North Dakota regarding how the North Dakota State Advisory Council should handle the first complaint that it had ever received. Memorandum from Dawn M. Browning, Assistant General Counsel, to Victor M. Fortuno, General Counsel (March 17, 2004). In her response, Browning relied on the research she had gathered in 2002 to state that

1) Governors typically no longer appoint such councils 2) LSC does not appoint the councils when governors fail to; and 3) the regulation governing the councils has been largely un-enforced since the mid-1980s.

*Id.* Browning further stated that if the advisory council had already informed LSC's Office of Compliance and Enforcement of the complaint, then no further action was required of it. *Id.*

**Executive Order 13563 -- Improving Regulation and Regulatory Review**  
**January 18, 2011**

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to improve regulation and regulatory review, it is hereby ordered as follows:

Section 1. General Principles of Regulation. (a) Our regulatory system must protect public health, welfare, safety, and our environment while promoting economic growth, innovation, competitiveness, and job creation. It must be based on the best available science. It must allow for public participation and an open exchange of ideas. It must promote predictability and reduce uncertainty. It must identify and use the best, most innovative, and least burdensome tools for achieving regulatory ends. It must take into account benefits and costs, both quantitative and qualitative. It must ensure that regulations are accessible, consistent, written in plain language, and easy to understand. It must measure, and seek to improve, the actual results of regulatory requirements.

(b) This order is supplemental to and reaffirms the principles, structures, and definitions governing contemporary regulatory review that were established in Executive Order 12866 of September 30, 1993. As stated in that Executive Order and to the extent permitted by law, each agency must, among other things: (1) propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs (recognizing that some benefits and costs are difficult to quantify); (2) tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives, taking into account, among other things, and to the extent practicable, the costs of cumulative regulations; (3) select, in choosing among alternative regulatory approaches, those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity); (4) to the extent feasible, specify performance objectives, rather than specifying the behavior or manner of compliance that regulated entities must adopt; and (5) identify and assess available alternatives to direct regulation, including providing economic incentives to encourage the desired behavior, such as user fees or marketable permits, or providing information upon which choices can be made by the public.

(c) In applying these principles, each agency is directed to use the best available techniques to quantify anticipated present and future benefits and costs as accurately as possible. Where appropriate and permitted by law, each agency may consider (and discuss qualitatively) values that are difficult or impossible to quantify, including equity, human dignity, fairness, and distributive impacts.

Sec. 2. Public Participation. (a) Regulations shall be adopted through a process that involves public participation. To that end, regulations shall be based, to the extent feasible and consistent with law, on the open exchange of information and perspectives among State, local, and tribal officials, experts in relevant disciplines, affected stakeholders in the private sector, and the public as a whole.

(b) To promote that open exchange, each agency, consistent with Executive Order 12866 and other applicable legal requirements, shall endeavor to provide the public with an opportunity to

participate in the regulatory process. To the extent feasible and permitted by law, each agency shall afford the public a meaningful opportunity to comment through the Internet on any proposed regulation, with a comment period that should generally be at least 60 days. To the extent feasible and permitted by law, each agency shall also provide, for both proposed and final rules, timely online access to the rulemaking docket on regulations.gov, including relevant scientific and technical findings, in an open format that can be easily searched and downloaded. For proposed rules, such access shall include, to the extent feasible and permitted by law, an opportunity for public comment on all pertinent parts of the rulemaking docket, including relevant scientific and technical findings.

(c) Before issuing a notice of proposed rulemaking, each agency, where feasible and appropriate, shall seek the views of those who are likely to be affected, including those who are likely to benefit from and those who are potentially subject to such rulemaking.

Sec. 3. Integration and Innovation. Some sectors and industries face a significant number of regulatory requirements, some of which may be redundant, inconsistent, or overlapping. Greater coordination across agencies could reduce these requirements, thus reducing costs and simplifying and harmonizing rules. In developing regulatory actions and identifying appropriate approaches, each agency shall attempt to promote such coordination, simplification, and harmonization. Each agency shall also seek to identify, as appropriate, means to achieve regulatory goals that are designed to promote innovation.

Sec. 4. Flexible Approaches. Where relevant, feasible, and consistent with regulatory objectives, and to the extent permitted by law, each agency shall identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public. These approaches include warnings, appropriate default rules, and disclosure requirements as well as provision of information to the public in a form that is clear and intelligible.

Sec. 5. Science. Consistent with the President's Memorandum for the Heads of Executive Departments and Agencies, "Scientific Integrity" (March 9, 2009), and its implementing guidance, each agency shall ensure the objectivity of any scientific and technological information and processes used to support the agency's regulatory actions.

Sec. 6. Retrospective Analyses of Existing Rules. (a) To facilitate the periodic review of existing significant regulations, agencies shall consider how best to promote retrospective analysis of rules that may be outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with what has been learned. Such retrospective analyses, including supporting data, should be released online whenever possible.

(b) Within 120 days of the date of this order, each agency shall develop and submit to the Office of Information and Regulatory Affairs a preliminary plan, consistent with law and its resources and regulatory priorities, under which the agency will periodically review its existing significant regulations to determine whether any such regulations should be modified, streamlined, expanded, or repealed so as to make the agency's regulatory program more effective or less burdensome in achieving the regulatory objectives.

Executive Order 13563  
Improving Regulation and Regulatory Review  
January 18, 2011

Sec. 7. General Provisions. (a) For purposes of this order, "agency" shall have the meaning set forth in section 3(b) of Executive Order 12866.

(b) Nothing in this order shall be construed to impair or otherwise affect:

(i) authority granted by law to a department or agency, or the head thereof; or

(ii) functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(c) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(d) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

BARACK OBAMA

THE WHITE HOUSE,  
January 18, 2011.

<http://www.whitehouse.gov/the-press-office/2011/01/18/improving-regulation-and-regulatory-review-executive-order>

# **45 CFR Part 1640**

OFFICE OF LEGAL AFFAIRS

**TO:** Operations and Regulations Committee

**FROM:** Ronald S. Flagg, General Counsel and Vice President for Legal Affairs  
Stefanie K. Davis, Assistant General Counsel  
Sarah Anderson, Graduate Fellow, Office of Legal Affairs

**DATE:** January 6, 2015

**SUBJECT:** Rulemaking Options Paper — 45 C.F.R. Part 1640: Application of Federal Law to LSC Recipients

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This Rulemaking Options Paper (ROP) sets forth options and recommendations regarding revisions to Part 1640 of the LSC regulations. 45 C.F.R. Part 1640 governs the applicability of Federal laws relating to the proper use of Federal funds by LSC recipients, as required by section 504(a)(19) of LSC's fiscal year 1996 appropriations statute. This ROP summarizes the history of Part 1640 and the impetus for this proposed rulemaking. It will also propose three alternatives for addressing the issues identified as appropriate for rulemaking.

**I. Summary of Management Recommendation**

Management recommends that the Committee authorize rulemaking and approve publication of the attached Notice of Proposed Rulemaking (NPRM) to amend Part 1640. As explained more fully below, publication of the attached NPRM will give the Corporation more flexibility to account for changes in Federal laws relating to the proper use of Federal funds. It will also ensure that LSC continues providing notice to recipients about which laws LSC considers "Federal laws relating to the proper use of Federal funds."

**II. Background**

In 1996, Congress placed certain restrictions and conditions on LSC's grant-making activities.<sup>1</sup> Omnibus Consolidated Rescissions and Appropriations Act of 1996, Pub. L. 104-134, Tit. V, 110 Stat. 1321 (1996). One of those conditions prohibited LSC from making a financial assistance award to any person or entity

unless such person or entity enters into a contractual agreement to be subject to all provisions of Federal law relating to the proper use of Federal funds, the violation of

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<sup>1</sup> Congress has incorporated these restrictions by reference in LSC's annual appropriations acts every year since 1996. *See, e.g.*, Pub. L. 104-208, § 502(a)(2), 110 Stat. 3009, 3009-59 (1997) (fiscal year 1997 appropriations act); Pub. L. 105-119, Tit. V, § 502(a)(2), 111 Stat. 2440, 2510 (1997) (fiscal year 1998 appropriations act); Pub. L. 113-76, Div. B, Tit. V, 128 Stat. 5, 76 (2014) (fiscal year 2014 appropriations act).

which shall render any grant or contractual agreement to provide funding null and void, and, for such purposes, the Corporation shall be considered to be a Federal agency and all funds provided by the Corporation shall be considered to be Federal funds provided by grant or contract.

Id. § 504(a)(19).

LSC promulgated an interim rule with a request for comments to implement this new condition on its grants. 61 Fed. Reg. 45760 (Aug. 29, 1996). In the preamble to the interim rule, LSC announced that it was interpreting the statutory phrase “all provisions of Federal law relating to the proper use of Federal funds” to mean “with respect to [a recipient’s] LSC funds, all programs should be subject to Federal laws which address issues of waste, fraud and abuse of Federal funds.” Id. LSC based its interpretation on legislative history that appeared to limit the applicable laws to those dealing with fraud, waste, and abuse of Federal funds. In particular, LSC relied on two congressional documents to support its interpretation. First, the Corporation cited to the House Report for H. R. 2076, which was a prior effort to enact a provision similar to section 504(a)(19). The relevant language in that report stated:

[S]ection 504(20) requires all programs receiving Federal funds to comply with Federal statutes and regulations governing waste, fraud, and abuse of Federal funds.

H. Rep. No. 104-196, 104<sup>th</sup> Cong., 1<sup>st</sup> Sess. 116 (July 1995) (emphasis added). The second source of support was section 5 of H. R. 1806, the Legal Services Reform Act of 1995, which was an unsuccessful attempt to revise the LSC Act. As an extension of his remarks introducing H.R. 1806, Rep. McCollum submitted a partial summary of the bill, including a discussion of section 5 entitled “Application of waste, fraud, and abuse laws.” 141 Cong. Rec. E1220-21 (daily ed. June 9, 1995). Section 5 itself was titled “Protection Against Theft and Fraud,” and expressly included provisions of Title 18 of the U.S. Code pertaining to criminal offenses involving the misuse of Federal funds, as well as provisions of the False Claims Act. H. R. 1806, 104<sup>th</sup> Cong., § 5 (1995).

LSC adopted the list of statutes in section 5, with one exception. Through negotiation with LSC’s Office of Inspector General (OIG), LSC determined that three other criminal statutes should also be included in the list. 61 Fed. Reg. 45760 (Aug. 29, 1996). These statutes prohibit bribery of public officials and witnesses, conspiracy to defraud the United States, and obstruction of a federal audit. Id. at 45761.

LSC made clear in the preamble to the interim rule that it intended the list of statutes set forth in the rule to be an exhaustive list of the statutes for which it could summarily terminate a recipient’s funding, as contemplated by section 504(a)(19). Id. at 45760 (“The relevant laws are listed in the definition of ‘Federal law relating to the proper use of Federal funds’ in paragraph

(a)(1) of this section.”). Consistent with this intent, LSC stated that “Federal law relating to the proper use of Federal funds means” a discrete list of thirteen statutes. *Id.* at 45761. LSC received no comments on this section, and made no amendments in the final rule. 62 Fed. Reg. 19424 (Apr. 21, 1997). This list has remained unchanged since LSC issued the final rule in 1997.

LSC annually issues a set of grant assurances that recipients must agree to in order to receive funding. These grant assurances represent the “contractual agreement to be subject to all provisions of Federal law relating to the proper use of Federal funds” required by section 504(a)(19). In the course of developing the 2015 Grant Assurances, LSC and OIG determined that the list of statutes in 45 C.F.R. § 1640.2 was problematic because it failed to include all of the relevant laws. For example, the list does not include 18 U.S.C. § 666<sup>2</sup>, which OIG described in its June 24, 2014 memo to this Committee as “the primary federal statute for prosecution of theft, embezzlement, and bribery schemes involving non-federal officials.” Because this provision is not included in the definition of the term “Federal law relating to the proper use of Federal funds” in 45 C.F.R. § 1640.2, if any recipient, or an officer or employee of a recipient, has been convicted of violating 18 U.S.C. § 666, LSC cannot, under the current regulation, summarily terminate the recipient’s funding as directed by section 504(a)(19) of the 1996 LSC appropriations act.

LSC has identified two other statutes as appropriate for inclusion in Part 1640. Both are criminal statutes. 18 U.S.C. § 285 prohibits the use of false pretenses to obtain “payment of money from or by the United States.” 18 U.S.C. § 1031 criminalizes major fraud schemes, which by the terms of the statute are frauds involving grants, contracts, or other forms of Federal assistance valued at \$1 million or more. Because both of these statutes authorize criminal sanctions for the fraudulent obtaining or use of Federal funds, LSC believes they are “Federal law relating to the proper use of Federal funds” for purposes of section 504(a)(19) and Part 1640.

Both Management and OIG have recommended that LSC revise Part 1640 to ensure that it reflects the current “Federal law relating to the proper use of Federal funds.” In its July 2, 2014 memo to this Committee, Management proposed amending Part 1640 “to include 18 U.S.C. § 666 and any other Federal laws governing waste, fraud, and abuse of Federal funds that currently are excluded.” OIG proposed that LSC amend Part 1640 by removing “all specific statutory references from the regulation and [referring] readers to the LSC website, where LSC would maintain an easily-updated list of applicable statutes.”

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<sup>2</sup> H.R. 1806 included 18 U.S.C. § 666 among the criminal statutes aimed at preventing theft or fraud involving Federal funds. The regulatory history does not explain why this section was omitted from the list in section 1640.2(a)(1).

### **III. Options**

#### **A. Process and Considerations**

LSC’s framework for revising 45 C.F.R. § 1640.2(a) was based on two considerations: whether the list of “Federal law relating to the proper use of Federal funds” should remain in Part 1640 or be moved to LSC’s website, and whether the list should remain exhaustive or be made illustrative. Within this framework, LSC identified four options for revising the rule, each of which combines one of the choices from each of the two considerations.

LSC considered the benefits and costs of retaining the list of statutes in the regulation versus publishing the rule in another medium. Keeping the list of statutes in section 1640.2(a) has the benefit of maintaining the status quo, which means that recipients can continue to find the list of “Federal law relating to the proper use of Federal funds” in LSC’s regulations alongside the provisions governing the contractual agreement and the processes that LSC will follow in enforcing these laws. However, keeping the list in the text of the regulation would continue to require LSC to undertake rulemaking each time it wanted to revise the list of statutes in section 1640.2(a). Given the relative infrequency with which Congress enacts organic legislation or amends existing statutes, it is unlikely that LSC would have regular occasion to revise the list. Because rulemaking requires a significant investment of LSC staff resources and time, however, even sporadic updates may be delayed because of the time needed to engage in the rulemaking process.

LSC believes that relocating the list to LSC’s website would not decrease recipients’ notice of the applicable laws because LSC would provide a link to the list in the annual grant assurances that recipients must agree to as a condition of funds. Maintaining the list on its website would also give LSC more flexibility to update and revise the list of laws in a timely manner than the rulemaking process allows.

Similarly, LSC balanced the costs and benefits of retaining an exhaustive list of “Federal law relating to the proper use of Federal funds” versus making the list illustrative. An exhaustive list would provide recipients with clear notice of all the laws that LSC considers “Federal law relating to the proper use of Federal funds” for purposes of the summary termination sanction prescribed by section 504(a)(19) of the FY 1996 LSC appropriations act. It would not, however, address OIG’s concern that the summary termination sanction would not be available for violations of Federal laws governing the proper use of Federal funds that are not included on the list. Making the list illustrative would address OIG’s concern, but it would simultaneously dilute the value of the notice to recipients because recipients would not know for certain that the laws listed are the only ones for which the summary termination sanction is available. We believe transparency and notice are desirable in this context.

After analyzing each of the factors discussed above, LSC identified the following four options for revising 45 C.F.R. § 1640.2(a).

**B. Option 1: Move the exhaustive list of statutes to LSC’s website**

Under this option, LSC would rename § 1640.2(a)(1) and revise it to replace the list of statutes with a statement that LSC will maintain a publicly available list of Federal laws relating to the proper use of Federal funds on its website and include a link to the list in the annual grant assurances. LSC would also provide for Board approval of any proposed additions to or deletions from the public list, and public notice to recipients whenever the list is modified. Additionally, because LSC would remove the list from § 1640.2(a)(1), LSC would make technical changes to the sections of Part 1640 that refer to the list.

**1. Proposed Rule Text**

§ 1640.2 ~~Definitions~~ Applicable Federal laws

(a) LSC will maintain a public list of applicable Federal laws relating to the proper use of Federal funds on its website and provide recipients a link to the list in the contractual agreement. The list will be exhaustive and may be modified with the approval of the Corporation’s Board of Directors. LSC will provide notice to recipients whenever the list is modified. ~~(1) Federal law relating to the proper use of Federal funds means:~~

- ~~(i) 18 U.S.C. 201 (Bribery of Public Officials and Witnesses);~~
- ~~(ii) 18 U.S.C. 286 (Conspiracy to Defraud the Government With Respect to Claims);~~
- ~~(iii) 18 U.S.C. 287 (False, Fictitious, or Fraudulent Claims);~~
- ~~(iv) 18 U.S.C. 371 (Conspiracy to Commit Offense or Defraud the United States);~~
- ~~(v) 18 U.S.C. 641 (Public Money, Property or Records);~~
- ~~(vi) 18 U.S.C. 1001 (Statements or Entries Generally);~~
- ~~(vii) 18 U.S.C. 1002 (Possession of False Papers to Defraud the United States);~~
- ~~(viii) 18 U.S.C. 1516 (Obstruction of Federal Audit);~~
- ~~(ix) 31 U.S.C. 3729 (False Claims);~~
- ~~(x) 31 U.S.C. 3730 (Civil Actions for False Claims), except that actions that are authorized by 31 U.S.C. 3730(b) to be brought against persons may not be brought against the Corporation, any recipient, subrecipient, grantee, or contractor of the Corporation, or any employee thereof;~~

- ~~(xi) 31 U.S.C. 3731 (False Claims Procedure);~~
- ~~(xii) 31 U.S.C. 3732 (False Claims Jurisdiction); and~~
- ~~(xiii) 31 U.S.C. 3733 (Civil Investigative Demands).~~

## 2. Comments

Option 1 combines the administrative benefits of moving the list out of the rule with the clear notice benefits of keeping an exhaustive list. Option 1 also provides the Board with flexibility in soliciting public comment, ranging from public notice and written comment to providing an opportunity for public comment at a Board of Directors meeting at which the update is discussed. Additionally, LSC commits itself in Option 1 to giving recipients notice whenever it modifies the list, which, again, promotes transparency and clear guidance about the requirements that recipients must follow.

### **C. Option 2: Move the list of statutes to LSC’s website, but make it illustrative**

In Option 2, LSC would make changes similar to those proposed in Option 1. Unlike Option 1, Option 2 would include language in § 1640.2(a) and on the website stating that the list of “Federal law relating to the proper use of federal funds” may include other laws not included on the list.

#### 1. Proposed Rule Text

##### § 1640.2 ~~Definitions~~ Applicable Federal laws

(a) LSC will maintain a public list of examples of applicable Federal laws relating to the proper use of Federal funds on its website and provide recipients a link to the list in the contractual agreement. The list is not exclusive and may be modified with the approval of the Corporation’s Board of Directors. LSC will provide notice to recipients whenever the list is modified. ~~(1) Federal law relating to the proper use of Federal funds means:~~

- ~~(i) 18 U.S.C. 201 (Bribery of Public Officials and Witnesses);~~
- ~~(ii) 18 U.S.C. 286 (Conspiracy to Defraud the Government With Respect to Claims);~~
- ~~(iii) 18 U.S.C. 287 (False, Fictitious, or Fraudulent Claims);~~
- ~~(iv) 18 U.S.C. 371 (Conspiracy to Commit Offense or Defraud the United States);~~
- ~~(v) 18 U.S.C. 641 (Public Money, Property or Records);~~
- ~~(vi) 18 U.S.C. 1001 (Statements or Entries Generally);~~

- ~~(vii) 18 U.S.C. 1002 (Possession of False Papers to Defraud the United States);~~
- ~~(viii) 18 U.S.C. 1516 (Obstruction of Federal Audit);~~
- ~~(ix) 31 U.S.C. 3729 (False Claims);~~
- ~~(x) 31 U.S.C. 3730 (Civil Actions for False Claims), except that actions that are authorized by 31 U.S.C. 3730(b) to be brought against persons may not be brought against the Corporation, any recipient, subrecipient, grantee, or contractor of the Corporation, or any employee thereof;~~
- ~~(xi) 31 U.S.C. 3731 (False Claims Procedure);~~
- ~~(xii) 31 U.S.C. 3732 (False Claims Jurisdiction); and~~
- ~~(xiii) 31 U.S.C. 3733 (Civil Investigative Demands).~~

## 2. Comments

Like Option 1, Option 2 improves LSC's ability to provide notice to its recipients of the addition, amendment, or repeal of "Federal law related to the proper use of Federal funds" in a timely manner. However, because Option 2 makes the list of statutes illustrative, rather than exclusive, it does not provide recipients notice of the entire universe of statutes to which LSC could apply the summary termination sanction under section 504(a)(19).

### **D. Option 3: Revise Part 1640 to Update the List of Statutes and Make the List Illustrative**

The third option would involve only minor substantive changes to the existing text of section 1640.2(a)(1). In this option, LSC would revise the introductory language of section 1640.2(a)(1) to state that the list is not exhaustive and add the three statutes identified as appropriate for addition to the list.

#### 1. Proposed Rule Text

##### § 1640.2 ~~Definitions~~ Applicable Federal laws

(a)(1) Federal law relating to the proper use of Federal funds includes, but is not limited to:

- (i) 18 U.S.C. 201 (Bribery of Public Officials and Witnesses);
- (ii) 18 U.S.C. 285 (Taking or Using Papers Relating to Claims);
- (iii) 18 U.S.C. 287 (False, Fictitious, or Fraudulent Claims);

- (iv) 18 U.S.C. 371 (Conspiracy to Commit Offense or Defraud the United States);
- (v) 18 U.S.C. 641 (Public Money, Property or Records);
- (vi) 18 U.S.C. 666 (Theft or Bribery Concerning Programs Receiving Federal Funds);
- (vii) 18 U.S.C. 1001 (Statements or Entries Generally);
- (viii) 18 U.S.C. 1002 (Possession of False Papers to Defraud the United States);
- (ix) 18 U.S.C. 1031 (Major Fraud Against the United States);
- (x) 18 U.S.C. 1516 (Obstruction of Federal Audit);
- (xi) 31 U.S.C. 3729 (False Claims);
- (xii) 31 U.S.C. 3730 (Civil Actions for False Claims), except that actions that are authorized by 31 U.S.C. 3730(b) to be brought against persons may not be brought against the Corporation, any recipient, subrecipient, grantee, or contractor of the Corporation, or any employee thereof;
- (xiii) 31 U.S.C. 3731 (False Claims Procedure);
- (xiv) 31 U.S.C. 3732 (False Claims Jurisdiction); and
- (xv) 31 U.S.C. 3733 (Civil Investigative Demands).

## **2. Considerations**

By stating that the list in the definition is not exhaustive, Option 3 addresses OIG's concerns about ensuring that all Federal laws relating to the proper use of Federal funds, even those that are not listed explicitly, are included within the scope of Part 1640. However, Option 3 neither improves LSC's ability to update the list of statutes in a timely manner, nor does it provide explicit notice of all the statutes to which LSC believes the sanctions required by section 504(a)(19) of the FY 1996 LSC appropriations act apply.

### **E. Option 4: Revise Part 1640 to Update the Exhaustive List of Statutes**

Similar to Option 3, Option 4 would add to section 1640.2(a)(1) the three statutes LSC and OIG have identified as appropriate for inclusion on the list. Unlike in Option 3, section 1640.2(a)(1) would remain an exhaustive list of statutes.

## **1. Proposed Rule Text**

§ 1640.2 Definitions

- (a)(1) Federal law relating to the proper use of Federal funds means:
- (i) 18 U.S.C. 201 (Bribery of Public Officials and Witnesses);
  - (ii) 18 U.S.C. 285 (Taking or Using Papers Relating to Claims);
  - (iii) 18 U.S.C. 287 (False, Fictitious, or Fraudulent Claims);
  - (iv) 18 U.S.C. 371 (Conspiracy to Commit Offense or Defraud the United States);
  - (v) 18 U.S.C. 641 (Public Money, Property or Records);
  - (vi) 18 U.S.C. 666 (Theft or Bribery Concerning Programs Receiving Federal Funds);
  - (vii) 18 U.S.C. 1001 (Statements or Entries Generally);
  - (viii) 18 U.S.C. 1002 (Possession of False Papers to Defraud the United States);
  - (ix) 18 U.S.C. 1031 (Major Fraud Against the United States);
  - (x) 18 U.S.C. 1516 (Obstruction of Federal Audit);
  - (xi) 31 U.S.C. 3729 (False Claims);
  - (xii) 31 U.S.C. 3730 (Civil Actions for False Claims), except that actions that are authorized by 31 U.S.C. 3730(b) to be brought against persons may not be brought against the Corporation, any recipient, subrecipient, grantee, or contractor of the Corporation, or any employee thereof;
  - (xiii) 31 U.S.C. 3731 (False Claims Procedure);
  - (xiv) 31 U.S.C. 3732 (False Claims Jurisdiction); and
  - (xv) 31 U.S.C. 3733 (Civil Investigative Demands).

## **2. Considerations**

Because the list remains exhaustive, Option 4 would not address OIG's concerns about the rule becoming over- or under-inclusive as Congress enacts, repeals, and amends laws governing the proper use of Federal funds. Nor would Option 4 improve LSC's ability to update the list in a timely fashion.

#### **IV. Procedure**

The Committee has two options for revising Part 1640. First, the Committee could engage in notice and comment rulemaking, with or without workshops. If the Committee chooses this option, it would also need to determine the length of the public comment period following the issuance of an NPRM. Second, the Committee could authorize negotiated rulemaking.

#### **V. Management Recommendation**

##### **A. Substance**

Management recommends Option 1, revising § 1640.2(a)(1) to move the exhaustive list of specific statutes recipients to its website to provide clear notice of the list of Federal laws relating to the proper use of Federal funds.

##### **B. Process**

Management recommends amending Part 1640 through notice and comment rulemaking. Management does not believe that rulemaking workshops are necessary, given the limited and technical nature of the proposed changes. Based on Management's recommendation, a draft NPRM for Option 1 is attached for the Committee's consideration. Depending on the Committee's reaction to the draft NPRM, the Committee could approve the draft NPRM (or a revised NPRM) at its January 2015 meeting or a subsequent meeting.

The LSC Act requires that LSC afford interested parties at least thirty days to comment on any proposed rule before the rule becomes effective. 42 U.S.C. § 2996g(e). Because the changes to the rule are not complex and the Office of Legal Affairs (OLA) does not expect the changes to be controversial, OLA recommends that the Committee approve a thirty-day comment period for the proposed rule. After the public comment period has ended, OLA will review and analyze comments received. Based on the nature of the comments received, LSC will draft either a final rule or a supplemental NPRM for the Committee's consideration at a later date.

## **LEGAL SERVICES CORPORATION**

### **45 CFR Part 1640**

#### **Application of Federal law to LSC Recipients**

**AGENCY:** Legal Services Corporation

**ACTION:** Notice of proposed rulemaking

**SUMMARY:** This proposed rule updates the Legal Services Corporation (LSC or Corporation) regulation on the application of Federal law to LSC recipients. The FY 1996 appropriations act (incorporated in LSC's appropriations by reference annually thereafter) subjects LSC recipients to Federal law relating to the proper use of Federal funds. This proposed rule will provide recipients with notice of the applicable Federal laws each recipient must agree to be subject to under this rule, the consequences of a violation of an applicable Federal law, and where LSC will maintain the list of applicable laws.

**DATE:** Comments must be submitted by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Written comments must be submitted to Stefanie K. Davis, Assistant General Counsel, Legal Services Corporation, 3333 K Street N.W., Washington, DC 20007; (202) 337-6519 (fax) or [lscrulemaking@lsc.gov](mailto:lscrulemaking@lsc.gov). Electronic submissions are preferred via email with attachments in Acrobat PDF format. Written comments sent to any other address or received after the end of the comment period may not be considered by LSC.

**FOR FURTHER INFORMATION CONTACT:** Stefanie K. Davis, Assistant General Counsel, Legal Services Corporation, 3333 K Street N.W., Washington, DC 20007; (202) 295-1563 (phone), (202) 337-6519 (fax), or [lscrulemaking@lsc.gov](mailto:lscrulemaking@lsc.gov).

**SUPPLEMENTARY INFORMATION:**

## I. Statutory and Regulatory Background

Section 504(a)(19) of LSC's FY 1996 appropriations act required LSC recipients to enter into a contract that subjected recipients to "all provisions of Federal law relating to the proper use of Federal funds." Sec. 504(a)(19), Pub. L. 104-134, title V; 110 Stat. 1321. By its terms, a violation of Sec. 504(a)(19) renders any LSC grant or contract null and void. The provision has been incorporated by reference into each of LSC's annual appropriations act since. Accordingly, the preamble and text of this proposed rule continue to refer to the appropriate section number of the FY 1996 appropriations act.

The Corporation first issued 45 CFR Part 1640 as an interim rule in 1996 to implement Sec. 504(a)(19). 61 FR 45760 (Aug. 29, 1996). The interim rule was put in place to provide immediate guidance to LSC recipients on legislation that was already in effect and carried significant penalties for noncompliance. *Id.* In the preamble to the interim rule, LSC announced that it was interpreting the statutory phrase "all provisions of Federal law relating to the proper use of Federal funds" to mean "with respect to [a recipient's] LSC funds, all programs should be subject to Federal laws which address issues of waste, fraud and abuse of Federal funds." *Id.* LSC based its interpretation on legislative history that appeared to limit the applicable laws to those dealing with fraud, waste, and abuse of Federal funds.

In particular, LSC relied on two congressional documents to support its interpretation. First, the Corporation cited to the House Report for H. R. 2076, which was a prior effort to enact a provision similar to section 504(a)(19). The relevant language in that report stated:

[S]ection 504(20) requires all programs receiving Federal funds to comply with Federal statutes and regulations governing waste, fraud, and abuse of Federal funds.

H. Rep. No. 104-196, 104<sup>th</sup> Cong., 1<sup>st</sup> Sess. 116 (July 1995) (emphasis added). Second, LSC cited section 5 of H. R. 1806, the Legal Services Reform Act of 1995, which was an unsuccessful attempt to revise the LSC Act. As an extension of his remarks introducing H.R. 1806, Rep. McCollum submitted a partial summary of the bill, including a discussion of section 5 entitled “Application of waste, fraud, and abuse laws.” 141 Cong. Rec. E1220-21 (daily ed. June 9, 1995). Section 5 itself was titled “Protection Against Theft and Fraud,” and expressly included provisions of Title 18 of the U.S. Code pertaining to criminal offenses involving the misuse of Federal funds, as well as provisions of the False Claims Act. H. R. 1806, 104<sup>th</sup> Cong., § 5 (1995).

LSC adopted the list of statutes in section 5, with one exception. Through negotiation with LSC’s Office of Inspector General (OIG), LSC determined that two other criminal statutes should be included in the list. 61 FR 45760. These statutes prohibit bribery of public officials and witnesses and conspiracy to defraud the United States. *Id.* at 45761.

Minor changes to the interim rule, not affecting this list, were made before the final rule was published in 1997. 62 FR 19424-19427 (April 21, 1997). LSC has not revised Part 1640 since the publication of the final rule.

## **II. LSC’s Consideration of the Applicable Federal laws.**

Since the final rule was published, Congress has amended or passed other Federal laws relating to the proper use of Federal funds. In 2014, OIG raised concerns that the § 1640.2(a)(1) list of applicable Federal laws is now under-inclusive. As an example, OIG noted the omission of 18 U.S.C. 666, which prohibits theft or bribery concerning programs receiving Federal funds and is the basis for many of OIG’s referrals to the Department of Justice for prosecution. Subsequently, LSC staff researched other Federal laws applicable to fraud, waste, and abuse of

Federal funds. The search revealed at least two other Federal laws relating to the proper use of Federal funds currently missing from the § 1640.2(a)(1) list: 18 U.S.C. 285—Taking or using papers relating to claims, and 18 U.S.C. 1031—Major fraud against the United States.

In response to OIG’s concern, LSC initially considered removing all statutory references from the regulation and instead drafting a definition of “Federal law relating to the proper use of Federal funds” to encompass all the applicable Federal laws without the need to specifically list the statutory references. LSC staff concluded that any possible definition would either narrow the scope of Section 504(a)(19) too much or allow for too broad of an interpretation of the provision. LSC subsequently based its options for revising Part 1640 on two considerations: whether the list of “Federal law relating to the proper use of Federal funds” should remain in Part 1640 or be moved to LSC’s website, and whether the list should remain exhaustive or be made illustrative. LSC considered whether each option for amending the regulation appropriately balanced the desire for notice to recipients about the “Federal law relating to the proper use of Federal funds” covered by the rule with LSC’s interest in expeditiously amending the list of such laws whenever Congress acts to add, repeal, or amend them.

First, the Corporation considered adding the missing statutes to the current § 1640.2(a)(1) list and revising the language to make it clear that the list of statutes is merely illustrative. LSC staff concluded that an illustrative list would not give recipients adequate notice about which laws may be included in this part. Second, LSC considered simply adding the three missing statutes to the current list in § 1640.2(a)(1) and retaining the list’s exhaustive nature. LSC staff concluded that this option would not address OIG’s concerns about the rule becoming over- or under-inclusive as laws governing the proper use of Federal funds are amended, added, or repealed. Nor would this option improve LSC’s ability to update the list in a timely fashion.

Finally, LSC considered removing all statutory references from the regulation and instead referring readers to the LSC website, where LSC would maintain an easily updated list of applicable statutes. LSC staff concluded that this option would allow LSC more flexibility to update and revise the list of laws in a timely manner. This option would also provide recipients with adequate notice of the applicable laws because LSC would provide a link to the list in the annual contractual agreement.

LSC proposes to adopt this last option using an exhaustive list of statutes. This approach would require a minor modification in the contractual agreement between the Corporation and its recipients, which currently directs recipients to the § 1640.2(a)(1) list. The Corporation refers to this contractual agreement as the “LSC Grant Assurances,” and requires recipients to consent to the agreement annually as a condition of receiving LSC funding. The Grant Assurances would be modified to direct recipients to the Corporation’s website, where the list of applicable laws would be maintained.

As required by the LSC Rulemaking Protocol, LSC staff prepared an explanatory rulemaking options paper, accompanied by a proposed rule amending Part 1640. On January XX, 2015, the Board voted to authorize LSC to initiate rulemaking. On January XX, 2015, the Board approved the proposed rule for publication in the **Federal Register** for notice and comment. A section by section analysis of the proposed rule is provided below.

### **III. Proposed List of Federal Laws Relating to the Proper Use of Federal Funds**

LSC proposes to post the following list of applicable Federal laws relating to the proper use of Federal funds on the Corporation’s website. The list would be subject to change as legislation changes. LSC seeks comment on both the proposal to remove the list from Part 1640 and the proposed list of statutes.

1. 18 USC 201 (Bribery of Public Officials and Witnesses);
2. 18 USC 285 (Taking or using papers relating to claims);
3. 18 USC 286 (Conspiracy to Defraud the Government With Respect to Claims);
4. 18 USC 287 (False, Fictitious or Fraudulent Claims);
5. 18 USC 371 (Conspiracy to Commit Offense or Defraud the United States);
6. 18 USC 641 (Public Money, Property or Records);
7. 18 USC 666 (Theft or bribery concerning programs receiving Federal funds);
8. 18 USC 1001 (Statements or Entries Generally);
9. 18 USC 1002 (Possession of False Papers to Defraud the United States);
10. 18 USC 1031 (Major fraud against the United States);
11. 18 USC 1516 (Obstruction of Federal Audit);
12. 31 USC 3729 (False Claims);
13. 31 USC 3730 (Civil Actions for False Claims), except that actions that are authorized by 31 USC 3730(b) to be brought by persons may not be brought against the Corporation, any recipient, subrecipient, grantee, or contractor of the Corporation, or its employees;
14. 31 USC 3731 (False Claims Procedure);
15. 31 USC 3732 (False Claims Jurisdiction); and
16. 31 USC 3733 (Civil Investigative Demands).

#### **IV. Proposed Changes**

##### 1640.1 Purpose

LSC proposes to revise § 1640.1 to reflect the changes to § 1640.2.

##### 1640.2 Applicable Federal laws

LSC proposes to delete existing § 1640.2(a)(1), redesignate § 1640.2(a)(2) as § 1640.2(b), and redesignate existing § 1640.2(b)(1) and (2) as § 1640.4(a) and (c) respectively.

Proposed § 1640.2(a) states that the Corporation will maintain a public list of applicable Federal laws. The list will be maintained on the Corporation's website. The contract between the Corporation and the recipient, currently referred to as LSC Grant Assurances, will be revised to provide recipients with a link to the list.

Removing the list of statutes from the text of the rule will allow the Corporation to modify the list as needed with approval of the Board, rather than requiring LSC to engage in rulemaking prior to making any necessary changes. This change will allow LSC to update the list more quickly in response to congressional actions adding, amending, or repealing "Federal law relating to the proper use of Federal funds." Modification of the list with Board approval does not rule out notice and comment for any changes, but it also does not require notice and comment for any changes. LSC will provide recipients with notice any time the list is modified.

Proposed § 1640.2(b) renumbers and revises existing § 1640.2(a)(2) for clarity and readability. LSC made no substantive changes to this subsection.

Recipients are reminded that OIG has statutory responsibility to investigate the activities covered by the applicable Federal laws. Although the contractual agreement with the Corporation would apply only to LSC funds, recipients are further reminded that OIG investigates reports of possible theft or misuse of a recipient's non-LSC funds as well as its LSC funds and would report any theft or misuse that is found to the appropriate Federal or State authorities.

### 1640.3 Contractual agreement

LSC proposes to revise existing § 1640.3 to reflect the removal of the list of Federal law relating to the proper use of Federal funds from §1640.2. LSC also proposes minor editorial changes to the rule.

#### 1640.4 Violation of agreement

LSC proposes to redesignate existing § 1640.2(b)(1) and (b)(2) as § 1640.4(a) and (c) respectively. The proposed move will group each definition in existing § 1640.2(b) with each definition's consequence for violating the agreement in existing § 1640.4. LSC made no substantive changes to this subsection, but has revised the text for clarity.

#### List of Subjects in 45 CFR Part 1640

Fraud; Grant programs-law; Legal services.

For the reasons set forth in the preamble, the Legal Services Corporation proposes to revise 45 CFR part 1640 as follows:

#### PART 1640 – APPLICATION OF FEDERAL LAW TO LSC RECIPIENTS

1. The authority citation for Part 1640 is revised to read as follows:

AUTHORITY: Sec. 504(a)(19), Pub L. 104-208, 110 Stat. 3009; 42 U.S.C. 2996f(b)(2).

2. Revise § 1640.1 to read as follows:

##### **§ 1640.1 Purpose**

The purpose of this part is to ensure that recipients use their LSC funds in accordance with Federal law related to the proper use of Federal funds. This part also provides notice to recipients of the consequences of a violation of such Federal laws by a recipient, its employees or board members.

3. Revise § 1640.2 to read as follows:

##### **§ 1640.2 Applicable federal laws**

(a) LSC will maintain a public list of applicable Federal laws relating to the proper use of Federal funds on its website and provide recipients with a link to the list in the contractual agreement. The list may be modified with the approval of the Corporation's Board of Directors. LSC will provide recipients with notice when the list is modified.

(b) For the purposes of this part and the laws referenced in (a), LSC is considered a Federal agency and a recipient's LSC funds are considered Federal funds provided by grant or contract

4. Revise §1640.3 to read as follows:

**§ 1640.3 Contractual agreement**

As a condition of receiving LSC funds, a recipient must enter into a written agreement with the Corporation that, with respect to its LSC funds, will subject the recipient to the applicable Federal laws relating to the proper use of Federal funds. The agreement must include a statement that all of the recipient's employees and board members have been informed of such Federal law and of the consequences of a violation of such law, both to the recipient and to themselves as individuals.

5. Revise § 1640.4 to read as follows

**§ 1640.4 Violation of agreement**

(a) LSC will determine that a recipient has violated the agreement described in § 1640.3 when the recipient has been convicted of, or judgment has been entered against the recipient for, a violation of an applicable Federal law relating to the proper use of Federal funds with respect to its LSC grant or contract, by the court having jurisdiction of the matter, and any appeals of the conviction or judgment have been exhausted or the time for appeal has expired.

(b) A violation of the agreement by a recipient based on recipient conduct will result in the Corporation terminating the recipient's LSC grant or contract without need for a termination

hearing. While an appeal of a conviction or judgment is pending, the Corporation may take any necessary steps to safeguard its funds.

(c) LSC will determine that the recipient has violated the agreement described in § 1640.3 when an employee or board member of the recipient has been convicted of, or judgment has been entered against the employee or board member for, a violation of an applicable Federal law relating to the proper use of Federal funds with respect to the recipient's grant or contract with LSC, by the court having jurisdiction of the matter, and any appeals of the conviction or judgment have been exhausted or the time for appeal has expired, and the Corporation finds that the recipient has knowingly or through gross negligence allowed the employee or board member to engage in such activities.

(d) A violation of the agreement by the recipient based on employee or board member conduct will result in the Corporation terminating the recipient's LSC grant or contract. Prior to termination, the Corporation will provide notice and an opportunity to be heard for the sole purpose of determining whether the recipient knowingly or through gross negligence allowed the employee or board member to engage in the activities leading to the conviction or judgment. While an appeal of a conviction or judgment or a hearing is pending, the Corporation may take any necessary steps to safeguard its funds.

# **Migrant and Agricultural Population Data Report & Draft Public Notice**

**TO:** Operations and Regulations Committee

**FROM:** Ronald S. Flagg, General Counsel and Vice President for Legal Affairs  
Bristow Hardin, Program Analyst, Office of Program Performance

**DATE:** January 15, 2015

**SUBJECT:** Agricultural Worker Population Estimate Update

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## OVERVIEW

LSC has provided grants to serve migrant and other agricultural workers (generally referred to as “Migrant Grants”) with appropriated funds since the 1970s. Since 1996, funds appropriated for “Basic Field Programs” have been allocated to each state, territory and the District of Columbia via a per-capita funding formula based on data from the U.S. Census Bureau regarding the size and location of the poverty population. The entire state, territory, or District of Columbia is a single “geographic area” within which LSC may designate one or more “service areas” for grants. Within most of these geographic areas, LSC distributes those funds through general-purpose “Basic Field—General” grants and through separate “Basic Field—Migrant” grants.<sup>1</sup> The amount of the Migrant Grant in each geographic area is based on the migrant population of that area, which is deducted from the total poverty population for that area for purposes of calculating the general-purpose Basic Field—General grant.

The basis on which LSC allocates Migrant Grants raises at least two fundamental issues. First, the data used to estimate the migrant population of each geographic area are outdated. There is no U.S. Census Bureau estimate of migrant population or agricultural worker population, and the migrant population figures LSC uses to compute migrant grants are based on historical estimates dating back to 1990. Second, there is a mismatch between the population served by so-called “Migrant Grants” – generally migrant and other agricultural workers – and the population used to determine the distribution and allocation of Migrant Grants – solely migrant workers.

LSC management has investigated and analyzed these issues over the course of the past 15 months and contracted with the U.S. Department of Labor to provide updated data regarding the current population of agricultural workers and their dependents eligible for LSC-funded services. Based on that work, management recommends to the Board that LSC seek public comment on a proposal to (1) use the new Department of Labor data for grants beginning in January 2016, (2) phase in the funding changes to provide intermediate funding halfway between the old and new levels for 2016 and to fully implement the new levels for 2017, and (3) update the data every

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<sup>1</sup> There are Migrant Grants covering 43 states and Puerto Rico. There is no more than one migrant service area in a state. Services to migrants in six New England states (CT, MA, ME, NH, RI, and VT) are provided by Pine Tree Legal Assistance through a single service area (under a single Migrant Grant). Service to migrants in seven Southern states (AL, AR, KY, LA, MS, TN, and TX) are provided by Texas Rural Legal Assistance through a single service area (under a single Migrant Grant). FY14 grant amounts for service areas in individual states ranged from \$24,318 (DE) to \$2,585,613 (CA).

three years on the same cycle as LSC updates poverty population data from the U.S. Census Bureau for the distribution of LSC's Basic Field—General grants.

Attached are (1) LSC Management's Report providing the details of the work on these issues and the data provided by the Department of Labor, and (2) a proposed request for public comments for publication in the Federal Register. The balance of this memorandum provides an executive summary of LSC's Management Report.

### **LSC FUNDING OF LEGAL SERVICES TO AGRICULTURAL WORKERS**

Since its establishment, LSC has provided "Migrant Grants" to serve migrant and other agricultural workers and their dependents under the authority of the LSC Act to structure grants for the most economic and effective delivery of legal assistance. 42 U.S.C. § 2996f(a)(3). Congress amended the LSC Act in 1977 to require that LSC conduct a study of the special legal needs of various subpopulations, including migrant or seasonal farmworkers, and develop and implement appropriate means of addressing those needs. 42 U.S.C. § 2996f(h). LSC's study, issued in 1979, concluded that specialized legal expertise and knowledge were needed to address the distinctive "unmet special legal problems" that migrant and seasonal farmworkers shared because of "the type and conditions of work in which they are engaged and their cultural and ethnic background."<sup>2</sup>

Over the last forty years, through direct work with and service to agricultural workers, grantees with Migrant Grants ("Migrant Grantees") have gained a deep understanding of those workers' legal needs and have developed delivery models designed to address those needs. Migrant Grantees have adapted those models over time to respond to the changing circumstances of agricultural workers, new developments in agricultural labor markets, and evolving best practices in legal aid delivery.

LSC's funding of specialized grants to serve agricultural workers and their dependents parallels the approach Congress has taken in funding a range of programs to address the particular of needs of migrant and other agricultural workers, and their dependents, in areas such as education, health services, housing, and job placement and training.<sup>3</sup>

### **STUDY METHODOLOGY**

LSC Management's analysis of the agricultural population issues had two components. The first component focused on identifying the population of agricultural workers and their dependents, if any, that face similar barriers to access to the civil justice system and whose legal needs can be addressed most effectively and efficiently by specialized legal assistance and delivery approaches. LSC conducted this part of the analysis itself. The second part of the analysis was

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<sup>2</sup> Legal Services Corporation (1979). Special Legal Problems and Problems of Access to Legal Services of Veterans, Migrant and Seasonal Farm Workers, Native Americans, People with Limited English-Speaking Ability, and Individuals in Sparsely Populated Areas ("1007(h) Study"), p.34.

<sup>3</sup> See Management Report Section III.

the development of an estimate of the size and distribution of the population of agricultural workers and their dependents that are eligible for LSC-funded services (LSC-eligible population). LSC contracted with the Department of Labor's Employment and Training Administration to perform this task.

## **A. LSC Analysis of the Legal Needs of Agricultural Workers and Their Dependents**

### **1. Information and Data Sources<sup>4</sup>**

LSC Management based its analysis of the legal needs of agricultural workers and their dependents on data from multiple sources, including:

- Internal LSC data regarding grantee staffing, funding, and case services, as well as reports from grantee reviews conducted by LSC staff and grantees' funding applications;
- Relevant government reports, academic and other research publications, and reports and publications of groups with subject-matter expertise;<sup>5</sup>
- Interviews with current and former staff of government agencies, academics and other researchers, and staff of organizations with subject-matter expertise<sup>6</sup>;
- A survey of LSC's Migrant Grantees (LSC Migrant Grantee Survey) with a 100% response rate and a survey of LSC's Basic Field Grantees (LSC Basic Field Grantee Survey) with a response rate of 68.6%<sup>7</sup>;
- Consultations with the Executive Directors and staff of LSC grantees, members of the National Legal Aid and Defender Association (NLADA) Agricultural Workers Group Project, and managers and staff of other providers of legal services to agricultural workers and their dependents; and
- Consultations with staff of the U.S. Department of Labor (DOL) Employment and Training Administration (ETA) and ETA contractors.

### **2. The Legal Needs of the Agricultural Worker Population<sup>8</sup>**

A combination of factors creates the legal needs of the agricultural worker population. Several of these factors are rooted in the nature of agricultural work. Government data show that agriculture is the most dangerous industrial sector in the U.S. – in 2012, it had the highest fatal and non-fatal occupational injury rates of all private industries. Agricultural work is often insecure, temporary, and low-paid. A labor surplus of 2 to 2.5 farmworkers for each year-round equivalent job contributes to high unemployment. The seasonality of work means that very few farmworkers have year-round work. And the industry median wage is only 55% of the median wage for all full-time wage and salary workers.

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<sup>4</sup> See Management Report Section II.

<sup>5</sup> See Management Report Appendix C for a list of documents cited in the Report.

<sup>6</sup> See Management Report Appendix D for a list of persons interviewed.

<sup>7</sup> See Management Report Appendices E and F for copies of the survey instruments.

<sup>8</sup> See Management Report Section V.

The legal needs of agricultural workers arise in the context of laws and regulations, some that apply solely to agricultural workers and others that exclude agricultural workers from legal protections generally afforded to other workers and thereby directly affect the legal advice and strategies applicable to such workers. In the latter category, for example, the Fair Labor Standards Act (FLSA) requires employers to pay workers for all hours they work and to pay workers at least the Federal minimum wage. However, farms with fewer than 11 employees – which employ nearly half (46%) of all hired workers – are exempt from the federal minimum wage requirement. FLSA also exempts agricultural employers from paying overtime and from child labor requirements that apply to other employers. Provisions of the Occupational Health and Safety Act (OSHA) require employers to meet field sanitation standards (e.g., drinking water, toilets) and temporary labor camp housing standards and provide safety equipment. However, appropriation riders prohibit federal inspections at small farms. Agricultural employers are also exempt from the National Labor Relations Act (NLRA), which protects workers' rights associated with collective bargaining to improve the terms and conditions of employment. At the same time, other laws create a legal framework unique to agriculture. One federal law, the Migrant and Seasonal Agricultural Worker Protection Act (AWPA), is designed specifically to protect the rights of agricultural workers. Section H-2A of the Immigration and Nationality Act authorizes growers to hire “temporary, nonimmigrant” guest workers (H-2A workers) when they demonstrate there are not sufficient U.S. workers qualified and available to perform the needed work.

As described in Section V of the Management Report, LSC Migrant Grantees and other farmworker legal aid programs not funded by LSC, report that the most pressing areas of legal need for their clients include: non-payment of wages or violations of minimum wage laws, issues arising under the AWPA (including claims involving substandard housing and employment contract disputes), violations of occupational safety and health laws, violations of field sanitation standards, sexual abuse and sexual harassment, and human trafficking.

### **3. Factors Creating Barriers to Access to Civil Legal Assistance to Address the Legal Needs of the Agricultural Worker Population<sup>9</sup>**

Government resources to enforce the legal rights of agricultural workers in the areas listed above are limited. Accordingly, the surveys of LSC grantees and other sources of information indicate that agricultural workers often require the assistance of legal services lawyers to enforce their rights in these areas. A combination of factors, however, creates barriers to access to legal services to address the legal needs of the agricultural worker population. The agricultural worker population is isolated from sources of assistance. This population is often geographically isolated given the remote locations of job sites and employer-provided housing. Even off-farm housing in urban areas is often located in enclaves isolated from non-farmworker communities. Agricultural workers are often isolated by limited transportation and many must rely on their employers or farm labor contractors for transport.

Social and cultural isolation compounds geographic isolation. Compared to the total U.S. population, agricultural workers are far more likely to be Latino/Hispanic (76%) and foreign

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<sup>9</sup> See Management Report Section VI.

born (71%). Only 39% have schooling beyond the ninth grade. Only 33% report they can speak English “well” and nearly as many (27%) report they cannot speak English at all. Many are from southern Mexico (*e.g.*, Oaxaca, Chiapas) where the native language is not Spanish.

#### **4. The Specialized Expertise and Services Provided by Farmworker Programs<sup>10</sup>**

LSC Migrant Grantees employ a variety of techniques to address most effectively and efficiently the barriers to civil justice and unique legal needs of the LSC-eligible agricultural worker population. These include:

- Employing bilingual and multilingual staff with the necessary cultural competency to communicate effectively and credibly with the agricultural worker population;
- Using special intake procedures, maintaining flexible staff work hours, and making extensive use of technology (such as special toll-free lines, cell/text phones, laptops) to serve clients in remote areas;
- Conducting outreach at labor camps and other places workers live as well as at locations other than workers’ job sites and homes;
- Performing extensive community legal education;
- Maintaining partnerships with community organizations and agencies that serve the agricultural worker population and working with agencies responsible for enforcing laws pertaining to the rights of the agricultural worker population;
- Having expertise regarding federal and state laws with special provisions affecting agricultural workers; and
- Coordinating work with advocates providing services to agricultural workers in other states.

#### **5. The Agricultural Population Eligible for LSC-Funded Assistance<sup>11</sup>**

To allocate funding for the delivery of specialized assistance to the agricultural worker population, LSC management recommends that this population be defined to include migrant and seasonal crop workers, horticultural workers, livestock workers, and certain forestry workers, and these workers’ dependents, *who have incomes below the poverty line* (the benchmark used by the U.S. Census Bureau for defining the poverty population) and *meet LSC eligibility criteria regarding citizenship and alien status*.

The range of factors identified above combine to create access barriers and legal needs that are shared by this population. First, agricultural labor is distinctive for its dangers, insecurity, and low pay. Second, this population experiences distinctive social, cultural, and geographic isolation. Third, these workers are subject to statutory and regulatory provisions that are unique to agriculture. Fourth, this population is served by other federal and state programs that are specifically designed to address the distinctive needs of agricultural workers in areas such as

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<sup>10</sup> See Management Report Section VII.

<sup>11</sup> See Management Report Section VIII.

education, employment, health, and housing. Finally, these workers all work in industrial sectors that are classified as “agriculture” by the Census Bureau’s North American Industry Classification System.

### **B. The Department of Labor Estimate of the Size and Distribution of the Agricultural Worker Population Eligible for LSC-Funded Legal Services**

LSC contracted with the Department of Labor’s Employment and Training Administration (ETA) to estimate the size and distribution of the population of agricultural workers and their dependents that are eligible for LSC-funded services (LSC-eligible population). ETA contracted with JBS International (JBS) to use Department of Labor and other government data<sup>12</sup> to develop these estimates. Details regarding this work are set forth in Section II and Appendix A of the Management Report.

Based on the estimates provided by ETA, the following table sets forth the state-by-state estimates of the agricultural worker population eligible for LSC services. It also contrasts the ETA estimates with the estimates currently used for allocating Migrant grants. For both the population estimates currently used and the ETA estimates, the table shows the estimated population of the LSC-eligible agricultural worker population nationally, and each state’s percentage share of the national LSC-eligible agricultural worker population. The table also shows the extent to which the ETA estimates and the estimates currently used differ in numerical and percentage terms.

As the data in the table show, the ETA estimate of the total LSC-eligible agricultural worker population national population is 1,552,689, 4.2% less than the estimate currently used of 1,619,982. The magnitude of the changes at the state level varies, in most cases more significantly.

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<sup>12</sup> Data from the following sources were used in these calculations: the United States Department of Agriculture (USDA) 2012 Census of Agriculture (COA), the USDA Farm Labor Survey (FLS), the Department of Labor (DOL) Bureau of Labor Statistics’ Quarterly Census of Employment and Wages (QCEW), the DOL National Agricultural Workers Survey (NAWS), the DOL Office of Foreign Labor Certification (OFLC) H2-A and H-2B worker certification data, the DOL “Adverse Effect Wage Rate” (AEWR) data, and the U.S. Census Bureau poverty thresholds.

**LSC-Eligible Agricultural Worker Population by State**  
**Comparison of Current Population Estimates and Department of Labor Employment and Training**  
**Administration (ETA) Estimates**

State	Current Population Estimate		ETA Population Estimate		Change: ETA Estimate +/- Current	
	Persons	Percent (%) of Total	Persons	Percent (%) of Total	Persons	Percent (%) Change
Alabama	4,712	0.29%	13,045	0.84%	8,333	176.9%
Alaska	0	0.00%	1,553	0.10%	1,553	N/A
Arizona	21,265	1.31%	40,067	2.58%	18,802	88.4%
Arkansas	11,321	0.70%	13,201	0.85%	1,880	16.6%
California	378,096	23.34%	323,490	20.83%	(54,606)	-14.4%
Colorado	21,272	1.31%	27,488	1.77%	6,216	29.2%
Connecticut	2,386	0.15%	8,852	0.57%	6,466	271.0%
Delaware	3,556	0.22%	1,398	0.09%	(2,158)	-60.7%
Florida	128,633	7.94%	91,782	5.91%	(36,851)	-28.6%
Georgia	56,155	3.47%	28,886	1.86%	(27,269)	-48.6%
Hawaii	0	0.00%	12,735	0.82%	12,735	N/A
Idaho	26,771	1.65%	32,924	2.12%	6,153	23.0%
Illinois	35,754	2.21%	35,408	2.28%	(346)	-1.0%
Indiana	16,285	1.01%	25,935	1.67%	9,650	59.3%
Iowa	5,404	0.33%	45,969	2.96%	40,565	750.6%
Kansas	0	0.00%	29,973	1.93%	29,973	N/A
Kentucky	6,096	0.38%	25,003	1.61%	18,907	310.2%
Louisiana	3,945	0.24%	16,772	1.08%	12,827	325.2%
Maine	10,281	0.63%	12,269	0.79%	1,988	19.3%
Maryland	13,022	0.80%	5,746	0.37%	(7,276)	-55.9%
Massachusetts	2,384	0.15%	9,007	0.58%	6,623	277.8%
Michigan	86,214	5.32%	43,484	2.80%	(42,730)	-49.6%
Minnesota	28,656	1.77%	38,514	2.48%	9,858	34.4%
Mississippi	8,174	0.50%	13,977	0.90%	5,803	71.0%
Missouri	11,668	0.72%	27,488	1.77%	15,820	135.6%

**LSC-Eligible Agricultural Worker Population by State**  
**Comparison of Current Population Estimates and Department of Labor Employment and Training**  
**Administration(ETA) Estimates**  
**(continued)**

State	Current Population Estimate		ETA Population Estimate		Change: ETA Estimate +/- Current	
	Persons	Percent (%) of Total	Persons	Percent (%) of Total	Persons	Percent (%) Change
Montana	7,818	0.48%	13,822	0.89%	6,004	76.8%
Nebraska	6,056	0.37%	31,371	2.02%	25,315	418.0%
Nevada	0	0.00%	5,746	0.37%	5,746	N/A
New Hampshire	1,424	0.09%	3,883	0.25%	2,459	172.6%
New Jersey	17,281	1.07%	8,076	0.52%	(9,205)	-53.3%
New Mexico	12,509	0.77%	19,568	1.26%	7,059	56.4%
New York	39,645	2.45%	38,204	2.46%	(1,441)	-3.6%
North Carolina	76,764	4.74%	51,715	3.33%	(25,049)	-32.6%
North Dakota	16,602	1.02%	16,928	1.09%	326	2.0%
Ohio	18,042	1.11%	31,837	2.05%	13,795	76.5%
Oklahoma	8,963	0.55%	15,530	1.00%	6,567	73.3%
Oregon	79,782	4.92%	60,101	3.87%	(19,681)	-24.7%
Pennsylvania	23,739	1.47%	20,189	1.30%	(3,550)	-15.0%
Puerto Rico	41,642	2.57%	7,144	0.46%	(34,498)	-82.8%
Rhode Island	253	0.02%	932	0.06%	679	268.3%
South Carolina	28,330	1.75%	13,511	0.87%	(14,819)	-52.3%
South Dakota	0	0.00%	15,530	1.00%	15,530	N/A
Tennessee	9,084	0.56%	17,860	1.15%	8,776	96.6%
Texas	198,948	12.28%	83,862	5.40%	(115,086)	-57.8%
Utah	9,715	0.60%	10,250	0.66%	535	5.5%
Vermont	1,161	0.07%	4,814	0.31%	3,653	314.7%
Virginia	22,589	1.39%	21,121	1.36%	(1,468)	-6.5%
Washington	104,545	6.45%	79,980	5.15%	(24,566)	-23.5%
West Virginia	0	0.00%	3,727	0.24%	3,727	N/A
Wisconsin	13,040	0.80%	45,503	2.93%	32,463	248.9%
Wyoming	0	0.00%	6,523	0.42%	6,523	N/A
<b>Total U.S.</b>	<b>1,619,982</b>	<b>100.0%</b>	<b>1,552,689</b>	<b>100.0%</b>	<b>(67,293)</b>	<b>-4.2%</b>

**7050-01**

**LEGAL SERVICES CORPORATION**

**Request for Comments—Agricultural Worker Population Data for Basic Field—Migrant Grants**

**AGENCY:** Legal Services Corporation

**ACTION:** Request for Comments

**SUMMARY:** The Legal Services Corporation (LSC) provides special population grants to effectively and efficiently fund civil legal aid services to address the legal needs of agricultural workers and their dependents through grants entitled “Basic Field—Migrant.” The funding for these grants is based on data regarding the eligible client population to be served. LSC has obtained from the U.S. Department of Labor new data regarding this population that are more current than the data LSC has been using and that better reflect the population to be served. LSC seeks comments on a proposal to (1) use the new data for grants beginning in January 2016, (2) phase in the funding changes to provide intermediate funding halfway between the old and new levels for 2016 and to fully implement the new levels for 2017, and (3) update the data every three years on the same cycle as LSC updates poverty population data from the U.S. Census Bureau for the distribution of LSC’s Basic Field—General grants.

**DATES:** Comments must be submitted by [insert date 45 days from date of publication].

**ADDRESSES:** Written comments must be submitted to Mark Freedman, Senior Assistant General Counsel, Legal Services Corporation, 3333 K St., NW., Washington, DC 20007; 202-295-1623 (phone); 202-337-6519 (fax); [mfreedman@lsc.gov](mailto:mfreedman@lsc.gov). Electronic submissions are preferred via email with attachments in Acrobat PDF format. Written comments sent to any other address or received after the end of the comment period may not be considered by LSC.

**FOR FURTHER INFORMATION CONTACT:** Mark Freedman, Senior Assistant General Counsel, Legal Services Corporation, 3333 K St., NW., Washington, DC 20007; 202-295-1623 (phone); 202-337-6519 (fax); [mfreedman@lsc.gov](mailto:mfreedman@lsc.gov).

**SUPPLEMENTARY INFORMATION:** The Legal Services Corporation (“LSC” or “Corporation”) was established through the LSC Act “for the purpose of providing financial support for legal assistance in noncriminal matters or proceedings to persons financially unable to afford such assistance.” 42 U.S.C. 2996b(a). LSC performs this function primarily through distributing funding appropriated by Congress to independent civil legal aid programs providing legal services to low-income persons throughout the United States and its possessions and territories. 42 U.S.C. 2996e(a)(1)(A). LSC designates geographic service areas and structures grants to support services to the entire eligible population in a service area or to a specified subpopulation of eligible clients. 45 CFR 1634.2(c) & (d), 1634.3(b). LSC awards these grants through a competitive process. 45 CFR part 1634. Congress has mandated that LSC “insure that grants and contracts are made so as to provide the most economical and effective delivery of legal assistance to persons in both urban and rural areas.” 42 U.S.C. 2996f(a)(3).

Throughout the United States and U.S. territories, LSC provides Basic Field—General grants to support legal services for eligible clients. LSC provides funding for those grants on a per-capita basis using the poverty population as determined by the U.S. Census Bureau every three years. Pub. L. 104-134, tit. V, 501(a), 110 Stat. 1321, 1321-50 (1996), as amended by Pub. L. 113-6, div. B, tit. IV, 127 Stat. 198, 268 (2013) (LSC funding formula adopted in 1996, incorporated by reference in LSC’s appropriations thereafter, and amended in 2013). Since its establishment in 1974, LSC has also provided subpopulation grants to support legal services for the needs of agricultural workers through Basic Field—Migrant grants under the authority of the

LSC Act to structure grants for the most economic and effective delivery of legal assistance. 42 U.S.C. 2996f(a)(3). Congress amended the LSC Act in 1977 to require that LSC conduct a study of the special legal needs of various subpopulations, including migrant or seasonal farm workers, and develop and implement appropriate means of addressing those needs. 42 U.S.C. 2996f(h). LSC's study, issued in 1979, concluded that specialized legal expertise and knowledge were needed to address the distinctive "unmet special legal problems" that migrant and seasonal farmworkers shared because of their status as farmworkers. Legal Services Corporation, *Special Legal Problems and Problems of Access to Legal Services of Veterans, Migrant and Seasonal Farm Workers, Native Americans, People, with Limited English-Speaking Ability, and Individuals in Sparsely Populated Areas*, 1979.

LSC provides funding for Basic Field—Migrant grants on a per-capita basis by determining the size of the subpopulation and separating that population from the overall poverty population for the applicable geographic area or areas. LSC expects programs receiving these grants to serve the legal needs of a broad range of eligible agricultural workers and their dependents who have specialized legal needs that are most effectively and efficiently served through a dedicated grant program. LSC currently uses data regarding migrant and seasonal farmworkers, and their families, from the early 1990s, with some adjustments based on changes in the general poverty population. These data are no longer current and do not reflect the entire population served by these grants.

The United States Department of Labor, Employment and Training Administration (ETA) collects data regarding agricultural workers for federal grants serving the needs of the American agricultural worker population. The U.S. Census Bureau does not maintain data regarding agricultural workers. LSC has contracted with ETA for more current

DRAFT

data regarding the agricultural worker population served by these grants. ETA has provided LSC with these data, including state-by-state breakdowns. The changes in data will result in changes in funding levels for these grants. A description of these data and their development is available at: <http://www.lsc.gov/about/mattersforcomment.php>.

LSC management has proposed to the LSC Board of Directors (Board) that LSC use the new data for these grants as follows:

- (1) implement the new data for calculation of these grants beginning in January 2016;
- (2) phase in the funding changes to provide intermediate funding halfway between the old and new levels for 2016 and to fully implement the new levels for 2017;
- (3) update the data every three years on the same cycle as LSC updates poverty population data from the U.S. Census Bureau for the distribution of LSC's Basic Field—General grants.

[DRAFT BOARD CONSIDERATION LANGUAGE] LSC Management presented this proposal to the Board's Operations and Regulations Committee (Committee) on January 22, 2015. The Committee then recommended Management's proposal to the full board on January 24, 2015. The Board adopted the recommendation of Management and the Committee [INSERT ANY CHANGES OR MODIFICATIONS] that LSC publish this notice of Management's proposal in the *Federal Register* for comment. The Committee will meet to consider all comments received and make a recommendation to the Board for a final decision.

LSC management's proposal and related documents are available at: <http://www.lsc.gov/about/mattersforcomment.php>.

LSC invites public comment on this issue. Interested parties may submit comments to LSC before the deadline stated above.

DRAFT

Dated: January \_\_, 2015

Ronald S. Flagg

Vice President & General Counsel

# **Finance Committee**

# Agenda

# FINANCE COMMITTEE

January 23, 2015

## Agenda

### OPEN SESSION

1. Approval of agenda
2. Approval of the minutes of the meeting of October 6, 2014
3. Discussion of Committee's evaluations for 2014 and the Committee's goals for 2015
4. Presentation of LSC's Financial Report for FY 2014
5. Presentation of LSC's Financial Report for the first two months of FY 2015
6. Consider and act on LSC's Consolidated Operating Budget or Revised Operating Budget for FY 2015, *Resolution 2015-XXX*
  - David Richardson, Treasurer/Comptroller
7. Discussion of LSC's FY 2016 appropriations request
  - Carol Bergman, Director, Government Relations & Public Affairs
8. Report on the Selection of Accounts and Depositories for LSC Funds
  - David Richardson, Treasurer/Comptroller
9. Public comment
10. Consider and act on other business
11. Consider and act on adjournment of meeting.

**Draft Minutes of the October 6, 2014  
Open Session Meeting**

**Legal Services Corporation  
Meeting of the Finance Committee**

**Open Session**

**Monday, October 6, 2014**

**DRAFT**

Committee Chairman Robert J. Grey Jr. convened an open session meeting of the Legal Services Corporation's ("LSC") Finance Committee ("the Committee") at 4:37 p.m. on Monday, October 6, 2014. The meeting was held at the Hilton Albany, 40 Lodge Street, Albany, New York 12207.

The following Committee members were present:

Robert J. Grey Jr., Chairman  
Laurie I. Mikva  
Martha L. Minow  
Father Pius Pietrzyk, O.P.  
Robert E. Henley Jr. (Non-Director Member), by Telephone  
Alan Tanenbaum (Non-Director Member), by Telephone  
John G. Levi, *ex officio*

Other Board Members Present:

Charles N.W. Keckler  
Harry J.F. Korrell III  
Victor B. Maddox  
Julie A. Reiskin  
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
David L. Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services (OFAS)
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant, Office of Government Relations and Public Affairs (GRPA)
Jeffrey E. Schanz	Inspector General

John Seeba	Assistant Inspector for Audit, Office of the Inspector General (OIG)
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General, (OIG)
Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, Office of the Inspector General
Lora M. Rath	Director, Office of Compliance and Enforcement, (OCE)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement, (OCE), Executive
Bernie Brady	LSC Travel Coordinator
Herbert S. Garten	Institutional Advancement Committee, Non-Director Member
C. Kenneth Perri	Executive Director, Legal Assistance of Western New York
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Don Saunders	National Legal Aid and Defenders Association (NLADA)

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Chairman Grey called the meeting to order.

**MOTION**

Dean Minow moved to approve the agenda. Father Pius seconded the motion.

**VOTE**

The motion passed by voice vote.

**MOTION**

Dean Minow moved to approve the minutes of the Committee's meeting of June 27, 2014. Father Pius seconded the motion

**VOTE**

The motion passed by voice vote.

**MOTION**

Mr. Levi moved to approve the minutes of the Committee's meeting of July 16, 2014. Father Pius seconded the motion

**VOTE**

The motion passed by voice vote.

**MOTION**

Dean Minow moved to approve the minutes of the Committee's meeting of July 21, 2014. Father Pius seconded the motion

**VOTE**

The motion passed by voice vote.

Mr. Richardson provided a summary on LSC's Financial Reports for the ten-month period ending July 31, 2014. He answered Committee members' questions.

Ms. Bergman briefed the Committee on the status of FY 2015 and FY 2016 appropriations. She answered Committee members' questions. .

Mr. Richardson gave a report on the proposed Temporary Operating Budget for 2015, and the accompanying resolution. He answered Committee members' questions.

**MOTION**

Father Pius moved to recommend the proposed temporary operating budget for fiscal year 2015, and resolution to the Board for approval. Ms. Mikva seconded the motion.

**VOTE**

The motion passed by voice vote.

Committee Chairman Grey invited public comment and receive none. There was no other business to consider.

**MOTION**

Dean Minow moved to adjourn the meeting. Father Pius seconded the motion.

**VOTE**

The Committee meeting adjourned at 5:00 p.m.

# **2014 Committee Evaluations and 2015 Goals**

## **SUMMARY OF 2014 FINANCE COMMITTEE EVALUATION RESPONSES**

### **Members either strongly agreed or agreed that:**

- Committee members understand the goals and purpose of our committee; committee members agree on the goals and purpose of the committee.
- There is alignment between our committee's goals and purposes and the actions taken and/or the decisions made by the committee.
- There is alignment between our committee's goals and purposes and the goals of LSC's Strategic Plan.
- Our committee has responded effectively and appropriately to issues of immediate concern brought before it; our committee has made significant progress on long-term strategic issues related to its goals and purposes.
- Our committee has adequate resources (for example, staff time and expertise) to support its function.
- Our committee meetings are held regularly and with appropriate frequency.
- The length of our committee meetings is appropriate and respectful of the agenda. We consistently use our meeting time well; issues get the time and attention proportionate to their importance.
- We receive the meeting agenda and materials sufficiently in advance of the meeting to allow for appropriate review and preparation.
- Our committee membership represents the talents and skills required to fulfill the goals and purposes of the committee. Our committee members come to meetings prepared and ready to contribute.
- Our committee members treat each other with respect and courtesy.
- As a general rule, when I speak I feel listened to and that my comments are valued.

### **Mixed responses (4 strongly agreed/3 agreed/1 disagreed) that:**

- The minutes of our meetings are accurate and reflect the discussion, next steps and/or action items articulated by the members.

### **The following are direct quotes:**

#### **Members liked:**

- The information is well presented. Board members are treated with respect.
- Meetings are well planned and run on schedule.
- The high level of discussion.
- Serves a valid purpose.
- They are informative and to the point.

**Ideas for Improvement:**

- I would like to see greater coordination with the Audit committee regarding budgeting and financial oversight, including the role of the Inspector General with respect to fiscal oversight and implementation of the recommendations of the Fiscal Oversight Task Force.
- More in depth review and analysis.
- I wish I thought it mattered what budget request we sent to the White House.
- I think it works well and does not need improvement.

**Future Focus:**

- Where do we want to leave LSC as our own Board's legacy?
- Strategic financial thinking
- We need to review plans for possible funding decreases due to potential decreased funding from Congress.

# **Financial Report for FY 2014**

## FINANCIAL & ADMINISTRATIVE SERVICES

### MEMORANDUM

**TO:** Robert J. Grey, Jr., Finance Committee Chairman

**FROM:** David L. Richardson, Treasurer/Comptroller *dlr*

**DATE:** January 13, 2015

**SUBJECT:** FY 2014 Financial Reports

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The financial reports for Fiscal Year (FY) 2014 are attached for your review and discussion. There are four attachments (some with multiple pages) that comprise this report.

Attachment A provides summary information for each element of the COB in two sections.

Attachment B presents Management and Grants Oversight's (MGO) budget and expenditures.

Attachment C shows the MGO Other Operating Expenses by cost centers.

Attachment D provides budget and expenditures for the Office of Inspector General (OIG).

The first section of Attachment A presents information for the Delivery of Legal Assistance, ***Roman numeral I***, and the Herbert S. Garten Loan Repayment Assistance Program (LRAP), ***Roman numeral II***. Expenditures are compared to the annual budget, and the report shows the variances for each budget line. Expenditures from the prior year are also reported, and the variances for the two years are shown in the last column.

- I. There are four elements included in the Delivery of Legal Assistance:
  1. Field Programs budget is \$336,332,991; the grant expenses through this period total \$335,824,344. The grant expenses include Basic Field Programs of \$315,300,435, Native American of \$9,445,647, and Migrant of \$11,078,262. The

remaining funds of \$508,647 are earmarked for Louisiana, for a close-out audit, and for the American Samoa service area.

2. The U.S. Court of Veterans Appeals Funds budget totals \$2,506,752, and expenses are \$2,501,330. There is a variance of \$5,422, which will be used for FY 2015 expenses.
  3. The Grants from Other Funds budget totals \$273,366, and expenses are \$63,266. The remaining \$210,100 is available for other grants.
  4. The Technology Initiatives budget totals \$6,875,828 and compares to net grant expenses of \$6,682,679. The remaining amount of \$193,149 will be used for the support of the FY 2015 competitive awards process.
  5. The Hurricane Sandy Disaster Relief Funds budget totals \$75,959. The full amount remains and will be used to support additional grants for the hurricane area.
  6. The budget line for Pro Bono Innovation has a budget of \$2,500,000, and awards of \$2,375,000, have been made. The remaining funds of \$125,000 will be transferred to MGO to provide funding for the administration of these grants.
- II. The Herbert S. Garten Loan Repayment Assistance Program's budget is \$2,439,193; the loan expenses for the period total \$1,030,774. There is a remaining amount of \$1,408,419, which will be used for future loans.

The second section of Attachment A presents expenditures for MGO, ***Roman numeral III***, and the OIG, ***Roman numeral IV***.

- III. MGO's annual budget totals \$23,329,795. The budget is comprised of the MGO operating budget of \$19,603,400, the MGO Research Initiative of \$200,113, and MGO Contingency Funds totaling \$3,526,282.

The MGO operating budget of \$19,603,400, is compared to actual expenses of \$16,842,847. MGO is under budget by \$2,760,553, or 14.08%, and the encumbrances are \$260,295. The expenditures are \$645,570 more than the same period in 2014.

The MGO Research Initiative budget allocation is \$200,113, and expenses total \$133,491. The variance shows that expenses are under budget by \$66,622. The iScale and Keystone Accountability contract has a balance of \$41,667, which is the amount of the encumbrance.

The MGO Contingency Funds allocation for this period is \$3,526,282, and there are no expenses.

- IV. The OIG's annual budget totals \$5,537,681. The budget consists of the OIG operating budget of \$5,303,700, and Contingency Funds of \$233,981.

The OIG operating budget \$5,303,700, is compared to actual expenses of \$4,736,410. The OIG is under budget by \$567,290, or 10.70%, and the encumbrances are \$46,988. The expenditures are \$98,460 more than in 2014.

The OIG Contingency Funds budget allocation is \$233,981, and there are no expenses against these funds.

Attachment B, page 1, presents comparative budgets and expenditures for MGO by cost center; all cost centers are under budget. Attachment B, page 2, shows the budgets and expenditures by budget category for the MGO operating budget. The variances show that we are under budget in each category.

The largest variance under budget, totaling \$1,172,125, is in the Personnel compensation and benefits category. This amount represents 42.46% (\$1,172,125 divided by \$2,760,553) of the total MGO expense variance.

The second largest variance is in Consulting, in the amount of \$590,715, and is 21.40% of the variance. The variance is due to decreased spending on outside counsel, and projects such as the annual update of census figures, the migrant census study, and the business process review, which are ongoing, but will be completed in FY 2015.

Attachment B, page 3, shows the MGO contingency funds by categories. Attachment B, page 4, provides a summary of the expenditures by office and by budget category.

Attachment C, pages 1 and 2, presents a breakdown of the other operating expenses by account code, and we are under budget by \$166,434.

Robert J. Grey, Jr.  
FY 2014 Financial Reports  
Page 4

Attachment D, page 1, shows a comparative OIG budget and expenditures by budget category, and all are under budget. Attachment D, page 2, presents the OIG Contingency funds by budget category, and there are no expenses.

If you have any questions, please let me know.

Attachments (A – B – C - D)

cc Board of Directors  
President  
Corporate Secretary  
Inspector General

LEGAL SERVICES CORPORATION  
CONSOLIDATED OPERATING BUDGET WORKSHEET  
FOR THE TWELVE-MONTH PERIOD ENDING SEPTEMBER 30, 2014  
FOR FISCAL YEAR 2014

(1)	(2)		(3)		(4)		(5)		(6)		(7)
	F I S C A L Y E A R 2 0 1 4		V A R I A N C E B U D V S A C T U N D E R / ( O V E R )		% O F V A R I A N C E U N D E R / ( O V E R )		E N C U M - B R A N C E S		P R I O R Y - T - D A C T U A L		V A R I A N C E A C T U A L V S P R I O R Y - T - D I N C R / ( D E C R )
ANNUAL BUDGET	ACTUAL	VARIANCE UNDER / (OVER)	BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)				
<b>I. DELIVERY OF LEGAL ASSISTANCE</b>											
1. Basic Field Programs	338,332,991	335,824,344	\$508,647	0.15	\$0	316,345,623	\$19,478,721				
2. US Court of Vets Appeals Funds	2,506,752	2,501,330	5,422	0.22	-	2,506,752	(5,422)				
3. Grants From Other Funds	273,366	63,266	210,100	76.86	-	329,297	(266,031)				
4. Technology Initiatives	6,875,828	6,682,679	193,149	2.81	-	914,080	5,768,599				
5. Hurricane Sandy Disaster Relief Funds	75,959	-	75,959	100.00	-	874,041	(874,041)				
6. Pro Bono Innovation Funds	2,500,000	2,375,000	125,000	5.00	-	-	2,375,000				
TOTAL DELIVERY OF LEGAL ASSISTANCE	348,564,896	347,446,619	1,118,277	0.32	-	320,969,793	26,476,826				
<b>II. HERBERT S. GARTEN LOAN REPAYMENT ASSISTANCE PROGRAM</b>											
	2,439,193	1,030,774	1,408,419	57.74	-	1,095,858	(65,084)				
<b>III. MANAGEMENT &amp; GRANTS OVERSIGHT</b>											
1. MGO Operating Budget	19,603,400	\$16,842,847	2,760,553	14.08	260,295	16,197,277	645,570				
2. MGO Research Initiative	200,113	133,491	66,622	33.29	41,667	87,078	46,413				
3. MGO Contingency Funds	3,526,282	-	3,526,282	100.00	-	-	-				
TOTAL MANAGEMENT & GRANTS OVERSIGHT	23,329,795	16,976,338	6,353,457	27.23	301,962	16,284,355	691,983				
<b>IV. INSPECTOR GENERAL</b>											
1. IG Operating Budget	5,303,700	4,736,410	567,290	10.70	46,988	4,637,950	98,460				
2. IG Contingency Funds	233,981	-	233,981	100.00	-	-	-				
TOTAL INSPECTOR GENERAL	5,537,681	4,736,410	801,271	14.47	46,988	4,637,950	98,460				
<b>TOTAL</b>	<b>\$379,871,565</b>	<b>\$370,190,141</b>	<b>\$9,681,424</b>		<b>\$348,950</b>	<b>\$342,987,956</b>	<b>\$27,202,185</b>				

\* \$2,330



LEGAL SERVICES CORPORATION  
FINANCIAL REPORT BY BUDGET CATEGORY  
FOR THE TWELVE-MONTH PERIOD ENDING SEPTEMBER 30, 2014  
FOR FISCAL YEAR 2014  
MANAGEMENT AND GRANTS OVERSIGHT

(1) ANNUAL BUDGET	(2)		(3) F I S C A L Y E A R 2 0 1 4		(4) % OF VARIANCE UNDER / (OVER)		(5) ENCUM- BRANCES	(6) C O M P A R A T I V E		(7) VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
	ACTUAL	VARIANCE BUD VS ACT UNDER / (OVER)	UNDER / (OVER)	UNDER / (OVER)	UNDER / (OVER)	BRANCES	PRIOR Y-T-D ACTUAL	PRIOR Y-T-D ACTUAL		
TOTAL COMP./BENEFITS	13,504,875	1,172,125	8.68		-		11,972,618	11,972,618	360,132	
TEMP. EMPLOYEE PAY	761,525	171,377	22.50		-		628,593	628,593	(38,445)	
CONSULTING	987,500	590,715	59.82		209,691		344,763	344,763	52,022	
TRAVEL/TRANSPORTATION EXPS	1,168,450	781,758	33.09		16,500		642,736	642,736	139,022	
COMMUNICATIONS	122,200	86,305	35.895		-		83,217	83,217	3,088	
OCCUPANCY COST	1,801,500	1,718,928	82.572		-		1,710,000	1,710,000	8,928	
PRINTING & REPRODUCTION	78,550	57,456	21,094		-		59,448	59,448	(1,992)	
OTHER OPERATING EXPENSES	900,800	734,366	166,434		34,104		747,053	747,053	(12,687)	
CAPITAL EXPENDITURES	278,000	144,351	133,649		-		50,294	50,294	94,057	
TOTAL	\$19,603,400	16,842,847	2,760,553	14.08	\$260,295		16,238,722	16,238,722	604,125	

LEGAL SERVICES CORPORATION  
FINANCIAL REPORT BY BUDGET CATEGORY  
FOR THE TWELVE-MONTH PERIOD ENDING SEPTEMBER 30, 2014  
FOR FISCAL YEAR 2014  
MANAGEMENT AND GRANTS OVERSIGHT CONTINGENCY FUNDS

BUDGET CATEGORY	(1)	(2)	(3)		(4)		(5)	(6)		(7)
	ANNUAL BUDGET	ACTUAL	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUMBRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)	C O M P A R A T I V E		
TOTAL COMP./BENEFITS	\$2,068,500	-	2,068,500		-	-	-			
TEMP. EMPLOYEE PAY	-	-	-		-	-	-			
CONSULTING	-	-	-		-	-	-			
TRAVEL/TRANSPORTATION EXPS	-	-	-		-	-	-			
COMMUNICATIONS	-	-	-		-	-	-			
OCCUPANCY COST	-	-	-		-	-	-			
PRINTING & REPRODUCTION	-	-	-		-	-	-			
OTHER OPERATING EXPENSES	1,457,782	-	1,457,782		-	-	-			
CAPITAL EXPENDITURES	-	-	-		-	-	-			
<b>TOTAL</b>	<b>\$3,526,282</b>	<b>-</b>	<b>3,526,282</b>		<b>\$0</b>	<b>-</b>	<b>-</b>			

LEGAL SERVICES CORPORATION  
OPERATING EXPENSES FOR FISCAL YEAR 2014  
FOR THE TWELVE-MONTH PERIOD ENDING SEPTEMBER 30, 2014  
FOR FISCAL YEAR 2014  
MANAGEMENT AND GRANTS OVERSIGHT

BUDGET CATEGORY	BOARD OF DIRECTORS	EXECUTIVE OFFICE	LEGAL AFFAIRS	GOVT REL PUBLIC AFFS	HUMAN RESOURCES	OFFICE FINANCIAL & ADMIN SRVCS
COMPENSATION & BENEFITS	-	1,039,514	953,380	871,188	587,999	1,090,711
TEMPORARY EMPLOYEE PAY	-	9,945	50,072	28,930	-	8,544
CONSULTING	74,663	1,738	34,388	-	63,757	6,700
TRAVEL/TRANSPORTATION EXPS	148,451	30,077	7,434	19,982	13,011	7,117
COMMUNICATIONS	3,342	3,382	2,679	4,212	1,729	13,273
OCCUPANCY COST	-	-	-	-	-	1,718,928
PRINTING & REPRODUCTION	-	-	-	-	-	57,456
OTHER OPERATING EXPENSES	53,726	1,878	37,561	30,498	9,029	358,385
CAPITAL EXPENDITURES	-	-	-	-	-	-
TOTAL	\$280,182	\$1,086,534	\$1,085,534	\$954,810	\$675,525	\$3,261,114
BUDGET CATEGORY	INFORMATION TECHNOLOGY	PROGRAM PERFORMANCE	INFORMATION MANAGEMENT	COMPLIANCE & ENFORCEMENT	TOTAL MGT & GRANTS OVERSIGHT	TOTAL
COMPENSATION & BENEFITS	996,044	3,114,590	520,575	3,158,749	12,332,750	12,332,750
TEMPORARY EMPLOYEE PAY	-	317,186	-	175,471	590,148	590,148
CONSULTING	180,973	34,566	-	-	396,785	396,785
TRAVEL/TRANSPORTATION EXPS	16,116	261,598	-	277,972	781,758	781,758
COMMUNICATIONS	34,967	13,049	29	9,643	86,305	86,305
OCCUPANCY COST	-	-	-	-	1,718,928	1,718,928
PRINTING & REPRODUCTION	-	-	-	-	57,456	57,456
OTHER OPERATING EXPENSES	204,108	16,981	21,941	239	734,366	734,366
CAPITAL EXPENDITURES	144,351	-	-	-	144,351	144,351
TOTAL	\$1,576,559	\$3,757,970	\$542,545	\$3,622,074	\$16,842,847	\$16,842,847



OTHER OPERATING EXPENSES FOR THE TWELVE - MONTH PERIOD ENDING SEPTEMBER 30, 2014					
ACCOUNT CODES	DESCRIPTION	COST CENTERS	ACTUAL	TWELVE -TWELFTHS OF THE FY 2014 BUDGET	UNDER / (OVER) BUD VS ACT VARIANCE
			734,366.00	900,800.00	166,434.00
	ANNUAL BUDGET		\$900,800.00		
					YTD EXPENSE
5650	ADVERTISING & CLIPPING SERVICES	BOARD OF DIRECTORS HUMAN RESOURCES TOTAL		38,879.00 2,109.00	56,771.94
5660	DUES & MEMBERSHIPS	LEGAL AFFAIRS FINANCIAL & ADMIN SERVICES TOTAL		804.00 50.00	854.00
5670	SUBSCRIPTIONS	LEGAL AFFAIRS HUMAN RESOURCES FINANCIAL & ADMIN SERVICES OFFICE OF PROGRAM PERFORMANCE INFORMATION MANAGEMENT OFFICE OF COMPLIANCE AND ENFORCEMENT TOTAL		6,416.66 32.95 461.00 1,588.99 10,860.90 152.00	19,512.50
5680	EMPLOYEE LECTURES/OTHER ACT.	HUMAN RESOURCES FINANCIAL & ADMIN SERVICES TOTAL		2,174.11 29,382.00	32,587.31
5690	OFFICE EXPENSES	LEGAL AFFAIRS GOVERNMENT RELATIONS/PUBLIC AFFAIRS HUMAN RESOURCES FINANCIAL & ADMIN SERVICES INFORMATION TECHNOLOGY INFORMATION MANAGEMENT TOTAL		632.50 444.73 3,565.14 28,922.66 178.02 10,392.68	44,135.73
		<b>TOTAL OTHER OPERATING EXPENSES</b>			<b>\$734,367.31</b>

LEGAL SERVICES CORPORATION  
FINANCIAL REPORT BY BUDGET CATEGORY  
FOR THE TWELVE-MONTH PERIOD ENDING SEPTEMBER 30, 2014  
FOR FISCAL YEAR 2014  
INSPECTOR GENERAL

(1) ANNUAL BUDGET	(2) F I S C A L Y E A R 2 0 1 4			(3)		(4)		(5)		(6)		(7)	
	ACTUAL	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	VARIANCE BUD VS ACT UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)	C O M P A R A T I V E					
TOTAL COMP./BENEFITS	\$4,265,700	247,671	5.81	247,671	-	3,928,045	89,984						
TEMP. EMPLOYEE PAY	50,000	38,850	77.70	38,850	-	9,775	1,375						
CONSULTING	500,000	167,110	33.42	167,110	39,200	340,228	(7,338)						
TRAVEL/TRANSPORTATION EXPS	276,000	39,690	14.38	39,690	7,788	218,597	17,713						
COMMUNICATIONS	37,000	29,482	7.925	29,482	-	21,436	8,046						
OCCUPANCY COST	12,000	4,075	33.96	4,075	-	-	4,075						
PRINTING & REPRODUCTION	19,000	13,020	68.53	13,020	-	8,496	4,524						
OTHER OPERATING EXPENSES	84,000	81,483	97.13	81,483	-	73,120	8,363						
CAPITAL EXPENDITURES	60,000	9,971	16.62	9,971	-	38,253	(28,282)						
<b>TOTAL</b>	<b>\$5,303,700</b>	<b>567,290</b>	<b>10.70</b>	<b>567,290</b>	<b>\$46,988</b>	<b>4,637,950</b>	<b>98,460</b>						

LEGAL SERVICES CORPORATION  
FINANCIAL REPORT BY BUDGET CATEGORY  
FOR THE TWELVE-MONTH PERIOD ENDING SEPTEMBER 30, 2014  
FOR FISCAL YEAR 2014  
INSPECTOR GENERAL CONTINGENCY FUNDS

BUDGET CATEGORY	(1)	(2)	(3)		(4)	(5)		(6)	(7)
	ANNUAL BUDGET	ACTUAL	VARIANCE BUD VS ACT UNDER / (OVER)	% OF UNDER / (OVER)	FISCAL YEAR 2014	ENCUMBRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)	
TOTAL COMP./BENEFITS	-	-	-	-	-	-	-	-	-
TEMP. EMPLOYEE PAY	-	-	-	-	-	-	-	-	-
CONSULTING	-	-	-	-	-	-	-	-	-
TRAVEL/TRANSPORTATION EXPS	-	-	-	-	-	-	-	-	-
COMMUNICATIONS	-	-	-	-	-	-	-	-	-
OCCUPANCY COST	-	-	-	-	-	-	-	-	-
PRINTING & REPRODUCTION	-	-	-	-	-	-	-	-	-
OTHER OPERATING EXPENSES	233,981	-	233,981	-	-	-	-	-	-
CAPITAL EXPENDITURES	-	-	-	-	-	-	-	-	-
TOTAL	\$233,981	-	233,981	-	-	\$0	-	\$0	

# **Financial Report for First Two Months of FY 2015**

## FINANCIAL & ADMINISTRATIVE SERVICES

### MEMORANDUM

**TO:** Robert J. Grey, Jr., Finance Committee Chairman

**FROM:** David L. Richardson, Treasurer/Comptroller *dlr*

**DATE:** January 13, 2015

**SUBJECT:** November 2014 Financial Reports

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The financial report for the second month of fiscal year 2015 is attached. There are four attachments (some with multiple pages) that comprise this report; we are using the fiscal year (FY) 2015 Temporary Operating Budget (TOB) that was approved at the October Board meeting for our comparisons.

Attachment A provides summary information for each element of the Temporary Operating Budget in two sections.

Attachment B presents Management and Grants Oversight's (MGO) budget and expenditures.

Attachment C shows the MGO Other Operating Expenses by cost centers.

Attachment D provides budget and expenditures for the Office of Inspector General (OIG).

The first section of Attachment A presents information for the Delivery of Legal Assistance, *Roman numeral I*, and the Herbert S. Garten Loan Repayment Assistance Program (LRAP), *Roman numeral II*. The expenditures are compared to the annual budget, and the report shows the variance for each budget line. The expenditures are also compared to the same period of the prior year.

- I. There are four elements included in the Delivery of Legal Assistance:

1. The Basic Field Programs budget is \$336,022,669; there are no grant expenses for this period. The grants awarded in January 2015 totaled \$338,603,456, which are \$2,580,787 more than the TOB. The TOB resolution was passed in October and allowed management to increase or to decrease grantee awards based on the actual FY 2015 appropriation once enacted. Because LSC's actual appropriation is higher than when the Board approved the TOB, an adjustment to reflect the increase in the budget is included in the Consolidated Operating Budget for consideration at this meeting.
  2. The U.S. Court of Veterans Appeals Funds budget totals \$2,503,615, and there are no grant expenses for this period; and no awards have been made since.
  3. The Grants from Other Funds budget totals \$553,366, and no emergency or one-time grants have been awarded.
  4. The Technology Initiatives budget totals \$3,972,266; there are no grant expenses for this period.
- II. The Herbert S. Garten Loan Repayment Assistance Program's budget is \$2,430,590; there are no loan expenses for the period.

The second section of Attachment A presents expenditures for MGO and the OIG. The expenditures are compared to a pro rata allocation of the annual budget based on the number of months of the fiscal year covered by the reporting period. The expenditures are compared to a pro rata allocation of the annual budget, which is two months for this report.

- III. MGO's annual budget totals \$24,155,028. The budget is comprised of the MGO operating budget of \$19,940,000, the MGO Research Initiative of \$65,000, and the MGO Contingency Funds totaling \$4,150,028.

The MGO operating budget allocation for this reporting period is \$3,323,334, compared to the actual expenses of \$2,896,811. LSC is under budget by \$426,523 or 12.83%, and the encumbrances for the period are \$483,402. The expenditures are \$92,573 more than the same period in 2014.

The MGO Research Initiative budget allocation is \$10,833, and there are no expenses. The iScale and Keystone Accountability contract has a balance of \$41,667, which is the amount of the encumbrance.

The MGO Contingency Funds allocation is \$691,671, and there are no expenses.

- IV. The OIG's annual budget totals \$5,197,590. The budget allocation is \$866,265, compared to actual expenses of \$744,669. The OIG is \$121,596 or 14.04%, under budget, and the encumbrances are \$180,311. The expenditures are \$112,218 less than in 2014.

Attachment B, page 1, presents comparative budgets and expenditures for MGO by cost center; all cost centers are under budget except in the Office of Government Relations/Public Affairs (GRPA). GRPA was over budget because an invoice for printing the FY 2013 Annual Report was not paid until December 2014. Attachment B, page 2, shows the budgets and expenditures by budget category for the MGO operating budget. The variances show that we are under budget in each category except for temporary employee pay, which is over budget by \$8,558. This amount is mainly attributed to the use of Program Visit Specialists in the Office of Compliance and Enforcement in the first two months of the fiscal year.

The largest variance under budget, totaling \$277,932, is in the Compensation and Benefits category. This amount represents 65.00% (\$277,932 divided by \$426,523) of this month's total MGO variance. The variance is principally because of open positions. The open positions as of November 30 were:

Human Resources – Human Resources Administrative Assistant (position was filled and the new staff member began work on January 5, 2015);

Program Performance – a Program Analyst, a Research Analyst, and a Pro Bono Analyst (the Pro Bono Analyst position was filled and the new staff member began work on December 1, 2014);

Compliance and Enforcement – 2 Fiscal Compliance Analyst positions and a Program Counsel position; and

Information Management – Director of OIM.

Robert J. Grey, Jr.  
November 2014 Financial Reports  
Page 4

Attachment B, page 3, shows the MGO Contingency Funds budget categories. Attachment B, page 4, provides a summary of the expenditures by office and by budget category. Attachment C, pages 1 and 2, presents a breakdown of the other operating expenses by account code and by cost center.

Attachment D, page 1, shows a comparative OIG budget and expenditures by budget category. The only budget category over budget is other operating expenses because of the purchase of equipment. These purchases are considered other operating expenses rather than capital expenditures because their costs are under \$500.

If you have any questions, please let me know.

Attachments (A – B – C - D)

cc Board of Directors  
President  
Corporate Secretary  
Inspector General

LEGAL SERVICES CORPORATION  
TEMPORARY OPERATING BUDGET WORKSHEET  
FOR THE TWO-MONTH PERIOD ENDING NOVEMBER 30, 2014  
FOR FISCAL YEAR 2015

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	F I S C A L Y E A R 2 0 1 5						C O M P A R A T I V E	
	ANNUAL BUDGET	ACTUAL	ANNUAL BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
<b>I. DELIVERY OF LEGAL ASSISTANCE</b>								
1. Basic Field Programs	336,022,669	-	\$336,022,669	\$336,022,669	100.00	\$0	-	\$0
2. US Court of Vets Appeals Funds	2,503,615	-	2,503,615	2,503,615	100.00	-	2,503,615	(2,503,615)
3. Grants From Other Funds	553,366	-	553,366	553,366	100.00	-	-	-
4. Technology Initiatives	3,972,266	-	3,972,266	3,972,266	100.00	-	2,010,289	(2,010,289)
5. Hurricane Sandy Disaster Relief Funds	75,959	-	75,959	75,959	100.00	-	-	-
6. Pro Bono Innovation Funds	2,498,615	-	2,498,615	2,498,615	100.00	-	-	-
<b>TOTAL DELIVERY OF LEGAL ASSISTANCE</b>	<b>345,626,490</b>	<b>-</b>	<b>345,626,490</b>	<b>345,626,490</b>	<b>100.00</b>	<b>-</b>	<b>4,513,904</b>	<b>(4,513,904)</b>
<b>II. HERBERT S. GARTEN LOAN REPAYMENT ASSISTANCE PROGRAM</b>	<b>2,430,590</b>	<b>-</b>	<b>2,430,590</b>	<b>2,430,590</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
			TWO - TWELFTHS OF THE FY 2015 TOB	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
<b>III. MANAGEMENT &amp; GRANTS OVERSIGHT</b>								
1. MGO Operating Budget	19,940,000	\$2,896,811	3,323,334	426,523	12.83	483,402	2,804,238	92,573
2. MGO Research Initiative	65,000	-	10,833	10,833	100.00	41,667	-	-
3. MGO Contingency Funds	4,150,028	-	691,671	691,671	100.00	-	-	-
<b>TOTAL MANAGEMENT &amp; GRANTS OVERSIGHT</b>	<b>24,155,028</b>	<b>2,896,811</b>	<b>4,025,838</b>	<b>1,129,027</b>	<b>28.04</b>	<b>525,069</b>	<b>2,804,238</b>	<b>92,573</b>
<b>IV. INSPECTOR GENERAL</b>								
1. I G Operating Budget	5,197,590	744,669	866,265	121,596	14.04	180,311	856,887	(112,218)
<b>TOTAL INSPECTOR GENERAL</b>	<b>5,197,590</b>	<b>744,669</b>	<b>866,265</b>	<b>121,596</b>	<b>14.04</b>	<b>180,311</b>	<b>856,887</b>	<b>(112,218)</b>
<b>TOTAL</b>	<b>\$377,409,698</b>	<b>\$3,641,480</b>	<b>\$352,949,183</b>	<b>\$349,307,703</b>		<b>\$705,380</b>	<b>\$8,175,029</b>	<b>(\$4,533,549)</b>

\* \$472,230 LRAP ACCOUNTS RECEIVABLE

LEGAL SERVICES CORPORATION  
TEMPORARY OPERATING BUDGET WORKSHEET  
FOR THE TWO-MONTH PERIOD ENDING NOVEMBER 30, 2014  
FOR FISCAL YEAR 2015

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	FISCAL YEAR 2015						COMPARATIVE	
	ANNUAL BUDGET	ACTUAL	TWO - TWELFTHS OF THE FY 2015 TOB	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUMBRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
<b>III. MANAGEMENT &amp; GRANTS OVERSIGHT</b>								
1. Board of Directors	\$377,050	\$42,924	\$62,842	\$19,918	31.70	\$0	\$58,659	(\$15,735)
2. Executive Office	1,291,100	203,588	215,183	11,595	5.39	-	145,543	58,045
3. Legal Affairs	1,357,650	189,285	226,275	36,990	16.35	41,275	205,245	(15,960)
4. Government Relations/Public Affairs	1,094,700	189,642	182,450	(7,192)	(3.94)	12,629	165,194	24,448
5. Human Resources	762,600	99,991	127,100	27,109	21.33	18,330	109,133	(9,142)
6. Financial & Admin Services	3,686,950	541,386	614,492	73,106	11.90	7,770	506,039	35,347
7. Information Technology	1,738,350	253,439	289,725	36,286	12.52	334,246	200,716	52,723
8. Program Performance	4,520,350	655,120	753,392	98,272	13.04	40,477	655,259	(139)
9. Information Management	604,775	68,258	100,796	32,538	32.28	10,175	95,127	(26,869)
10. Compliance & Enforcement	4,506,475	653,178	751,079	97,901	13.03	18,500	663,323	(10,145)
<b>MANAGEMENT &amp; GRANTS OVERSIGHT SUBTOTAL</b>	<b>\$19,940,000</b>	<b>\$2,896,811</b>	<b>\$3,323,334</b>	<b>\$426,523</b>	<b>12.83</b>	<b>\$483,402</b>	<b>\$2,804,238</b>	<b>\$92,573</b>
11. M & G O Research Initiative	65,000	-	10,833	10,833	100.00	41,667	-	-
12. M & G O Contingency Funds	4,150,028	-	691,671	691,671	100.00	-	-	-
<b>TOTAL MANAGEMENT &amp; GRANTS OVERSIGHT</b>	<b>\$24,155,028</b>	<b>\$2,896,811</b>	<b>\$4,025,838</b>	<b>\$1,129,027</b>	<b>28.04</b>	<b>\$525,069</b>	<b>\$2,804,238</b>	<b>\$92,573</b>

LEGAL SERVICES CORPORATION  
FINANCIAL REPORT BY BUDGET CATEGORY  
FOR THE PERIOD ENDING NOVEMBER 30, 2014  
FOR FISCAL YEAR 2015  
MANAGEMENT AND GRANTS OVERSIGHT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
	ANNUAL BUDGET	ACTUAL	TWO - TWELFTHS OF THE FY 2015 BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUMBRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)	
		F I S C A L Y E A R 2 0 1 5						C O M P A R A T I V E	
TOTAL COMP./BENEFITS	14,372,250	2,117,442	2,395,374	277,932	11.60	-	2,125,686	(8,244)	
TEMP. EMPLOYEE PAY	588,650	106,666	98,108	(8,558)	(8.72)	-	138,742	(32,076)	
CONSULTING	737,150	95,917	122,858	26,941	21.93	310,291	19,470	76,447	
TRAVEL/TRANSPORTATION EXPS	1,124,900	121,032	187,485	66,453	35.44	18,048	164,186	(43,154)	
COMMUNICATIONS	119,825	11,649	19,973	8,324	41.68	-	13,529	(1,880)	
OCCUPANCY COST	1,800,500	285,725	300,083	14,358	4.78	-	285,000	725	
PRINTING & REPRODUCTION	100,650	13,914	16,774	2,860	17.05	-	625	13,289	
OTHER OPERATING EXPENSES	904,075	140,520	150,679	10,159	6.74	155,063	91,455	49,065	
CAPITAL EXPENDITURES	192,000	3,946	32,000	28,054	87.67	-	2,235	1,711	
<b>TOTAL</b>	<b>\$19,940,000</b>	<b>2,896,811</b>	<b>3,323,334</b>	<b>426,523</b>	<b>12.83</b>	<b>\$483,402</b>	<b>2,840,928</b>	<b>55,883</b>	

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LEGAL SERVICES CORPORATION  
FINANCIAL REPORT BY BUDGET CATEGORY  
FOR THE PERIOD ENDING NOVEMBER 30, 2014  
FOR FISCAL YEAR 2015  
MANAGEMENT AND GRANTS OVERSIGHT CONTINGENCY FUNDS

(1) BUDGET CATEGORY	(2) ANNUAL BUDGET	FISCAL YEAR 2015				COMPARATIVE	
		(3) ACTUAL	(4) TWO - TWELFTHS OF THE FY 2015 BUDGET	(5) VARIANCE BUD VS ACT UNDER / (OVER)	(6) % OF VARIANCE UNDER / (OVER)	(7) ENCUMBRANCES	(8) PRIOR Y-T-D ACTUAL
TOTAL COMP./BENEFITS	\$2,448,516	-	408,086	408,086	-	-	-
TEMP. EMPLOYEE PAY	-	-	-	-	-	-	-
CONSULTING	-	-	-	-	-	-	-
TRAVEL/TRANSPORTATION EXPS	-	-	-	-	-	-	-
COMMUNICATIONS	-	-	-	-	-	-	-
OCCUPANCY COST	-	-	-	-	-	-	-
PRINTING & REPRODUCTION	-	-	-	-	-	-	-
OTHER OPERATING EXPENSES	1,701,512	-	283,585	283,585	-	-	-
CAPITAL EXPENDITURES	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$4,150,028</b>	<b>-</b>	<b>691,671</b>	<b>691,671</b>	<b>\$0</b>	<b>-</b>	<b>-</b>

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LEGAL SERVICES CORPORATION  
OPERATING EXPENSES FOR FISCAL YEAR 2015  
FOR THE PERIOD ENDING NOVEMBER 30, 2014  
MANAGEMENT AND GRANTS OVERSIGHT

BUDGET CATEGORY	BOARD OF DIRECTORS	EXECUTIVE OFFICE	LEGAL AFFAIRS	GOV'T REL PUBLIC AFFS	HUMAN RESOURCES	OFFICE FINANCIAL & ADMIN SRVCS
COMPENSATION & BENEFITS	-	186,264	158,650	158,831	92,981	178,122
TEMPORARY EMPLOYEE PAY	-	1,908	10,284	5,092	-	-
CONSULTING	14,083	7,336	13,000	-	4,561	-
TRAVEL/TRANSPORTATION EXPS	27,337	7,201	2,671	6,534	199	2,863
COMMUNICATIONS	294	595	454	915	219	602
OCCUPANCY COST	-	-	-	-	-	285,725
PRINTING & REPRODUCTION	-	-	-	10,975	-	2,939
OTHER OPERATING EXPENSES	1,210	284	4,226	7,295	1,048	69,985
CAPITAL EXPENDITURES	-	-	-	-	983	1,150
<b>TOTAL</b>	<b>\$42,924</b>	<b>\$203,588</b>	<b>\$189,285</b>	<b>\$189,642</b>	<b>\$99,991</b>	<b>\$541,386</b>
BUDGET CATEGORY	INFORMATION TECHNOLOGY	PROGRAM PERFORMANCE	INFORMATION MANAGEMENT	COMPLIANCE & ENFORCEMENT	TOTAL MGT & GRANTS OVERSIGHT	
COMPENSATION & BENEFITS	154,494	559,767	64,844	563,489	2,117,442	
TEMPORARY EMPLOYEE PAY	-	45,882	-	43,500	106,666	
CONSULTING	42,236	14,701	-	-	95,917	
TRAVEL/TRANSPORTATION EXPS	-	30,299	-	43,928	121,032	
COMMUNICATIONS	4,210	2,404	21	1,935	11,649	
OCCUPANCY COST	-	-	-	-	285,725	
PRINTING & REPRODUCTION	-	-	-	-	13,914	
OTHER OPERATING EXPENSES	50,686	2,067	3,393	326	140,520	
CAPITAL EXPENDITURES	1,813	-	-	-	3,946	
<b>TOTAL</b>	<b>\$253,439</b>	<b>\$655,120</b>	<b>\$68,258</b>	<b>\$653,178</b>	<b>\$2,896,811</b>	

OTHER OPERATING EXPENSES FOR THE TWO - MONTH PERIOD ENDING NOVEMBER 30, 2014					
	ANNUAL BUDGET		ACTUAL	TWO -TWELFTHS OF THE FY 2015 BUDGET	UNDER / (OVER) BUD VS ACT VARIANCE
	\$904,075.00		140,520.00	150,679.00	10,159.00

ACCOUNT CODES	DESCRIPTION	COST CENTERS		YTD EXPENSE
5600	EQUIPMENT RENTAL	BOARD OF DIRECTORS INFORMATION TECHNOLOGY TOTAL	574.00 18,338.48	18,912.48
5610	OFFICE SUPPLIES	EXECUTIVE OFFICE FINANCIAL & ADMIN SERVICES INFORMATION TECHNOLOGY COMPLIANCE & ENFORCEMENT TOTAL	210.46 10,141.66 692.16 219.36	11,263.64
5611	OFFICE EQUIPMENT	GOVERNMENT RELATIONS/PUBLIC AFFAIRS HUMAN RESOURCES FINANCIAL & ADMIN SERVICES INFORMATION TECHNOLOGY TOTAL	69.55 164.21 1,115.13 15,843.60	17,192.49
5620	COMMERICAL INSURANCE	FINANCIAL & ADMIN SERVICES TOTAL	34,557.75	34,557.75
5640	DATA PROCESSING	LEGAL AFFAIRS GOVERNMENT RELATIONS/PUBLIC AFFAIRS HUMAN RESOURCES FINANCIAL & ADMIN SERVICES INFORMATION TECHNOLOGY TOTAL	2,229.10 7,225.15 50.00 10,535.31 15,811.65	35,851.21

OTHER OPERATING EXPENSES FOR THE TWO - MONTH PERIOD ENDING NOVEMBER 30, 2014				
ANNUAL BUDGET	ACTUAL	TWO -TWELFTHS OF THE FY 2015 BUDGET	UNDER / (OVER) BUD VS ACT VARIANCE	
\$904,075.00	140,520.00	150,679.00	10,159.00	

ACCOUNT CODES	DESCRIPTION	COST CENTERS	YTD EXPENSE
5650	ADVERTISING & CLIPPING SERVICES	BOARD OF DIRECTORS HUMAN RESOURCES OFFICE OF PROGRAM PERFORMANCE TOTAL	636.00 460.00 2,067.00 <hr/> 3,163.00
5660	DUES & MEMBERSHIPS	HUMAN RESOURCES TOTAL	75.00 <hr/> 75.00
5670	SUBSCRIPTIONS	LEGAL AFFAIRS INFORMATION MANAGEMENT OFFICE OF COMPLIANCE AND ENFORCEMENT TOTAL	1,997.00 1,567.98 106.99 <hr/> 3,671.97
5680	EMPLOYEE LECTURES/OTHER ACT.	HUMAN RESOURCES FINANCIAL & ADMIN SERVICES TOTAL	90.75 7,850.62 <hr/> 7,941.37
5690	OFFICE EXPENSES	EXECUTIVE OFFICE HUMAN RESOURCES FINANCIAL & ADMIN SERVICES INFORMATION MANAGEMENT TOTAL	73.86 207.85 5,784.64 1,825.22 <hr/> 7,891.57
<b>TOTAL OTHER OPERATING EXPENSES</b>			<hr/> <b>\$140,520.48</b> <hr/>

LEGAL SERVICES CORPORATION  
 FINANCIAL REPORT BY BUDGET CATEGORY  
 FOR THE PERIOD ENDING NOVEMBER 30, 2014  
 FOR FISCAL YEAR 2015  
 INSPECTOR GENERAL

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	ANNUAL BUDGET	ACTUAL	TWO - TWELFTHS OF THE FY 2015 BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
	FISCAL YEAR 2015						COMPARATIVE	
TOTAL COMP./BENEFITS	\$4,217,700	626,262	702,950	76,688	10.91	-	700,316	(74,054)
TEMP. EMPLOYEE PAY	40,000	1,308	6,667	5,359	80.38	-	2,062	(754)
CONSULTING	470,000	77,966	78,333	367	0.47	166,144	82,821	(4,855)
TRAVEL/TRANSPORTATION EXPS	280,000	22,229	46,667	24,438	52.37	14,167	48,519	(26,290)
COMMUNICATIONS	30,000	1,853	5,000	3,147	62.94	-	467	1,386
OCCUPANCY COST	9,300	-	1,550	1,550	100.00	-	-	-
PRINTING & REPRODUCTION	18,000	1,882	3,000	1,118	37.27	-	4,177	(2,295)
OTHER OPERATING EXPENSES	64,590	11,388	10,765	(623)	(5.79)	-	10,849	539
CAPITAL EXPENDITURES	68,000	1,781	11,333	9,552	84.28	-	7,676	(5,895)
<b>TOTAL</b>	<b>\$5,197,590</b>	<b>744,669</b>	<b>866,265</b>	<b>121,596</b>	<b>14.04</b>	<b>\$180,311</b>	<b>856,887</b>	<b>(112,218)</b>

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**Consolidated or Revised Operating Budget  
for FY 2015**



## FINANCIAL & ADMINISTRATIVE SERVICES

### MEMORANDUM

**TO:** Robert J. Grey, Finance Committee Chairman

**FROM:** David L. Richardson, Treasurer/Comptroller *dlr*

**DATE:** January 13, 2015

**SUBJECT:** Fiscal Year (FY) 2015 Proposed Consolidated Operating Budget (COB)

---

The Board of Directors approved Management's proposed Temporary Operating Budget (TOB) of \$377,409,698 in October 2014. This TOB was comprised of the annualized funding from the Continuing Resolution (CR) then in effect, plus projected carryover. In December, Congress passed an appropriation for FY 2015 that increased our funding by \$10,202,210. The increase in each line item is shown in the following table.

	FY 2015 Appropriation	Annualized CR Funding	Funding Increase
Basic Field Programs	343,150,000	335,514,022	7,635,978
Technology Initiatives	4,000,000	3,448,089	551,911
Pro Bono Innovation Funds	4,000,000	2,498,615	1,501,385
Herbert Garten LRAP	1,000,000	999,446	554
Management and Grants Administration	18,500,000	17,990,028	509,972
Inspector General	4,350,000	4,347,590	2,410
<b>Totals</b>	<b>375,000,000</b>	<b>364,797,790</b>	<b>10,202,210</b>

The CR for the U.S. Court of Veterans Appeals provided funding of \$2,498,615, and with the final appropriation this increased to \$2,500,000, an increase of \$1,385.

We projected FY 2014 carryover to be \$10,113,293; with the audit now complete, the actual carryover totaled \$10,016,401, a reduction of \$96,892.

	Actual Carryover	Projected Carryover	Increase (Decrease) in Carryover
Basic Field Programs	462,147	508,647	(46,500)
U.S. Court of Veterans Appeals	5,422	5,000	422
Grants from Other Funds	536,238	553,366	(17,128)
Technology Initiatives	193,149	524,177	(331,028)
Hurricane Sandy Disaster Relief Funds	75,959	75,959	-
Herbert Garten LRAP	1,408,419	1,431,144	(22,725)
Management and Grants Administration	6,467,174	6,100,000	367,174
MGO Research Initiative	66,622	65,000	1,622
Inspector General	801,271	850,000	(48,729)
<b>Totals</b>	<b>10,016,401</b>	<b>10,113,293</b>	<b>(96,892)</b>

The decrease of \$46,500 in Basic Field Program funds is due to the hiring of a consultant by LSC management to assist with the organization of a grantee in America Samoa. We have statutory authority to transfer Basis Field Program funds to Management and Grants Oversight (MGO) to pay for this contract, and this transfer is included in the proposed COB.

There is an increase of \$422 in the U.S. Court of Veterans Appeals account because year-end expenses were less than projected. A decrease of \$17,128 for the Grants from Other Funds is required because after the projection was made, a \$63,266 grant was awarded, and we had additional grant recoveries of \$46,138.

A net decrease of \$22,725 in the Loan Repayment Assistance Program is attributable to loans that were forgiven in the last two weeks of the fiscal year and payments of outstanding loan balances were received. The Technology Initiatives decrease of \$331,028 is due to grants that were awarded in September that were not included in my projection.

Within MGO, there is an increase of \$367,174 due to less spending than projected; the transfer from the Basic Field Program budget of \$46,500 described above; and a transfer from the Pro Bono Innovation Funds of \$125,000 to provide for administrative support for the Pro Bono Innovation competition process.

This proposed budget increases the MGO operating budget by \$460,000, and if approved, will be used to hire a Program Counsel in the Office of Program Performance, a Fiscal Oversight Analyst in the Office of Compliance and Enforcement, and an accountant in the Office of Financial and Administrative Services. We have also increased the following office budgets:

Executive office for personnel compensation and benefits by \$30,750 because of a recent promotion;

Office of Legal Affairs for consulting costs of \$14,500 to provide additional funds for the Migrant Study (originally, it was thought half the costs would be in FY 2014, but the full costs were delayed until this year);

Government Relations/Public Affairs to provide funding for printing FY 2013 Annual Report costs, because the payment was delayed until this fiscal year; and

Office of Information Technology – consulting was increased by \$100,000 to provide funds for the continuation of the website redesign, a consultant to assist with the selection of a new grants management system, and work to develop a uniform approach to compliance and fiscal work for Office of Compliance and Enforcements site visits.

The contingency funds of \$4,567,174 will be used to support future operations. Included in the contingency are funds to provide a one-month operating reserve of \$1,550,000 to sustain us in the event of a lapse in funding. We have two other projects for which we are earmarking funds: (1) \$800,000 for a new grants management system, which we may begin implementation in late FY 2015 and complete in FY 2016, and (2) \$75,000 for an evaluation of the Pro Bono Innovation Funds grants, for which some of the work will begin in FY 2015, and the remaining funds will be used to complete the evaluation in FYs 2016 and 2017. The contingency balance of \$2,142,174 will help to sustain the MGO operations through FY 2016 and most, if not all, of FY 2017, depending on operating carryover for those years.

On additional change to this year's proposed budget is contained in the Grants from Other Funds. We received funds totaling \$47,342 through a *cy pres* award in the *In Re Publication Paper Antitrust Litigation*. These funds will be used for Emergency and /or special one-time grants.

*The following budget information is provided by the Office of Inspector General (OIG).*

The FY 2015 LSC Appropriation included \$4,350,000 for the OIG. The OIG carryover reduced from \$1,187,681 in FY 2013 to \$801,271 in FY 2014; resulting in \$5,151,271 of total FY 2015 funding. The final FY 2014 carryover was \$48,729 less than projected in the TOB.

The OIG FY 2015 operating budget is \$4,950,600 with an additional contingency budget of \$200,671. The contingency was funded by delaying the hiring of the two open positions, recent staff hires at lower salary levels and the reduction in planned temporary employee support (\$200,100). Further, significant OIG budget adjustments included the resulting decrease in benefits (\$32,000) and reducing the information technology consulting (\$40,000), while increasing other operating costs by \$18,000 to account for software purchases.

This budget allows the OIG's work plan to remain flexible and can accommodate additional independent and objective reviews as requested by the Board or Congress.

\* \* \* \* \*

Attached is a proposed COB resolution, which totals \$387,563,743. Two attachments supporting this recommendation. Attachment A summarizes the COB by budget line and Attachment B summarizes each office's budget by budget category. Questions or concerns related to the MGO budget should be directed to me at 202-295-1510 or Wendy Christmas at 202-295-1516. Questions regarding the Office of Inspector General's budget should be directed to Jeffrey Schanz (202) 295-1677 or David Maddox (202) 295-1653.

Attachments

LEGAL SERVICES CORPORATION  
PROPOSED CONSOLIDATED OPERATING BUDGET

-----  
FOR THE FISCAL YEAR 2015

	(1)	(2)	(3)	(4)
	FY 2015 APPROPRIATION -----	FY 2014 CARRYOVER -----	COURT OF VETS APPEALS & ADJUSTMENTS -----	FY 2015 CONSOLIDATED OPERATING BUDGET -----
<b>I. DELIVERY OF LEGAL ASSISTANCE</b>				
-----				
1. Basic Field Programs	343,150,000	462,147	-	343,612,147
2. U.S. Court of Veterans Appeals Funds	-	5,422	2,500,000	2,505,422
3. Grants From Other Funds	-	536,238	47,342	583,580
4. Technology Initiatives	4,000,000	193,149	-	4,193,149
5. Hurricane Sandy Disaster Relief Funds	-	75,959	-	75,959
6. Pro Bono Innovation Funds	4,000,000	-	-	4,000,000
	-----	-----	-----	-----
DELIVERY OF LEGAL ASSISTANCE TOTALS	351,150,000	1,272,915	2,547,342	354,970,257
<b>II. HERBERT S. GARTEN</b>				
LOAN REPAYMENT ASSISTANCE PROGRAM	1,000,000	1,408,419	-	2,408,419
-----				
<b>III. MANAGEMENT &amp; GRANTS OVERSIGHT</b>				
-----				
1. MGO Operating Budget	18,500,000	1,900,000	-	20,400,000
2. MGO Research Initiative	-	66,622	-	66,622
3. MGO Contingency Funds	-	4,567,174	-	4,567,174
	-----	-----	-----	-----
TOTAL - MANAGEMENT & GRANTS OVERSIGHT	18,500,000	6,533,796	-	25,033,796
<b>IV. INSPECTOR GENERAL</b>				
-----				
1. OIG Operating Budget	4,350,000	600,600	-	4,950,600
2. OIG Contingency Funds	-	200,671	-	200,671
	-----	-----	-----	-----
TOTAL - OFFICE OF INSPECTOR GENERAL	4,350,000	801,271	-	5,151,271
	-----	-----	-----	-----
TOTAL BUDGET	\$375,000,000	\$10,016,401	2,547,342	\$387,563,743
	=====	=====	=====	=====

**LEGAL SERVICES CORPORATION  
TEMPORARY OPERATING BUDGET  
FOR MANAGEMENT AND GRANTS OVERSIGHT  
AND INSPECTOR GENERAL  
FOR FISCAL YEAR 2015**

<b>BUDGET CATEGORY</b>	<b>BOARD OF DIRECTORS</b>	<b>EXECUTIVE OFFICES</b>	<b>LEGAL AFFAIRS</b>	<b>GOVERNMENT RELATIONS &amp; PUB AFFS</b>	<b>HUMAN RESOURCES</b>	<b>OFFICE FINANCIAL &amp; ADMIN SRVCS</b>
COMPENSATION & BENEFITS	0	1,240,850	1,032,450	956,600	689,950	1,230,800
TEMP. EMPLOYEE PAY	0	10,500	70,200	30,700	0	15,400
CONSULTING	93,600	13,550	207,000	20,000	24,250	7,300
TRAVEL & TRANSPORTATION	222,450	48,800	17,900	41,300	45,100	18,100
COMMUNICATIONS	5,400	5,250	5,200	4,600	2,400	15,200
OCCUPANCY COSTS	0	0	0	0	0	1,800,000
PRINTING & REPRODUCTION	0	500	0	14,000	0	93,650
OTHER OPERATING EXPENSES	55,600	2,400	39,400	35,000	15,900	469,150
CAPITAL EXPENDITURES	0	0	0	0	0	130,000
<b>TOTAL</b>	<b>377,050</b>	<b>1,321,850</b>	<b>1,372,150</b>	<b>1,102,200</b>	<b>777,600</b>	<b>3,779,600</b>

<b>BUDGET CATEGORY</b>	<b>INFORMATION TECHNOLOGY</b>	<b>PROGRAM PERFORM</b>	<b>INFORMATION MANGEMENT</b>	<b>COMPLIANCE &amp; ENFORCE</b>	<b>MGT &amp; GRNTS OVERSIGHT</b>	<b>INSPECTOR GENERAL</b>
COMPENSATION & BENEFITS	1,030,800	3,885,000	576,500	3,971,250	14,614,200	4,005,600
TEMP. EMPLOYEE PAY	0	302,200	0	159,650	588,650	20,000
CONSULTING	414,000	37,000	0	60,000	876,700	430,000
TRAVEL & TRANSPORTATION	45,000	328,750	4,000	368,500	1,139,900	280,000
COMMUNICATIONS	40,300	20,900	75	20,500	119,825	35,000
OCCUPANCY COSTS	0	500	0	0	1,800,500	6,000
PRINTING & REPRODUCTION	0	0	0	0	108,150	18,000
OTHER OPERATING EXPENSES	267,250	20,600	24,200	575	930,075	86,000
CAPITAL EXPENDITURES	92,000	0	0	0	222,000	70,000
<b>TOTAL</b>	<b>1,889,350</b>	<b>4,594,950</b>	<b>604,775</b>	<b>4,580,475</b>	<b>20,400,000</b>	<b>4,950,600</b>



**BOARD OF DIRECTORS**

**RESOLUTION**

**CONSOLIDATED OPERATING BUDGET  
FOR FISCAL YEAR 2015**

**WHEREAS**, the Board of Directors (“Board”) of the Legal Services Corporation (“LSC”) has reviewed information regarding the Fiscal Year (FY) 2015 appropriation, the U.S Court of Veterans Appeals grant, and the FY 2014 carryover, and the funds available for the Consolidated Operating Budget (COB) are as follows:

- 1) Appropriation of \$375,000,000;
- 2) U.S. Court of Veterans Appeals funding of \$2,500,000;
- 3) Carryover in the amount of \$10,016,401, which is comprised of:
  - a. Basic Field Programs carryover of \$462,147;
  - b. U.S. Court of Veterans Appeals of \$5,422;
  - c. Grants from Other Funds of \$536,238;
  - d. Technology Initiative Grant funds of \$193,149;
  - e. Hurricane Sandy Disaster Relief Funds of \$75,959;
  - f. Herbert S. Garten Loan Repayment Assistance Program of \$1,408,419;
  - g. Management and Grants Oversight Operations of \$1,900,000;
  - h. Public Welfare Foundation Research Grant of \$66,622;
  - i. Management and Grants Oversight Contingency of \$4,567,174; and
  - j. Office of Inspector General of \$600,600;
  - k. Office of Inspector General Contingency of \$200,671; and
- 4) Other funds of \$47,342 from a *cy pres* award.

**WHEREAS**, Management and the Inspector General recommend that a COB be adopted reflecting the funds available;

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby adopts a COB for FY 2015 totaling \$387,563,743 of which \$354,970,257 is for the *Delivery of Legal Assistance*; \$2,408,419 is for the *Herbert S. Garten Loan Repayment Assistance Program*; \$20,400,000 is for *Management and Grants Oversight (MGO)*; \$66,622 is for *MGO Research Initiative*; \$4,567,174 is for *MGO Contingency Funds*; \$4,950,600 is for the *Office of Inspector General (OIG)*, \$200,671 is for the *OIG Contingency*, as reflected in the attached documents.

**Adopted by the Board of Directors  
On January 24, 2015**

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**John G. Levi**  
*Chairman*

Attest:

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**Ronald S. Flagg**  
*Vice President for Legal Affairs,  
General Counsel, and  
Corporate Secretary*

## **Delivery of Legal Services Committee**

# Agenda

# DELIVERY OF LEGAL SERVICES COMMITTEE

January 23, 2015

## Agenda

### Open Session

1. Approval of Agenda
2. Approval of minutes of the Committee's meeting on October 6, 2014
3. Discussion of Committee's evaluations for 2014 and the Committee's goals for 2015
4. Review and discussion of presentations to the Committee in 2013 and 2014, and of proposed topics for 2015
5. Panel presentation and Committee discussion of LSC's Performance Criteria, Performance Area Four, Criterion 2 – Leadership
  - **Jim Cook**, Executive Director, Idaho Legal Services, Inc.
  - **Christine Larson**, Executive Director, Three Rivers Legal Services, Inc.
  - **Allison Thompson**, former Executive Director, Three Rivers Legal Services, Inc.
  - **Nikole Nelson**, Executive Director, Alaska Legal Services Corporation
  - **Anthony Young**, Executive Director, Southern Arizona Legal Aid, Inc.
  - **Rick Moyers**, Vice President for Programs and Communications, The Meyer Foundation (*Moderator*)
6. Public comment
7. Consider and act on other business
8. Consider and act on motion to adjourn the meeting

**Draft Minutes of the October 5, 2014  
Open Session Meeting**

**Legal Services Corporation  
Meeting of the  
Delivery of Legal Services Committee**

**Open Session**

**Sunday, October 5, 2014**

**DRAFT**

Co-Chair Father Pius Pietrzyk convened an open session meeting of the Legal Services Corporation's ("LSC") Delivery of Legal Services Committee ("the Committee") at 5:39 p.m. on Sunday, October 5, 2014. The meeting was held at the Hilton Albany, 40 Lodge Street, Albany, New York 12207.

The following Committee members were present:

Father Pius Pietrzyk, Co-Chair  
Gloria Valencia-Weber, Co-Chair  
Victor Maddox  
Julie A. Reiskin  
John G. Levi, *ex officio*

Other Board members present:

Robert Grey  
Charles N.W. Keckler  
Harry J.F. Korrell, III  
Laurie I. Mikva

Also attending were:

James J. Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel & Corporate Secretary
Stefanie Davis	Assistant General Counsel, Office of Legal Affairs
Wendy Rhein	Chief Development Officer
David Richardson	Comptroller/Treasurer, Office of Financial and Administrative Services
Jeffrey Schanz	Inspector General
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)

Carol Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant Office of Government Relations and Public Affairs (GRPA)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement (OCE), Executive Office
Janet LaBella	Director, Office of Program Performance (OPP)
Cheryl Nolan	Office of Program Performance (OPP)
Bernie Brady	Travel Coordinator
Herbert Garten	Non-Director Member, Institutional Advancement Committee
Marcos Navarro	Office of Government Relations and Public Affairs (GRPA)
William J. Hawkes	Executive Director, Neighborhood Legal Services
C. Kenneth Perri	Executive Director, Legal Assistance of Western New York
Paul J. Lupia	Executive Director, Legal Aid Society of Mid-New York
Barbara Finkelstein	Executive Director, Legal Services of the Hudson Valley
Jeff Seigel	Nassau/Suffolk Law Services
Lillian M. Moy	Executive Director, Legal Aid Society of Northeastern New York
Michele Sleight	Legal Aid Society of Northeastern New York
Wendy Wahlberg	Legal Aid Society of Northeastern New York
Deb Collura	Legal Aid Society of Northeastern New York
Anne Malak	Legal Aid Society of Northeastern New York
Deanne Grimaldi	Legal Aid Society of Northeastern New York
Robert Romaker	Legal Aid Society of Northeastern New York
Robert Magee	Legal Aid Society of Northeastern New York
Peter Racette	Legal Aid Society of Northeastern New York
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Lisa Wood	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Co-Chairman Father Pius called the meeting to order.

**MOTION**

Ms. Reiskin moved to approve the agenda. Committee Co-Chair Valencia-Weber seconded the motion.

## **VOTE**

The motion passed by voice vote.

## **MOTION**

Committee Co-Chair Valencia-Weber moved to approve the minutes of the Committee's meeting of July 21, 2014. Ms. Reiskin seconded the motion.

## **VOTE**

The motion passed by voice vote.

Ms. Nolan panel moderator, introduced the panelists: Lillian M. Moy, Executive Director, Legal Aid Society of Northeastern, New York; William J. Hawkes, Executive Director, Neighborhood Legal Services; C. Kenneth Perri, Executive Director, Legal Assistance of Western New York; Paul J. Lupia, Executive Director, Legal Aid Society of Mid-New York; and Barbara Finkelstein, Executive Director, Legal Services of Hudson Valley. The panelists briefed the Committee on the difference in leadership the judiciary makes, and how the New York State Task Force is increasing access to justice and what its effects are on legal services across New York. Mr. Perri described the difference the Office of Court Administrations' Judiciary Civil Legal Services (JCLS) funding has made in expansion of access to the civil legal services across New York State. He stated this success is also due to the work of Chief Judge Lippman's civil legal services funding initiatives and the work of the New York State Task Force. Mr. Perri briefed the Committee on the success of his program serving veterans with the use of JCLS funding. Mr. Lupia discussed the success of his program's intake system. Ms. Finkelstein explained how JCLS funding has allowed her program to expand intake services and hire housing attorneys; Mr. Hawkes discussed how JCLS funding preserved services at his program that otherwise would have been lost due to cut backs in LSC funding. Ms. Moy spoke of JCLS funding supporting staff initiatives and program projects; and gave an overview of the benefit, impact and guidance of the Task Force hearings.

Mr. Lupia, Mr. Hawkes and Mr. Perri also briefed the Committee on special programs initiated by Chief Judge Lippman. The programs, Disability Advocacy Project (DAP), Home Ownership Protection Program (HOPP), and State wide Technology, have all expanded access to justice in the state of New York. Mr. Perri and the panelists answered Committee members' questions.

Committee Co-Chair Father Pius invited public comment and receive none.

Ms. Reiskin wanted to know if the Committee would be continuing its discussion on the subject of performance criteria. Committee Co-Chairman Father Pius stated the Committee would take up the discussion before the January 2015 meeting. There was no other new business to consider.

**MOTION**

Committee Co-Chair Valencia-Weber moved to adjourn the meeting. Mr. Maddox seconded the motion.

**VOTE**

The motion passed by voice vote.

The Committee meeting adjourned at 6:50 p.m.

# **2014 Committee Evaluations and 2015 Goals**

## **SUMMARY OF 2014 DELIVERY OF LEGAL SERVICES COMMITTEE EVALUATION RESPONSES**

### **Members either strongly agreed or agreed that:**

- Our committee has adequate resources (for example, staff time and expertise) to support its function.
- We receive the meeting agenda and materials sufficiently in advance of the meeting to allow for appropriate review and preparation.
- The minutes of our meetings are accurate and reflect the discussion, next steps and/or action items articulated by the members.
- Our committee membership represents the talents and skills required to fulfill the goals and purposes of the committee. Our committee members come to meetings prepared and ready to contribute.
- Our committee members treat each other with respect and courtesy.
- As a general rule, when I speak I feel listened to and that my comments are valued.
- Our committee meetings are held regularly and with appropriate frequency.

### **Mixed responses (some strongly agreed/some agreed/some disagreed) that:**

- Committee members understand the goals and purpose of our committee; committee members agree on the goals and purpose of the committee. (Direct quotes follow)
  - There is a divergence of views of what the committee should accomplish. This isn't necessarily a problem, but a reality.
  - The charter was amended in 2013 to provide a better focus on the committee's purpose. In 2014 it started looking at performance criteria of grantees (a core responsibility) but this review did not result in any changes or recommendations brought to the full board. This committee needs to set up specific challenges identified by management that need to be addressed.
  - Panels are appropriate for this committee but we also need time to work on performance criteria. Since we judge grantees, we need to take responsibility for continual review to make sure they make sense in the changing legal services world.
- There is alignment between our committee's goals and purposes and the actions taken and/or the decisions made by the committee.
- There is alignment between our committee's goals and purposes and the goals of LSC's Strategic Plan.
- Our committee has responded effectively and appropriately to issues of immediate concern brought before it; our committee has made significant progress on long-term strategic issues related to its goals and purposes.
- The length of our committee meetings is appropriate and respectful of the agenda. We consistently use our meeting time well; issues get the time and attention proportionate to their importance.
  - At times the panel discussions are lengthy and do not lead to an in-depth discussion by board members.
- Our committee meetings are held regularly and with appropriate frequency.

**The following are direct quotes:**

**Members liked:**

- The panel presentations are interesting. The board members are treated with respect when speaking.
- Co-chairs provide excellent leadership.
- We have a working list of areas to work on.
- I like the panels.
- The information we receive from the field on the work done by grantees.

**Ideas for Improvement:**

- A list of specific issues that need to be addressed to improve the delivery of legal services.
- More time for interaction with panels. Smaller panels, shorter presentations.
- Perhaps more discussion of some unclear areas.
- I would like to see us become more action-oriented and do a real review of performance criteria in a reasonable manner.

**Future Focus:**

- It would be beneficial for management to identify specific issues.
- Training of grantee board members.
- Helping grantees develop strong, informed, responsible boards of directors.
- Performance criteria, especially governance, but in a way that is helpful and not punitive or mandatory towards grantees.
- Developing a better understanding of the quality of legal services offered by grantees.

# **Two-Year Summary of Committee Presentations**

**Delivery of Legal Services Committee**  
**Panel Presentations: 2013 & 2014**

**January 2013: Succession Planning and Leadership Development for LSC funded programs**

- Audio/video clips on LRI: <http://lri.lsc.gov/program-administration/leadership/succession-planning/succession-planning-board-presentations>

**April 2013: Using assessments of legal needs of the low income population to set priorities for the work of legal services programs**

- Audio clips on LRI: <http://lri.lsc.gov/identifying-need/needs-assessments/panel-presentation-lsc-board>

**July 2013: Colorado Legal Services Program Presentation**

**October 2013: Panel Presentation on LSC Performance Criteria**

**January 2014: LSC's Performance Criteria, Performance Area Four, Criterion 1. Board Governance—Fiscal and Financial Oversight**

**April 2014: LSC's Performance Criteria, Performance Area Four, Criterion 4. Financial Administration—Challenges of Financial Planning and Budgeting in the Face of Unpredictable and Fluctuating Funding**

**July 2014: LSC's Performance Criteria, Performance Area Four, Criterion 1 -- Board Governance—Board Composition, Client-Eligible Member Engagement in Board Decision-Making**

**October 2014: The Difference That Leadership from the Judiciary Makes: How the New York State Task Force on Increasing Access to Justice Affects Legal Services Across New York**

**Panel Presentation:**  
**LSC Performance Criteria; Performance**  
**Area 4, Criterion 2 - Leadership**

**LSC's Performance Criteria, Performance Area Four, Criterion 2 -- Leadership**  
**January 23, 2015**  
**Miami, Florida**

**Jim Cook, Executive Director, Idaho Legal Aid**

Jim Cook is the Executive Director of Idaho Legal Aid Services (ILAS), a statewide non-profit law firm serving low income Idahoans. Mr. Cook assumed the position in April 2013 after serving fourteen years as a staff attorney and Deputy Director. He undertook a number of initiatives after assuming the Executive Director position. One project was to update the program bylaws, personnel manual and 26 policy directives. The goal was to make them more clear and equitable while ensuring compliance with LSC requirements. A second effort was to undertake a statewide "listening tour" where he traveled to the program offices and interviewed each employee to learn about their jobs, wants, needs and what he could do to improve the program. Jim concurrently met with the Idaho Supreme Court, Bar Commissioners and other key partners to obtain their input as to how ILAS could do a better job serving Idaho.

ILAS partnered to launch a collaborative fundraising campaign in 2014 entitled Access to Justice Idaho. ILAS also hired a Development Associate in 2014 to increase fundraising capacity. An improving financial situation in 2014 and savings from cuts made in 2013 enabled ILAS to end furloughs, provide all staff a pay increase, increase the program reserve and invest in updated technologies to enable ILAS staff to more effectively serve our client community.

**Christine Larson, Executive Director, Three Rivers Legal Services**

Christine Larson has served as the Executive Director of Three Rivers Legal Services (TRLS) since March of 2014. TRLS provides free civil legal assistance in seventeen counties of North Florida, a service area which stretches from the Gulf Coast to the Atlantic Coast and north from the City of Gainesville to the Georgia border.

Chris came to TRLS from Florida Rural Legal Services, a very similar multi-county, multi-circuit program serving the residents of south-central Florida, where she served as Deputy Director from 1999 until early 2014. Prior to 1999, she served as a Managing Attorney, Work Group Leader and Staff Attorney at various offices of FRLS. Her thirty- plus year career in legal services has included representation of migrant farm workers, elderly persons and residents of nursing homes, low income tenants, victims of domestic violence and the mentally disabled.

Chris has also served on the Boards of a number of not-for-profit organizations including; Community Cooperative Ministries, Inc., (The Soup Kitchen/Meals on Wheels- a community mission dedicated to ending hunger in Lee County, Florida and the surrounding area), and Partnership in Housing, Inc., (A community group formed for the purpose of constructing and maintaining Pueblo Bonito, a farm worker housing complex in Bonita Springs, Florida).

Chris is a graduate of Temple University School of Law, and holds a BA in Spanish and History from Dickinson College. She has been a member of the Florida Bar since 1978 and of the Pennsylvania Bar since 1977.

**Rick Moyers, Vice President for Programs and Communications,  
Eugene and Agnes E. Meyer Foundation**

Rick Moyers is vice president for programs and communications at the Eugene and Agnes E. Meyer Foundation in Washington, DC. Rick has led Meyer's nationally recognized capacity-building work since joining the foundation as a program officer in 2003. From 1999 to 2003, Rick was executive director of the Ohio Association of Nonprofit Organizations, and from 1992 to 1999 he held senior management positions at BoardSource. Rick is a frequent speaker and trainer on nonprofit management and leadership issues. He is a co-author of *Daring to Lead 2011*, a national study of nonprofit executive directors, and the author of *The Nonprofit Chief Executive's Ten Basic Responsibilities*, published by BoardSource in 2006, and "Against the Grain," a popular Chronicle of Philanthropy blog about nonprofit boards. In 2009, Rick was a recipient of the inaugural Grantmaker in Capacity Building Award from the Alliance for Nonprofit Management in recognition of Meyer's longstanding commitment to building the field of nonprofit management and leadership.

**Nikole Nelson, Executive Director, Alaska Legal Services Corporation**

Nikole Nelson is the Executive Director of Alaska Legal Services Corporation (ALSC), Alaska's only LSC-funded program and the only statewide provider of free civil legal assistance to low-income Alaskans. Nikole oversees ALSC's 11 offices and a 40+ member staff that are scattered across the vast state of Alaska. She joined ALSC in 1998 as a staff attorney shortly after graduating from Willamette University College of Law. Prior to being hired as ALSC's Executive Director in 2010, she managed ALSC's four offices in Alaska's largest judicial district. She is a member of the Alaska Supreme Court Advisory Committee on Access to Civil Justice, the Alaska Bar Association's Pro Bono Services Committee, she serves on the Municipality of Anchorage's Housing and Neighborhood Development Commission, and currently Co-Chair's that Commission's Oversight Subcommittee on Homelessness.

**Allison Thompson, former Executive Director, Three Rivers Legal Services**

Allison Thompson served as the Executive Director of Three Rivers Legal Services in Gainesville, Florida for seventeen years. She retired from that position in March of 2014. During her leadership, Three Rivers expanded from serving twelve counties to seventeen counties, opened a third office in Jacksonville, and increased the operating budget by two hundred and fifty percent. Thompson came to Three Rivers in December 1996 after serving as Executive Director at Legal Services of the Virgin Islands. During her tenure, Three Rivers grew from only two funding sources to more than thirty funding sources, and increased services to clients.

One of the first black female graduates of the University of Florida College of Law in 1973, Thompson dedicated her legal career to serving the legal needs of the poor including serving as a Reginald Heber Smith attorney at LAW Inc. in Tampa, a staff attorney at Rhode Island Legal Services, and later a regional attorney for the Legal Services Corporation in Pennsylvania.

Thompson's community involvements include the 4As, The African American Accountability Alliance; BASE, or Black AIDS Services & Education Inc.; the PRESERVE, which is an organization housing homeless teens; the Cultural Arts Coalition; and many others. She was also involved in the National Legal Aid and Defender Association, the Clara Gehan Association for Women Lawyers, the Josiah T. Walls Minority Bar Association, the Equal Justice Works/Pro Bono Legal Corps, and the National Association of Public Interest Law. She was the 2008 Alachua County NAACP President's Award recipient and in 2009 received the Eighth Judicial Circuit Bar Association's Tomlinson Professionalism Award.

**Anthony Young, Executive Director, Southern Arizona Legal Aid**

Anthony Young has been the Executive Director of Southern Arizona Legal Aid, Inc., based in Tucson, Arizona, since 2007. Anthony has worked as a legal aid attorney since 1991, and managed legal aid offices in Nebraska and Arizona. He attended law school at the University of Nebraska College Law. Anthony served as President of the NAACP Yuma Chapter. He currently serves on the Arizona Supreme Court Commission on Access to Justice, the Civil Policy Group of the National Legal Aid and Defender Association, and the Board of Directors for the Pima County Library Foundation and Child and Family Resources in Tucson. He is a recipient of the 2007 State Bar of Arizona Sharon A. Fullmer Legal Aid Attorney of the Year Award. Mr. Lupia is the Executive Director of the Legal Aid Society of Mid-New York, Inc. (LASMNY), a thirteen county LSC funded legal services provider in Central New York. In addition, LASMNY maintains an office in New Paltz for its statewide LSC funded Migrant Farmworker Program.

**Criterion 2. Leadership.** The program has effective leadership which establishes and maintains a shared sense of vision and mission, and emphasizes excellence, innovation, and achievement of goals, and objectives.

**Indicators**

Key program staff, starting with the executive director or chief executive officer, are recognized as the program leaders. They frame a vision and inspire a culture of energy, creativity, innovation, excellence, and achievement, built on trust, confidence, integrity, and loyalty.

The program provides opportunities for the development of a diverse group of leaders.

The program has a succession plan.

**Areas of Inquiry**

Starting with the chief executive officer, are there recognized, positive, and effective leaders in the program?

Is there a shared sense of vision and mission? Is it expressed in written form? Are staff aware of it?

Does the program leadership effectively inspire creativity and innovation, trust, confidence, integrity, and loyalty?

Does the program provide opportunities for staff to develop and exercise leadership skills?

Does the program have a clear and reasonable succession plan? Is it written?

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# **Board of Directors**

Legal Services Corporation Board of Directors &  
ABA Standing Committee on Pro Bono & Public Service

Briefing Agenda

Saturday, January 24, 2014

8:00 a.m. to 9:30 p.m.

- I. Introductions
- II. Initiative Update – ABA Standing Committee on Pro Bono and Public Service
- III. Initiative Update – LSC Pro Bono Task Force Implementation Update
  - a. Pro Bono Innovation Fund
  - b. PAI Rule Implementation
- IV. Discussion of Partnering on Rules Change Issues
- V. Next Steps

# **Pro Bono Task Force Implementation Update**

# **LSC PRO BONO TASK FORCE IMPLEMENTATION UPDATE**

## **JANUARY 2015**

### **I. PRO BONO TASK FORCE OVERVIEW**

In March 2011, LSC created a Pro Bono Task Force (“PBTF”) comprised of judges, corporate general counsels, bar leaders, technology experts, leaders of organized pro bono programs, law firm leaders, government lawyers, law school deans, and the heads of legal aid organizations, to consider how to increase pro bono contributions to civil legal aid. The Task Force divided into working groups and spent months conducting interviews, identifying effective practices, and sharing ideas before reporting its findings and recommendations to the LSC Board of Directors.

In October 2012, the Pro Bono Task Force released its findings and recommendations. Since then, LSC has made significant progress in implementing the Task Force’s recommendations. The following provides an update on recent activity.

### **II. IMPLEMENTING THE TASK FORCE RECOMMENDATIONS**

#### **A. Development and Implementation of a Pro Bono Innovation Fund**

One of the Task Force’s key recommendations was for LSC to work with Congress to create a Pro Bono Innovation/Incubation Fund. Within two years, this recommendation was implemented and funding awards were announced. On January 17, 2014, the President signed P.L. 133-76, the Consolidated Appropriations Act of 2014, which included \$2.5 million in LSC’s appropriation for the creation of a Pro Bono Innovation Fund. Soon after Congress acted, LSC developed and implemented a competitive grant program with a rigorous review process. The Notice of Funds Availability was issued in April 2014 with full applications due to LSC in June. The first PBIF grant-making cycle was extremely competitive with significant interest from LSC grantees and justice stakeholders. LSC received a total of 79 applications (representing 58 percent of LSC grantees) from 41 different states. The applications requested more than \$15 million with an average request of \$196,000 for project costs.

The applications reflected important trends and challenges for legal services organizations and the pro bono delivery system. These included:

- Rural delivery and remote access. Forty three percent of the applications (34 of 79 applications) sought to improve access for rural clients.
- Technology to expand services and efficiency. Thirty four percent (27 of 79 applications) sought to expand services, streamline volunteer management, or heighten awareness of legal information or volunteer opportunities using technology.
- Leveraging partnerships. Applicants proposed to collaborate with hundreds of partners in the legal services network to reach more clients, target special populations, and recruit new volunteers to pro bono service. This included partnerships with large law firms,

corporate legal departments, law schools, state courts, bar associations, state Access to Justice Commissions, community service providers and health care providers.

Each application was fully vetted by staff and a panel of external pro bono experts and private attorneys. In September 2014, LSC announced the inaugural class of PBIF awardees. The recipients of the **2014 Pro Bono Innovation Fund** are:

#### **Atlanta Legal Aid Society - \$212,837, 24 months**

The Atlanta Legal Aid Society (“ALAS”) will integrate pro bono attorneys in all of their offices in the five counties ALAS services to make follow-up contact with clients and provide additional brief services, which has been proven to improve client outcomes significantly.

#### **Colorado Legal Services - \$173,808, 24 months**

Colorado Legal Services will collaborate with the Colorado Bar Association to develop different technologies and clinic structures to identify the most effective ways to replicate metropolitan-area pro bono clinics in rural parts of the state.

#### **Legal Aid Foundation of Los Angeles - \$309,451, 24 months**

The Legal Aid Foundation of Los Angeles will partner with Neighborhood Legal Services of Los Angeles County and OneJustice to develop the California Pro Bono Training Institute, a statewide online forum of substantive trainings that will provide legal services organizations and pro bono attorneys with high-quality, engaging, and on-demand Continuing Legal Education courses relevant to pro bono work for low-income clients.

#### **Legal Assistance of Western New York (LawNY) - \$314,068, 18 months**

In response to New York Chief Judge Jonathan Lippman's two major pro bono initiatives, LawNY is partnering with five other LSC grantees in New York State to create a new pro bono practice group across organizations and coordinate pro bono opportunities among their 33 offices and nine New York law schools, including the Feerick Center for Social Justice at Fordham University School of Law, which staffs the Attorney Emeritus Program for the Office of Court Administration.

#### **Maryland Legal Aid Bureau - \$265,464, 24 months**

The Maryland Legal Aid Bureau will establish a single, statewide Veterans Hotline, staffed by qualified pro bono attorneys who will be recruited and trained throughout the state to effectively and efficiently meet the legal needs of Maryland’s low-income veterans population.

#### **Montana Legal Services Association - \$141,087, 24 months**

Montana Legal Services Association’s project will develop a statewide technology platform targeting barriers to legal service delivery for solo practitioners, small firms, government attorneys, law students, and paralegals.

#### **Northwest Justice Project - \$211,120, 24 months**

The Northwest Justice Project will develop a comprehensive set of resources to support pro bono attorneys in providing significant assistance beyond brief advice or limited action in unfamiliar

areas of law, systematically increasing the level of extended services provided to low-income clients.

#### **Philadelphia Legal Assistance - \$240,305, 24 months**

The Philadelphia Legal Assistance project will use the network of existing neighborhood public health centers to create a pro bono, law-student-driven Medical-Legal Community Partnership that will improve access to comprehensive, coordinated health and legal care.

#### **Prairie State Legal Services, Inc. - \$158,815, 18 months**

Prairie State Legal Services will partner with Illinois Legal Aid Online to recruit and train pro bono attorneys in suburban areas and other 'collar counties' surrounding Chicago in an effort to provide legal services for single parents in need of family law assistance.

#### **Utah Legal Services - \$190,000, 24 months**

Utah Legal Services is partnering with the Self-Help Center of the Utah State Courts, local Utah State Bar Pro Bono committees, Timpanogos Legal Center, and volunteer law students and attorneys to provide a continuum of service for clients representing themselves in family law matters in rural areas in Utah. These organizations will expand their collaboration by creating an online meeting and document-sharing platform that connects clients with on-call volunteer attorneys.

#### **Volunteer Lawyers Project of the Boston Bar Association - \$158,045, 24 months**

The Volunteer Lawyers Project of the Boston Bar Association will test and prototype "pop-up" clinics, a customized virtual law firm platform, and cost-effective videoconferencing to allow expert bankruptcy volunteers in Boston to train and mentor pro bono attorneys in parts of the state where no pro bono bankruptcy attorneys are available.

The projects and organizations represent a diverse range of approaches to pro bono delivery, leveraging significant resources to expand services and pressing client needs.

- The grantees are matching Pro Bono Innovation Fund dollars with an additional \$1.2 million in other funds and in-kind contributions to support their projects.
- Nine projects will address rural and remote delivery using new technology and partnerships to bring metropolitan-based lawyers and other volunteers to rural and hard-to reach communities.
- Nine projects are focused on statewide or regional service delivery to engage more lawyers in service and to better serve special populations including seniors and veterans.
- Five projects will implement new technologies including the development of a virtual law firm platform, on-demand trainings and online forms to streamline client services and volunteer management.

## **Update on 2014 Projects**

The projects are currently in the initial planning stages of their grants, having received their initial payment from LSC in early November. Those with subgrants are finalizing the process to establish their projects with their subgrantees. And all of the projects are in planning meetings with their partners with several grantees hiring for new project positions and seeking additional funding to leverage and sustain their work. One notable example is:

- Colorado Legal Services has received a substantial private donation of \$26,000 to further leverage Pro Bono Innovation Fund funds to promote rural pro bono clinics. The donor, the widow of a well-known jurist, is a long-time friend of Colorado Legal Services and access to justice issues. She read the Denver Post article about the Pro Bono Innovation Fund grant and reached out with her generous offer to support the initiative.

## **Next Steps**

Staff is preparing for the second round of grants. In FY 2015, Congress increased the appropriation for the PBIF from \$2.5 million to \$4 million. The team is currently in the process of developing a Letter of Intent to Apply for Funding process with a planned Federal Register notice release in late January 2015.

Other staff activities include:

- Hosting a Pro Bono Innovation Fund Affinity Group and Dinner at the Annual TIG conference in San Antonio, TX.
- Participating in the Pro Bono Work Group for session development at the Annual Equal Justice Conference in Austin, TX in May 2015. In addition to LSC's planned conference session on the Pro Bono Innovation Fund, two PBIF grantees have been selected to highlight their projects and experience in separate conference sessions. LSC staff are also planning to convene all Pro Bono Innovation Fund grantees at the conference for a half-day of meetings and knowledge-sharing about their projects.

## **B. Revision of LSC's Private Attorney Involvement Regulation**

The Pro Bono Task Force also recommended that LSC revise its Private Attorney Involvement (PAI) regulation to encourage pro bono. This recommendation was also implemented within two years. Following extensive outreach to grantees and other stakeholders and multiple rounds of public comments, LSC published a final rule revising 45 C.F.R. Part 1614 on October 15, 2014. 79 Fed. Reg. 61770 (Oct. 15, 2014). The new regulation became effective November 14, 2014. Since that time, LSC has conducted outreach to its grantees regarding the new regulation, including a well-attended session at the November 2014 NLADA meeting, and has responded to a number of questions from grantees. In 2015, the Office of Program Performance will revise the PAI section of the competition application to reflect the changes in the regulation. Additionally, the Office of Compliance and Enforcement is revising the oversight of PAI to address the rule changes. LSC will also revise grantee reporting requirements that are part of LSC's annual Grant Activity Reporting requirements.

### C. Implementation Steering Committee and Subcommittees

To oversee the implementation of the remainder of the Task Force's recommendation, the LSC Board of Directors established a Steering Committee and collaborated with the ABA's Pro Bono Committee to outline the scope of the subcommittees. The subcommittees' work has been on hold to focus on the design, rollout, and implementation of the Pro Bono Innovation Fund as well as the adoption of the new PAI regulation. In 2015, there will be a renewed emphasis on the work of the subcommittees.

1. Pro Bono Toolkit, Technology, and Effectiveness Implementation Subcommittee;
2. Pro Bono Culture Change Subcommittee;
3. Pro Bono Rules Change Implementation Subcommittee

#### 1. Toolkit, Technology, and Effectiveness Implementation Subcommittee

- The pro bono web page is up and running with approximately 40 examples of best practices. We have also included links to best practices listed on the Pro Bono Institute and APBCo websites. <http://www.lsc.gov/pro-bono-programs-best-practices>.
- LSC is filling a new researcher/writer position to work on adding content and marketing the Pro Bono web page.

#### 2. Rules Change Implementation Subcommittee

- The rules change charts have been updated. LSC will be partnering with the ABA Standing Committee on Pro Bono & Public Service implement this recommendation.

#### 3. Culture Change Implementation Subcommittee

- Promotion of Access to Justice Commissions in States Currently Without Commissions
  - During the work of the Rules Change Subcommittee, the group found that those states with the fewest rules or policies that promote and foster pro bono did not have an Access to Justice Commission.
  - In 2015, LSC plans to work with Steve Grumm from the ABA to identify states where the ABA and LSC, working with other stakeholders, could help initiate the creation of Access to Justice Commissions in states that do not have one.

# **State Rules Inventory**

State	CLE Rules	CLE Requirements	Mandatory Pro Bono Reporting	Mandatory State Bar	Emeritus Rules	Judges & Courts: State Adoption of ABA Model Code of Judicial Conduct Rule 3.7	Comparison to Model Rule 6.1	Government Attorneys	% of attorneys doing pro bono	Avg. hours of pro-bono/attorney	Hours of pro bono work/yr	Law student Practice Rules	Unbundling/ Comparison to Model Rule 6.5
ALABAMA	No rules.	12 hours per year	No reporting.	Yes	Minimum age: No. Years of practice: No. Status: Inactive. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: Required Dues Waived: Reduced.	Has not adopted a rule similar to 3.7. *Access to Justice Commission exists in state	*Same as original 1983 language. *No specific goal of annual number of hours.	Attorney general's office does not allow attorneys to practice pro bono.				If consent obtained by client, law students with supervision can serve as legal interns after having completed four semesters at law school. Student must be introduced to the court by a practicing attorney, be certified by the dean of the law school, and be registered as a law student with the Secretary of the Board of Commissioners.	Adopted Rule 6.5
ALASKA	No rules.	12 hours per year	No reporting.	Yes	Minimum age: No Years of practice: No. Status: Retired or inactive. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: Legal Service organization must provide malpractice coverage. Dues Waived: Yes.	Has not adopted a rule similar to 3.7. *Access to Justice Commission exists in state	*Same as 2002 revision. *Goal of 50 hours of pro bono/yr.	Guidance issued by AK AG in 2005 allows all Dep. Of Law Staff to engage in pro bono.				If consent obtained by client, law students who are enrolled in an ABA accredited law school can serve as legal interns after having completed 1/2 of coursework required for graduation. Students must file a written request with a letter from an attorney in order to be selected.	Adopted Rule 6.5
ARIZONA	*Max 5 hours per year can be completed with pro bono work. * 5 hours of pro bono work = 1 credit.	15 hours per year	*Voluntary reporting *Response rates: 31% in '95; 35% in '96.	Yes	Minimum age: No. Years of practice: 5 Status: Retired or inactive or unable to practice in AZ. Direct supervision: No. Out of state license: Yes. Malpractice insurance mentioned in the rule: Disclose existence and extent of malpractice coverage. Dues Waived: Yes.	Does not have rule similar to 3.7, but has permissive language that allows court employees to do pro bono work. *Access to Justice Commission exists in state.	*Different language. *Goal of 50 hours of pro bono/yr.	Yes, staff attorneys may engage in pro bono work.				Student must complete three semesters at an AZ law school or ABA approved law school, must certify in writing that student has read the rule of professional responsibility, and must be supervised by AZ licensed atty. Dean of law school must certify that student is in good standing and has taken courses in civil, criminal, and court procedure. Must not ask for or receive compensation.	Adopted Rule 6.5
ARKANSAS	No rules.	12 hours per year	No reporting.	No	No emeritus rules as of June 2014.	*Similar language to rule 3.7. *Access to Justice Commission exists in state.	*Same as 2002 revision. *Goal of 50 hours of pro bono/yr.	No information available.				In order to be eligible, student must be enrolled in ABA approved law school, have completed a course in professional responsibility, must be certified by the dean of the law school and the supervising attorney, and must neither ask for nor receive compensation.	Adopted Rule 6.5
CALIFORNIA	No rules.	25 hours per 3 years	No reporting.	Yes	Minimum age: No Years of practice: At least 3 & 3 of the last 5. Status: Inactive. Direct supervision: Adequate supervision. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes.	Does not have rule similar to 3.7, but has permissive language that allows court employees to do pro bono work. *Access to Justice Commission exists in state.	*Different language. *Goal of 50 hours of pro bono/yr.	1984 memorandum by CA attorney general John Van de Kamp encouraged lawyers employed by the California Attorney General to participate in legal service programs.				In order to be eligible, student must have successfully completed 1 full year of studies at a law school accredited by the ABA. Student must have either successfully completed or be currently enrolled in an academic course in evidence & civil procedure	Similar Rule.
COLORADO	*Max. 9 out of 45 units every 3 yrs can be completed with pro bono work. *5 billable hours = 1 unit.	45 hours per 3 years, 50 minutes per credit hour	No reporting.	No	Minimum age: No. Years of practice: No. Status: Inactive for in-state license. Active or inactive for out-of-state license. Direct supervision: No. Out of state license: Yes. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes (out-of-state attorneys pay one time administrative fee \$50)	*Identical language to rule 3.7. *Access to Justice Commission exists in state.	*Similar to 2002 revision *Goal of 50 hours of pro bono/yr.	No information available.				In order to be eligible, student must be enrolled at an ABA accredited law school and have completed 2 years of legal studies. The student must be certified by the dean and must be introduced to the court by a lawyer. Student shall not receive compensation for services performed.	Adopted Rule 6.5

State	CLE Rules	CLE Requirements	Mandatory Pro Bono Reporting	Mandatory State Bar	Emeritus Rules	Judges & Courts: State Adoption of ABA Model Code of Judicial Conduct Rule 3.7	Comparison to Model Rule 6.1	Government Attorneys	% of attorneys doing pro bono	Avg. hours of pro-bono/attorney	Hours of pro bono work/yr	Law student Practice Rules	Unbundling/ Comparison to Model Rule 6.5
CONNECTICUT	No rules.	No requirement but encouraged to maintain knowledge and skill.	Voluntary reporting on annual electronic attorney registration.	No	Minimum age: No. Years of practice: No. Status: Active. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: Provided by agency Dues Waived: Occupational tax waived if only work is pro bono.	*Identical language to rule 3.7 *Access to Justice Commission exists in state.	*Same as original 1983 language. *No goal.	No information available.	2012: 19,300 attys reported 2013: 17,350 attys reported 2014: 18,089 attys reported			In order to be eligible, student must have completed 2 semesters of law school at an ABA approved law school. Student must be introduced to the court by supervising attorney.	Adopted similar rule to MR 6.5; Additional language and requirements referring to informed consent
DELAWARE	*Max 6 out of 24 credits every 2 years can be completed with pro bono work. *6 hours of pro bono work = 1 credit.	24 hours per 2 years	No reporting.	No	Minimum age: 65 or waived from Supreme Court. Status: Inactive. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes.	Different language to rule 3.7. Policies and rules allow court employees to do pro bono work. *Access to Justice Commission exists in state.	*Similar to original 1983 language. *No goal.	No information available.				In order to be eligible, student must be a third year law student at an ABA accredited law school, must be certified by the dean of the law school, and the student may not accept any compensation.	Adopted Rule 6.5
DISTRICT OF COLUMBIA	No rules.	No requirement but encouraged to maintain competence to practice law.	*Voluntary Reporting: Starting in 2011, with the support of the D.C. Access to Justice Commission and the D.C. Bar Pro Bono Program, the District of Columbia Courts invited attorneys to self-report their pro bono contributions.	Yes	Minimum age: No. Years of practice: No. Status: Inactive. Direct supervision: No. Out of state licensed attorney yes. Out of state license: Exception for first 90 days if working for legal aid. Malpractice insurance mentioned in the rule: No mention. Dues Waived: No.	*Identical language to rule 3.7 *Access to Justice Commission exists in state	Similar to original 1983 language and goal of 50 hours.	No information available.	2013: 4,253 attorneys performed 50 hours or more of pro bono service. Of those, 2,562 performed 100 or more hours of pro bono service.			In order to be eligible, student must be enrolled in a law school approved by ABA and the admissions committee of the court. Student must have successfully completed legal studies amounting to 41 semester hours or the equivalent. Student must be certified by the dean of the law school and be registered with the Unauthorized Practice of Law Committee at the court.	Adopted Rule 6.5 with additional comment
FLORIDA	No rules.	30 hours per 3 years. 50 minute credit hours	*Mandatory Reporting on dues statement *Failure to report is treated as a disciplinary offense	Yes	Minimum age: No. Years of practice: 10 out of last 15. Status: Retired. Direct supervision: Yes. Out of state license: Yes. Malpractice insurance mentioned in the rule: No mention. Dues Waived: No.	*No adoption of 3.7, but language permissive of pro bono. *Utilizes judges on pro bono as members of regional committees.	*Different language. *Goal of 20 hours of pro bono/yr.	1989 AG memo allows public defenders to engage in pro bono work, no information on staff attorneys. Does not apply to government attorneys who are prohibited from providing legal services by constitution, statute, or regulation.	2009: 51% 2010: 52% 2011: 51% 2012: 51% 2013: 51%	2009: 22 2010: 22 2011: 23 2012: 22 2013: 22	2009: 1,545,157 2010: 1,614,676 2011: 1,681,775 2012: 1,695,466 2013: 1,740,019	Law student must have attended ABA approved law school for at least 4 semesters or 6 quarters; law student must pay \$75 or \$150 dollar fee and receive letter of clearance from FL Board of Bar Examiners; student must receive no compensation and must be approved by the dean of the law school.	No
GEORGIA	No rules.	12 hours per year	*Voluntary reporting on dues statement and on webpage. *Response rates: 31% in '95; 35% in '96, 8% in '98.	Yes	Minimum age: 70 Years of practice: 25 Status: Retired. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes.	*Has NOT adopted a rule similar to 3.7. *Access to Justice Commission is organized by state bar association.	*Similar to 1993 language. *Goal of 50 hours of pro bono/yr.					In order to be eligible, student must be a third year law student practicing under the supervision of a practicing attorney. Student must be enrolled and in good standing in a law school in the state and the practicing attorney should ensure that the student is covered by malpractice insurance.	Adopted Rule 6.5
HAWAII	No rules.	3 hours per year. Encouraged to complete an additional 9 hours.	Mandatory Reporting.	Yes	Minimum age: No. Years of practice: No. Status: Inactive. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: LS must disclose existence and extent of coverage. Dues Waived: Yes - reduced to inactive rate.	*Similar language to rule 3.7. *Access to Justice Commission exists in state.	*Similar to 1993 language. *Goal of 50 hours of pro bono/yr.	Hawaii Senate Bill 1010 signed into law in 2013; AG + deputies can provide pro bono work.	2009: 50% 2010: 47% 2011: 43% 2012: 41%	2009: 32 2010: 62 2011: 62 2012: 69	2009: 231,189 2010: 232,325 2011: 196,351 2012: 181,490	In order to be eligible, student must have completed 1/3 of the requirements for graduation at the University of Hawaii School of Law. Student must be certified by the dean of the law school and the applicant must be enrolled in a clinical program at the University of Hawaii	Adopted Rule 6.5

State	CLE Rules	CLE Requirements	Mandatory Pro Bono Reporting	Mandatory State Bar	Emeritus Rules	Judges & Courts: State Adoption of ABA Model Code of Judicial Conduct Rule 3.7	Comparison to Model Rule 6.1	Government Attorneys	% of attorneys doing pro bono	Avg. hours of pro-bono/attorney	Hours of pro bono work/yr	Law student Practice Rules	Unbundling/ Comparison to Model Rule 6.5
IDAHO	No rules.	30 hours per 3 years.	No reporting.	Yes	Minimum age: No. Years of practice: 10 of last 15. Status: Retired or inactive. Direct supervision: Yes. Out of state license: Yes. Malpractice insurance mentioned in the rule: Legal Service organization must provide malpractice coverage. Dues Waived: Reduced.	Has NOT adopted a rule similar to rule 3.7.	*Similar to 2002 revision *Goal of 50 hours of pro bono/yr.	No information available.				In order to be eligible, student must be enrolled in an ABA approved law school and have completed 2/3 of the course of study.	Adopted Rule 6.5
ILLINOIS	No rules.	30 hours per 2 years	Mandatory Reporting on dues statement.	No	Minimum age: No Years of practice: No. Status: Retired or inactive or licensed out of state. Direct supervision: No. Out of state license: Yes. Malpractice insurance mentioned in the rule: LS must disclose existence and extent of coverage. Dues Waived: Yes for retired, reduced for inactive.	Does not have rule similar to 3.7, but has permissive language that allows judges to participate in and promote pro bono programs. *Access to Justice Commission exists in state.	No similar rule in the Professional Rules. Preamble to Professional Rules states the rationale is that this responsibility is not appropriate for disciplinary rules because it is not possible to articulate an appropriate disciplinary standard regarding pro bono and public service.	Office attorneys cannot engage in pro bono work.	2009: 32% 2010: 30% 2011: 34% 2012: 34% 2013: 34%	2009: 26 2010: 27 2011: - 2012: 24 2013: 23	2009: 2,197,041 2010: 2,328,770 2011: 2,255,024 2012: 2,142,527 2013: 2,098,472	A law student must attend ABA accredited school, be certified by the law school dean and having completed 3/5 of the total hourly credits required for graduation and in good academic standing, may appear in court under the supervision of a member of the bar.	Adopted Rule 6.5
INDIANA	No rules.	36 hours per 3 years, 6 credits per year	Reporting required w/ attorney annual registration.	No	No emeritus rules as of June 2014.	*Similar language to rule 3.7. *Utilizes judges on pro bono as members of regional committees. Access to Justice Commission exists in state.	*Same as original 1983 language. *No goal.	No information available.				Law student must have attended ABA accredited school, have completed 1/2 of law school classes, have completed or be enrolled in a legal ethics course, and have the permission of the law school dean before appearing in court with supervision.	Adopted Rule 6.5
IOWA	No rules.	15 hours per year	No reporting.	No	Minimum age: No Years of practice: No. Status: Retired/reiring. Direct supervision: General supervision. Out of state license: Yes. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Waived.	Similar language to rule 3.7.	*Same as 2002 language. *Goal of 50 hours of pro bono/yr.	No information available.				In order to be eligible, student must be enrolled in a reputable law school and must be certified by the dean of the law school. Student must have completed 3 semesters (2 semesters to appear at an administrative hearing) and must not receive compensation.	Adopted Rule 6.5
KANSAS	No rules.	12 hours per yer (50 minute hours)	No reporting.	No	Minimum age: No. Years of practice: No. Status: Retired or inactive. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes for retired attorneys age 66 or over on or before July 1.	Similar language to rule 3.7. *Access to Justice Commission exists in state.	*Same as original 1983 language. *No goal.	No information available.				Law students assigned only to those attorneys/agencies requesting their services. Legal interns must neither ask for nor receive compensation. Law students must have completed 60 hours of legal studies and have paid the required fee and be enrolled in an ABA accredited law school. Student must be certified by law school dean. Client must give written consent to student representation. Student must have signed writing agreeing to follow professional rules.	No

State	CLE Rules	CLE Requirements	Mandatory Pro Bono Reporting	Mandatory State Bar	Emeritus Rules	Judges & Courts: State Adoption of ABA Model Code of Judicial Conduct Rule 3.7	Comparison to Model Rule 6.1	Government Attorneys	% of attorneys doing pro bono	Avg. hours of pro-bono/attorney	Hours of pro bono work/yr	Law student Practice Rules	Unbundling/ Comparison to Model Rule 6.5
KENTUCKY	No rules.	12.5 hours per year	*Voluntary reporting on dues statement. *Response rates: 12% in '96; 15% in '98; 16% in '07	Yes	No emeritus rules as of June 2014.	Has NOT adopted a rule with language similar to rule 3.7 *Access to Justice Commission exists in state	*Language similar to 1993 revision. *Goal of 50 hours of pro bono work/yr.	No information available.				In order to be eligible, student must be enrolled at an ABA approved law school and have completed 2/3 of the academic requirement for graduation. Student must receive written approval by Chief Justice of Supreme Court of Kentucky, the dean of the law school, the director of the program, and student must be supervised by a member of the state bar.	Adopted Rule 6.5
LOUISIANA	No rules.	12.5 hours per year	*Voluntary Reporting, full page form enclosed with dues statement. *Response rates 8-9% in 1998; 15% in 2001; 11% in 2002; 11% in 2003; 11% in 2004; 11% in 2005; 10% in 2006.	Yes	No emeritus rules as of June 2014.	Has NOT adopted a rule with language similar to rule 3.7. *Access to Justice Commission is organized through state bar association.	*Similar language to 1993 revision *Goal of 50 hours of pro bono work/yr.	2004 Pro Bono Pilot Project allows AG attorneys to engage in pro bono civil legal work.				In order to be eligible, student must be enrolled in an ABA approved law school and have completed 4 semesters of legal studies. The student must have completed a course in legal ethics, and must be introduced to the court by a member of the state bar. The student must be certified by dean of law school and cannot accept any compensation for services performed.	Adopted Rule 6.5
MAINE	No rules.	11 hours per year	No reporting.	No	Minimum age: No. Years of practice: No. Status: Retired or inactive. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Reduced.	*Has NOT adopted a rule with language similar to rule 3.7. *Access to Justice Commission exists in state.	*Different language. *No goal.	No information available.				In order to be eligible, student must be enrolled in an ABA approved law school and have completed 4 semesters of legal studies. The student must be certified by the dean of the law school. The student must not accept any compensation. Student gives signed writing that he/she understands bar rules and court rules.	Adopted similar rule to MR 6.5; Substitutes "aware" for "knows" and adds additional Comment
MARYLAND	No rules.	Not required	Mandatory Reporting. Failure to report leads to loss of license, but can be reinstated if report filled out.	No	Minimum age: No. Years of practice: No. Status: Retired or inactive. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Waiver of client protection fund.	*Similar language to rule 3.7. *Utilizes judges on pro bono as members of regional committees. *Access to Justice Commission exists in state.	*Similar to 1993 language. *Goal of 50 hours of pro bono/yr.	State agencies have pro bono policies in place to assist govt attys to avoid conflict of interest.	2009: 54% 2010: 59% 2011: 58% 2012: 57%	2009: 33 2010: 34 2011: 32 2012: 31	2009: 1,139,866 2010: 1,181,028 2011: 1,163,859 2012: 1,162,232	In order to be eligible, the student must be enrolled in ABA accredited law school and have completed 1/3 of total credit hours. The student must be certified by the dean of the law school, be familiar with the Maryland Lawyers' Rules of Professional Conduct and the Maine Rules of Civil Procedure.	Adopted Rule 6.5
MASSACHUSETTS	No rules.	Not required	No reporting.	No	Minimum age: No. Years of practice: No. Status: Retired/inactive. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes for retired; reduced for inactive.	*Has not adopted a rule similar to 3.7, but has permissive language that allows court employees to do pro bono work. It also allows judges to participate in and promote pro bono programs. *Access to Justice Commission exists in state.	*Similar to 1993 revision. *Goal of 25 hours of pro bono/yr.	No information available.				In order to be eligible, student must be a senior law student (having completed next to last year of study) Student must have completed or be enrolled in evidence or trial practice. Student must be certified by the dean.	Adopted Rule 6.5
MICHIGAN	No rules.	Not required	No reporting.	Yes	No data on Michigan.	Has NOT adopted a rule with similar language to rule 3.7. *Access to Justice Commission is organized through state bar association.	*Different language. *Goal of 30 hours/yr.	No information available.				In order to be eligible, student must be ABA accredited law school and have completed the first year. Student must have received a passing grade in law school courses. Student can work in law school clinics, legal aid, offices, or government atty offices. Student must have signed writing agreeing to follow Professional Rules. Must be supervised by licensed atty.	Adopted Rule 6.5

State	CLE Rules	CLE Requirements	Mandatory Pro Bono Reporting	Mandatory State Bar	Emeritus Rules	Judges & Courts: State Adoption of ABA Model Code of Judicial Conduct Rule 3.7	Comparison to Model Rule 6.1	Government Attorneys	% of attorneys doing pro bono	Avg. hours of pro-bono/attorney	Hours of pro bono work/yr	Law student Practice Rules	Unbundling/ Comparison to Model Rule 6.5
MINNESOTA	•Max 6 out of 45 units every 3 yrs can be completed with pro bono work. •6 hours = 1 credit.	45 hours per 3 years	No reporting.	No	Minimum age: No. Years of practice: No. Status: Retired. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes.	•Similar language to rule 3.7. •Access to Justice Commission is organized through state bar association.	•Same as 2002 revision. •Goal of 50 hours of pro bono/yr.	State bar assoc has encouraged govt agencies to establish pro bono policies for govt attys.				In order to be eligible, student must be enrolled in law school in Minnesota, completed two semesters must be certified by dean of the law school as being in good academic standing; student must maintain confidentiality, be identified as a student, and must be accepted by client.	Adopted Rule 6.5
MISSISSIPPI	No rules.	12 hours per year	•Mandatory Reporting •Failure to report is a disciplinary offense.	Yes	Minimum age: No. Years of practice: No. Status: Inactive or licensed in other states. Direct supervision: Yes. Out of state license: Yes. Malpractice insurance mentioned in the rule: Required. Dues Waived: No.	•Has not adopted rule 3.7, but has permissive language that allows court employees to do pro bono work. •Access to Justice Commission exists in state	•Different language. •Goal of 20 hours of pro bono/yr.	No information available.	2009: 53% 2010-11: 44% 2011-12: - 2012-13: -	2009: 24 2010-11: 14 2011-12: 15 2012-13: 15	2009: 183,016 2010-11: 122,430 2011-12: 134,409 2012-13: 120,469	Law student must be enrolled in law school in the state. Student must have completed 2/3 of required number of hours for graduation or if enrolled in clinical education course, has completed 1/2 of required number of hours for graduation. Supervising attorneys are licensed to practice in the state and have practiced for at least 3 years.	Adopted Rule 6.5
MISSOURI	No rules.	15 hours per year (50 minute hours)	No reporting.	Yes	No emeritus rules as of June 2014.	Similar language to rule 3.7.	•Same as original 1983 language. •No goal.	No information available.				In order to be eligible, student must be enrolled in an ABA approved law school and must have completed legal studies amounting to 1/2 of the required credits for graduation. Student must file an application and pay the prescribed fee. The student must be certified by the dean of the law school and cannot receive compensation. The student must be familiar with the rules of professional conduct.	Adopted Rule 6.5
MONTANA	No rules.	15 hours per year	•Voluntary reporting •2010: 60% •2013: 70%	Yes	Minimum age: No. Years of practice: 10 of last 15. Status: Retired/inactive and must complete 25 hours of pro bono/yr Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes.	Has not adopted rule 3.7, but has permissive language that permits judges to participate in and promote pro bono programs. Access to Justice Commission exists in state	•Similar to 2002 revision. •Goal of 50 hrs/yr.	Attorneys in AGO permitted to practice pro bono.	2013: 70%		2013: 157,463	Eligible law students must be enrolled in ABA approved law school, have completed 2/3 of total credit hours, be certified by the dean of the law school as being of good character and competent legal ability. The student must be introduced to the court by an attorney, must not receive any compensation, and must certify familiarity with the code of Professional Responsibility.	Adopted Rule 6.5
NEBRASKA	No rules.	10 hours per year	No reporting.	Yes	No emeritus rules as of June 2014.	Similar language to rule 3.7.	•Similar to 2002 revision. •No goal.	No information available.				Eligible student students must be enrolled in ABA approved law school, must have senior standing, be certified by the dean of the law school, receive affirmative consent of the court and be introduced to the court by a practicing attorney.	Adopted Rule 6.5
NEVADA	No rules.	12 hours per year	Mandatory Reporting form sent w/dues statement.	Yes	Minimum age: No. Years of practice: No. Status: Inactive in state, active or inactive out of state. Direct supervision: No. Out of state license: Yes. Malpractice insurance mentioned in the rule: Disclosure if they have coverage. Dues Waived: Based on inactive status.	•Similar language to rule 3.7. •Utilizes judges on pro bono as members of regional committees. •Policies and rules allow court employees to do pro bono work. •Access to Justice Commission exists in state	•Similar to 2002 revision •Goal of 20 hrs at no fee or 60 hours at reduced fee.	No information available.	2009: 43% 2010: 31% 2011: - 2012: 34% 2013: 33%	2009: 44 2010: 48 2011: - 2012: 50 2013: 47	2009: 115,443 2010: 140,601 2011: - 2012: 139,647 2013: 122,648	Students working on pro-bono cases or for government or not-for-profit entities must be enrolled at an accredited ABA law school, be supervised by a member of the state bar, be certified by the dean, and have completed 30 or 45 semester credit hours depending on activities of law student in court. Student must apply for certification from state bar.	Adopted Rule 6.5

State	CLE Rules	CLE Requirements	Mandatory Pro Bono Reporting	Mandatory State Bar	Emeritus Rules	Judges & Courts: State Adoption of ABA Model Code of Judicial Conduct Rule 3.7	Comparison to Model Rule 6.1	Government Attorneys	% of attorneys doing pro bono	Avg. hours of pro-bono/attorney	Hours of pro bono work/yr	Law student Practice Rules	Unbundling/ Comparison to Model Rule 6.5
NEW HAMPSHIRE	No rules.	12 hours per year	No reporting.	Yes	Minimum age: No. Years of practice: No. Status: Inactive. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Reduced at least 90%.	*Identical language to rule 3.7. *Access to Justice Commission exists in state.	*Similar to 2002 revision. *Goal of 30 hrs/yr	No information available.				In order to be eligible, law students must be enrolled full-time in ABA approved law school, have completed 4 semesters or 2 semesters plus a clinical law course and the student must be certified by the dean or a faculty member.	Adopted similar rule to MR 6.5; Additional language and requirements and substitutes "one time consultation" for "short-term limited legal services"
NEW JERSEY	No rules.	24 hours per 2 years (50 minute hours)	No reporting.	No	Minimum age: No. Years of practice: No. Status: Active out of state license only. Direct supervision: No. Out of state license: Yes. Malpractice insurance mentioned in the rule: No mention. Dues Waived: No	*Has not adopted rule 3.7, but has permissive language that allows court employees to do pro bono work.	*Same as original 1983 language. *No goal.	No information available.				In order to be eligible, law student must be a 3-L at an ABA approved law school appearing before court through a program approved by the state Supreme Court.	Adopted Rule 6.5
NEW MEXICO	No rules.	12 hours per year	Mandatory Reporting form provided with dues statement.	Yes	Minimum age: No. Years of practice: No. Status: Inactive in state; active or inactive if licensed in another state Direct supervision: No. Out of state license: Yes. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Reduced	*Has not adopted rule 3.7, but has permissive language that utilizes judges on pro bono as members of regional committees. *Access to Justice Commission exists in state.	*Similar to 1993 language. *Goal of 50 hrs/yr.	No information available.	2009: 67% 2010: 65% 2011: - 2012: - 2013: 57%	2009: 31.5 2010: 31.2 2011: - 2012: - 2013: 27.3	2009: 275,733 2010: 271,261 2011: - 2012: - 2013: 249,888	In order to be eligible, student must be a full-time student at a University of New Mexico law school who has received a passing grade in law school courses and has aggregated 30 or more semester hours. Student must be certified by the dean of the law school.	Adopted Rule 6.5
NEW YORK	*Max 10 out of 24 units every 2 yrs can be completed with pro bono work. *1 hour of eligible pro bono legal service = 1 credit.	24 hours per 2 years	Mandatory Reporting.	No	Minimum age: 55 Years of practice: 10 Status: Retired, must commit to 30 hrs/yr Direct supervision: Yes. Out of state license: No. Malpractice insurance mentioned in the rule: Provided. Dues Waived: Yes.	*Different language. *Utilizes judges on pro bono as members of regional committees. Access to Justice Commission exists in state	*Different language. *Goal of 50 hrs/yr. *Students must complete 50 hours of pro bono in order to obtain a license.	Guidance issued by NY AG in 2002 to allow NYS Department of Law lawyers to engage in pro bono.		66 hours according to 2013 ABA survey		*In order to be eligible to practice as a law student, a student must have completed at least 2 semesters of law school and be supervised by an attorney. Authorized activities are limited.	Adopted similar rule to MR 6.5; Additional language and requirements
NORTH CAROLINA	No rules.	12 hours per year	No reporting.	Yes	Minimum age: No. Years of practice: No. Status: Inactive. Direct supervision: Yes. Out of state license: Yes. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes.	*Has NOT adopted rule 3.7. *Access to Justice Commission exists in state.	Similar to 2002 language and Goal of 50 hours	No information available.				In order to be eligible, student must be enrolled in a law school approved by the Council of NC State Bar. The student must have completed 3 semesters, be certified by a representative of the law school who is authorized by the dean of the law school, and receive no compensation for services performed.	Adopted Rule 6.5
NORTH DAKOTA	*Max 3 every year can be completed with pro bono work.	45 hours per 3 years	No reporting.	Yes	Minimum age: No Years of practice: Active 5 of past 10 years. Status: Volunteer practice only. Direct supervision: Yes. Out of state license: Yes. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes.	Similar language to rule 3.7.	*Similar to 2002 language. *No goal.	No information available.				In order to be eligible, law student must be enrolled in law school approved by the ABA, have completed 4 semesters of legal studies, be certified by the dean of the law school, be introduced to the court by a practicing attorney, and must neither ask nor receive compensation.	Adopted similar rule to MR 6.5; Additional language and requirements
OHIO	*Max 6 out of 24 units every 2 yrs can be completed with pro bono work. *6 hours of eligible pro bono legal service = 1 credit.	24 hours per 2 years	*Voluntary reporting *2008: 12%	No	No emeritus rules as of June 2014.	*Similar language. *Utilizes judges on pro bono as members of regional committees.	*Different language. *No goal.	AGO employees may engage in pro bono work. Program won ABA's Pro Publico Award for pro bono.			2013: 100,964	In order to be eligible, law student must be enrolled in a law school approved by the ABA, have completed at least 2/3 of the total hourly academic credits required for graduation, must be approved by dean, and must be familiar with ethical rules.	Adopted Rule 6.5

State	CLE Rules	CLE Requirements	Mandatory Pro Bono Reporting	Mandatory State Bar	Emeritus Rules	Judges & Courts: State Adoption of ABA Model Code of Judicial Conduct Rule 3.7	Comparison to Model Rule 6.1	Government Attorneys	% of attorneys doing pro bono	Avg. hours of pro-bono/attorney	Hours of pro bono work/yr	Law student Practice Rules	Unbundling/ Comparison to Model Rule 6.5
OKLAHOMA	No rules.	12 hours per year (50 minute hours)	No reporting.	Yes	No emeritus rules as of June 2014.	Similar language to rule 3.7. •Access to Justice Commission exists in state	•Similar to original language. •No goal.	No information available.				In order to be eligible, law student must have completed 1/2 of the number of academic hours in an ABA accredited Oklahoma law school, have a graduating GPA average, have approval of a law school dean, and be registered and accepted as a law student with the Board of Bar Examiners of Oklahoma Bar Association	Adopted Rule 6.5
OREGON	No rules.	45 hours per 3 years	Voluntary reporting	Yes	Minimum age: No. Years of practice: No. Status: Volunteer practice only. Direct supervision: No. Out of state license: Yes, provides admission on motion with 15 years for active pro bono. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Reduced	Has not adopted rule 3.7, but has permissive language that permits judges to participate in and promote pro bono programs. •Access to Justice Coalition organized by Lawyers Campaigning for Equal Justice.	•Different language. •Goal of 80 hours of pro bono work/yr.	No information available.				In order to be eligible, student must be enrolled or have graduated from a law school approved by the ABA and have completed 4 semesters of legal studies. The student must be certified by law school dean, be introduced to court by a practicing attorney, and neither ask nor receive compensation for services performed.	Adopted Rule 6.5
PENNSYLVANIA	No rules.	12 hours per year	No reporting.	No	No emeritus rules as of June 2014.	Different language to rule 3.7. Policies and rules allow court employees to do pro bono work.	•Same as original 1983 language. •No goal.	No information available.				In order to be eligible, student must be enrolled in an ABA accredited law school, student must have completed 3 semesters of legal studies, must be introduced by a member of the bar, and must receive no compensation for services performed.	Adopted Rule 6.5
RHODE ISLAND	No rules.	10 hours per year (50 minute hours)	No reporting.	Yes	No emeritus rules as of June 2014.	Has NOT adopted rule 3.7 •Access to Justice Commission exists in state.	•Same as 2002 revision. •Goal of 50 hours of pro bono/yr.	No information available.				In order to be eligible, student must have completed 3 semesters, be enrolled or have completed a course in evidence or trial practice. Student must have the approval of the dean of the law school and be supervised by an attorney.	Adopted Rule 6.5
SOUTH CAROLINA	No rules.	14 hours per year	No reporting.	Yes	Minimum age: No Years of practice: Inactive or retired for less than 7 yrs. Status: Retired or inactive for not more than 7 yrs. Direct supervision: Yes. Out of state license: Yes. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Reduced/exempt	•Has not adopted rule 3.7, but has permissive language that allows court employees to do pro bono work. •Access to Justice Commission exists in state.	•Same as original 1983 language. •No goal.	No information available.				In order to be eligible, student must be enrolled in University of South Carolina School of Law or Charleston School of Law and have completed 4 semesters of legal studies. The student must be certified by the dean of the law school, must receive no compensation for services performed, and must be familiar with the rules of professional conduct.	Adopted Rule 6.5
SOUTH DAKOTA	No rules.	Not required	No reporting.	Yes	Minimum age: No. Years of practice: No. Status: Retired. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Inactive.	Has NOT adopted rule 3.7.	•Similar to original 1983 language. •No goal.	No information available.				In order to be eligible, student must be a graduate of an ABA approved law school and have completed 4 semesters of legal studies. The student must be certified by the dean of the law school and be introduced to the court by a practicing attorney. The student must receive no compensation for services performed and must be familiar with the rules of professional conduct in South Dakota.	Adopted Rule 6.5

State	CLE Rules	CLE Requirements	Mandatory Pro Bono Reporting	Mandatory State Bar	Emeritus Rules	Judges & Courts: State Adoption of ABA Model Code of Judicial Conduct Rule 3.7	Comparison to Model Rule 6.1	Government Attorneys	% of attorneys doing pro bono	Avg. hours of pro-bono/attorney	Hours of pro bono work/yr	Law student Practice Rules	Unbundling/ Comparison to Model Rule 6.5
TENNESSEE	•Receive up to 3 hours of Ethics/Professionalism credit for approved pro-bono legal representation. •5 billable hours = 1 credit hour.	15 hours per year	•Voluntary reporting • 4% in '05; 6% in '06; 20% in '07 increase due to more prominent placement on dues statement.	No	Minimum age: No. Years of practice: 5 out of last 10 or engaged in the active practice of law for 25 years Status: Inactive. Direct supervision: Yes. Out of state license: Yes. Malpractice insurance mentioned in the rule: Existence and extent. Dues Waived: Yes.	Similar language to rule 3.7 •Access to Justice Commission exists in state	•Similar to 2002 language. •Goal of 50 hours of pro bono/yr.	Attorneys in the executive and judicial branches can perform pro bono under certain conditions. Attorneys in the AG's office are permitted to provide pro bono services with restrictions. In 2011, gov't attys voluntarily reported an avg of 45.27 hrs of pro bono.	2013: 42.13 % 2012: 47.20 % 2011: 46.11% 2010: 40.25% 2009: 18.26%	2013: 73.8 2012: 84.23 2011: 82.68 2010: 74.41 2009: 79.68	2013: 672,976	In order to be eligible, a student must have completed 1/2 of the legal studies required for graduation from an approved school of law. The student must have written approval from the Supreme Court of Tennessee and the dean of the law school or the director of the clinical practice program who shall certify the student's standing.	Adopted Rule 6.5
TEXAS	No rules.	15 hours per year	Phone survey of 500 randomly selected attorneys	Yes	Minimum age: No. Years of practice: Active 5 out of last 10 yrs Status: Retired. Direct supervision: Yes. Out of state license: Yes. Malpractice insurance mentioned in the rule: Yes. Dues Waived: If over the age of 70.	•Has not adopted a rule similar to 3.7, but has permissive language that allows judges to participate in and promote pro bono programs. •Access to Justice Commission exists in state.	•Different language. •Goal of 50 hours of pro bono/yr.	No information available.			2013: 2,370,000	In order to be eligible, student must be enrolled at a law school approved by the Supreme Court of Texas. The student must have completed not less than 2/3 of the required curriculum for graduation and cannot be on scholastic probation. The student must be certified by the dean of the law school.	No
UTAH	No rules.	24 hours per 2 years	No reporting.	Yes	Minimum age: If retired, age 75 or 50 years in practice Years of practice: age 75 or 50 years in practice. Status: Retired at age 75 or 50 years in practice or inactive. Direct supervision: Yes. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes.	Identical language to rule 3.7.	•Similar to 2002 revision. •Goal of 50 hrs of pro bono/yr.	No information available.				In order to be eligible, a law student must have completed 4 semesters at an ABA approved law school. Participation is limited to civil, misdemeanor, or administrative cases. Must have supervising atty and student appearance must be stipulated by all parties.	Adopted Rule 6.5
VERMONT	•Max 6 every 2 yrs can be completed with pro bono work. • Direct credit.	20 hours per 2 years	No reporting.	No	No emeritus rules as of June 2014.	Has NOT adopted rule 3.7. •Access to Justice Commission exists in state	•Similar to 2002 language. •Goal of 50 hrs of pro bono/yr.	No information available.				In order to be eligible, student must be enrolled at an ABA approved law school and have completed 4 semesters of study. Student must have completed a course in evidence practice and cannot have sat for the bar examination.	Adopted Rule 6.5
VIRGINIA	No rules.	12 hours per year	Voluntary reporting	Yes	Minimum age: No. Years of practice: 10 of last 15. Status: Retired. Direct supervision: Yes. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes.	Has NOT adopted rule 3.7. •Access to Justice Commission exists in state	•Different language. •Goal of 2% of professional time to pro bono.	No information available.				In order to be eligible, student must be enrolled in an ABA approved law school and have completed 4 semesters. The student must be certified by the dean of the law school, be introduced to the court or agency by an attorney and must receive no compensation for services performed. Or student can be enrolled in a program of study in the office of an attorney in accordance with VA Bar Examiner rules.	Adopted Rule 6.5

State	CLE Rules	CLE Requirements	Mandatory Pro Bono Reporting	Mandatory State Bar	Emeritus Rules	Judges & Courts: State Adoption of ABA Model Code of Judicial Conduct Rule 3.7	Comparison to Model Rule 6.1	Government Attorneys	% of attorneys doing pro bono	Avg. hours of pro-bono/attorney	Hours of pro bono work/yr	Law student Practice Rules	Unbundling/ Comparison to Model Rule 6.5
WASHINGTON	<ul style="list-style-type: none"> <li>•Max 6 out of 45 units every 3 yrs can be completed with pro bono work.</li> <li>• 6 hours include 2 pro bono training and 4 subsequent direct representation.</li> </ul>	45 hours per 3 years	<ul style="list-style-type: none"> <li>•Voluntary reporting on a separate form included with the annual licensing packet</li> <li>•Compliance rates: 13% in 2003; 13% in 2004; 13% in 2005; 15% in 2006.</li> </ul>	Yes	Minimum age: No. Years of practice: 5 of last 10 if in-state; 10 out of 15 if out-of-state Status: Retired from practice of law. Direct supervision: No. Out of state license: Yes. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Reduced	<ul style="list-style-type: none"> <li>•Similar language to rule 3.7.</li> <li>•Policies and rules allow court employees to do pro bono work.</li> <li>•Access to Justice Commission exists in state.</li> </ul>	<ul style="list-style-type: none"> <li>•Similar to 2002 language.</li> <li>•Goal of 30 hours of pro bono/yr.</li> </ul>	Washington State's Attorney General's Office issued a guidance in 2006.				In order to be eligible, student must be enrolled at an ABA approved law school. Student must have completed 2/3 of a 3 year course of study or 5/8 of a 4 year course of study. Student must have the approval of the law school dean and must pay fees as may be set by the Board of Governors with the approval of the state Supreme Court.	Adopted similar rule to MR 6.5; Additional language and requirements
WEST VIRGINIA	No rules.	24 hours per 2 years (50 minute hours)	No reporting.	Yes	Minimum age: No. Years of practice: 10. Status: Retired or inactive. Direct supervision: Yes. Out of state license: Yes. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes.	Has NOT adopted rule 3.7. •Access to Justice Commission exists in state	<ul style="list-style-type: none"> <li>•Same as original language</li> <li>•No goal.</li> </ul>	No information available.				In order to represent clients who cannot afford a lawyer, a law student must be enrolled in ABA accredited law school and must have completed 4 semesters. The student must be in good academic standing, have no honor code violations, be introduced to court by a supervising attorney, and neither ask nor receive compensation. Must have signed writing agreeing to follow Professional Rules.	No
WISCONSIN	No rules.	30 hours per 2 years (50 minute hours)	No reporting.	Yes	Minimum age: 70. Years of practice: No. Status: Active or inactive and over age 70. Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: No mention. Dues Waived: Yes, waived for those aged 70 and above.	Has NOT adopted rule 3.7. •Access to Justice Commission exists in state	<ul style="list-style-type: none"> <li>•Same as 2002 language.</li> <li>•Goal of 50 hours of pro bono/yr.</li> </ul>	Attorneys not permitted to practice pro bono.				In order to be eligible, a student must be enrolled in an ABA approved law school and have completed 1/2 of the requirements for a law degree. Student must be certified by the dean of the law school. If student attends law school that is out of state, student must take series of steps in order to become eligible.	Adopted MR 6.5
WYOMING	<ul style="list-style-type: none"> <li>•Max 3 out of 15 credit hours needed per year can be completed with pro bono work.</li> <li>•5 billable hours = 1 credit.</li> </ul>	15 hours per year	No reporting.	Yes	Minimum age: No. Years of practice: No. Status: Had been engaged in active practice/retired Direct supervision: No. Out of state license: No. Malpractice insurance mentioned in the rule: Must at a minimum accept coverage provided by emeritus program. Dues Waived: Yes.	Identical language to rule 3.7. •Access to Justice Commission exists in state	<ul style="list-style-type: none"> <li>•Similar to 2002 language.</li> <li>•Goal of 50 hours of pro bono/yr.</li> </ul>	No information available.				In order to be eligible, a student must be enrolled in an ABA law school, have completed 2 semesters, be certified by the dean of the law school, and have filed an affidavit with the Wyoming Supreme Court that the student will comply with ethical standards. The person to be represented must consent in writing, the supervising lawyer shall be present in court, and the supervising lawyer cannot supervise more than 3 students.	Adopted similar rule to MR 6.5; Additional language and requirements referring to written consent except with phone consultations

# **Overview Analysis of Rules**

**LSC PRO BONO TASK FORCE  
RULES CHANGE SUBCOMMITTEE  
RULES ANALYSIS  
JANUARY 2015**

The following provides a brief analysis of the rules identified by the Rules Change Subcommittee that promote or foster the provision of pro bono legal services.<sup>1</sup> The review looked at whether a jurisdiction had the following:

- An Access to Justice Commission
- A unified or voluntary bar
- Rules that permit the provision of pro bono service to count towards Continuing Legal Education (CLE) credits.
- An Emeritus attorney rule
- Pro bono reporting requirements
- Rules that promote an aspirational goal of providing pro bono services
- Unbundling rules
- Rules that allow judges to promote and participate in pro bono
- Law student practice rules

Some findings include:

- All jurisdictions allow some form of law student practice;
- 45 jurisdictions have unbundling rules;
- 40 states and the District of Columbia now have an Access to Justice Commission or similar organization;
- 39 jurisdictions have an Emeritus Attorney rule;
- 33 states have a unified bar;
- 18 states do not promote a minimum number of hours to be dedicated to pro bono service;
- 15 jurisdictions have adopted language similar to Model Rule 3.7;
- 11 states permit pro bono service to count towards Continuing Legal Education credits;
- 11 states and the District of Columbia have a voluntary pro bono reporting rule;
- 9 states have a mandatory pro bono reporting rule; and

**I. Access to Justice Commissions**

At the beginning of 2014, 32 states and the District of Columbia had an Access to Justice Commission or a similar organization run by the state bar. During the year – seven states – Alaska, Arizona, Delaware, Florida, Mississippi, Oklahoma, and Rhode Island – created an Access to Justice Commission. The State of Oregon created a

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<sup>1</sup> The American Bar Association's web site served as the primary source of the information in this document as well as the supporting documents. LSC's Office of Legal Affairs updated this information in December 2014.

similar organization. Currently, 80 percent of states and the District of Columbia have an Access to Justice Commission. That represents a 21 percent increase from the prior year. The states without an Access to Justice Commission or similar organization are:

States Without An Access to Justice Commission	
Idaho	North Dakota
Iowa	Ohio
Missouri	Pennsylvania
Nebraska	South Dakota
New Jersey	Utah

## II. Type of Bar

Thirty-two states and the District of Columbia have a Unified State Bar (approximately 65%). The remaining 18 states have a Voluntary Bar. Those states include:

States With a Voluntary Bar	
Arkansas	Maryland
Colorado	Massachusetts
Connecticut	Minnesota
Delaware	New Jersey
Illinois	New York
Indiana	Ohio
Iowa	Pennsylvania
Kansas	Tennessee
Maine	Vermont

## III. Continuing Legal Education Credits for Pro Bono

Forty-five of the 51 (88%) jurisdictions reviewed have a Continuing Legal Education Requirement. At the beginning of 2014, only six jurisdictions (approximately 13%) (Colorado, Delaware, Minnesota, Tennessee, Washington, and Wyoming) count pro bono service toward Continuing Legal Education (CLE) credits. That number increased to 11 (approximately 21%) in 2014. Arizona, New York, North Dakota, Ohio, and Vermont changed their rules to permit CLE credit for pro bono. The number of credits varies by jurisdiction, but ranges from a low three of 15 credit hours in Wyoming to 15 credit hours in Tennessee.

Thirty-four other states (66%) do not allow pro bono work to be counted to CLE credits.

There are six jurisdictions (approximately 12%) that have no continuing legal education requirements. They are: Connecticut; the District of Columbia; Maryland; Massachusetts, Michigan, and South Dakota.

#### IV. Emeritus Attorney Rules

An overwhelming majority (39 of 51 or approximately 76%) of jurisdictions permit inactive or retired attorneys to provide pro bono services. Of the 39 jurisdictions that have an Emeritus Attorney Rule:

- Thirty-four of the 39 (approximately 87%) states do not have a minimum age requirement for an emeritus attorney designation;
- Similarly, 35 of the 39 jurisdictions either reduce or waive bar fees and dues for emeritus attorneys;
- About half of these 39 states (19 or 49%) permit inactive or retired attorneys with an out of state license to provide pro bono services in another state; and
- A minority of jurisdictions (15 of 39 or 38%) require an emeritus attorney to have a minimum number of years of practice.

The twelve jurisdictions (approximately 24.5%) that do not have an Emeritus Attorney Rule are:

States Without An Emeritus Attorney Rule	
Arkansas	Nebraska
Indiana	Ohio
Kentucky	Oklahoma
Louisiana	Pennsylvania
Michigan	Rhode Island
Missouri	Vermont

#### V. Pro Bono Reporting

Only nine jurisdictions (approximately 18%) have mandatory pro bono reporting rules. In 2014, two states adopted voluntary reporting pro bono reporting rules increasing the total number of jurisdictions to twelve (approximately 23.5%) have adopted voluntary pro bono reporting rules.

Mandatory Reporting	Voluntary Reporting
Florida	Arizona
Hawaii	Connecticut
Illinois	District of Columbia
Indiana	Georgia
Maryland	Kentucky
Mississippi	Louisiana
Nevada	Montana
New Mexico	Ohio

New York	Oregon
	Tennessee
	Virginia
	Washington

Thirty jurisdictions (Approximately 59%) have no pro bono reporting requirement at all.

## VI. State Pro Bono Ethics Rule – Model Rule 6.1

Model Rule 6.1 states that: “Every lawyer has a professional responsibility to provide legal services to those unable to pay. A lawyer should aspire to render at least (50) hours of pro bono publico legal services per year.” A majority of jurisdictions (33 states and the District of Columbia or 66%) have a goal ranging from 20 to 80 hours per year with 25 of the 34 (73%) jurisdictions having a goal of 50 hours per year. Seventeen states do not have an annual pro bono goal. Those states are:

States Without An Annual Pro Bono Goal	
Alabama	New Jersey
Connecticut	North Dakota
Delaware	Ohio
Illinois	Oklahoma
Indiana	Pennsylvania
Kansas	South Carolina
Maine	South Dakota
Missouri	West Virginia
Nebraska	

## VII. Unbundling Rules

Ninety-two per cent of states (46 states and the District of Columbia) have adopted Model Rule 6.5 or similar language which allows attorneys to provide short-term, limited legal services, when participating in non-profit or court-annexed programs. Only four states have not adopted unbundling rules: Florida; Kansas; Texas; and West Virginia.

## VIII. Judicial Conduct Rule 3.7

To date, six states (Colorado, Connecticut, District of Columbia, New Hampshire, Utah, and Wyoming) have adopted the identical language of ABA Rule 3.7 of the New Model Code of Judicial Conduct allowing judges to "encourage lawyers to provide pro bono legal services." Fifteen states have similar language with an additional three states having different language.

Twenty-seven states (approximately 53%) have not adopted a rule similar to Rule 3.7. Of these 27 jurisdictions, 12 (44%) states do have permissive language that may allow:

- judges to participate in and promote the creation of pro bono program;
- judges to serve as members of pro bono regional committees; or

- court employees to do pro bono work.

## **IX. Law Student Practice**

All states have rules that permit law students to practice, but the requirements vary from state to state.

- Only one state, Arkansas, does not have a requirement that the law student complete a certain number of semesters of law school to be eligible to practice law in the state.
- Eleven states and the District of Columbia permit law students to practice after completing two semesters of law school.
- An additional eleven states require that law student complete at least half of their law school training or three semesters of law school to be eligible to practice.
- A majority of states (28 or 55%) require law students to complete at least four semesters of law school before being eligible to practice.

## **X. States that have adopted the most rules that foster pro bono services:**

### *Colorado*

- Has an Access to Justice Commission.
- Permits pro work to be credited to CLE.
- Has an emeritus attorney rule.
- Has adopted language identical to Rule 3.7
- Has a goal of 50 hours of pro bono per year.

### *Hawaii*

- Has an Access to Justice Commission.
- Has mandatory pro bono reporting.
- Has an emeritus attorney rule.
- Has adopted language similar to Rule 3.7
- Has a goal of 50 hours of pro bono per year.

### *Minnesota*

- Has an Access to Justice Commission.
- Permits pro work to be credited to CLE.
- Has an emeritus attorney rule.
- Has adopted language similar to Rule 3.7, but has a policy to allow court employees to do pro bono work.
- Has a goal of 50 hours of pro bono per year.

### *Maryland*

- Has an Access to Justice Commission.
- Has mandatory pro bono reporting.
- Has an emeritus attorney rule.

- Has adopted language similar to Rule 3.7 and has a policy to allow judges to serve on regional committees.
- Has a goal of 50 hours of pro bono per year.

### *Montana*

- Has an Access to Justice Commission.
- Has voluntary pro bono reporting.
- Has an emeritus attorney rule.
- Has adopted language similar to Rule 3.7 and has a policy to allow judges to participate in and promote the creation of pro bono programs in court.
- Has a goal of 50 hours of pro bono per year.

### *Nevada*

- Has an Access to Justice Commission.
- Has mandatory pro bono reporting.
- Has an emeritus attorney rule.
- Has adopted language similar to Rule 3.7 and has a policy to allow judges to serve on regional committees and has a policy to allow court employees to do pro bono work.
- Has a goal of 20 hours of pro bono per year at no fee and 60 hours at reduced fees.

### *New York*

- Has an Access to Justice Commission.
- Has mandatory pro bono reporting.
- Has an emeritus attorney rule.
- Has adopted language different from Rule 3.7 and has a policy to allow judges to serve on regional committees and to participate in and promote the creation of pro bono programs in court.
- Has a goal of 20 hours of pro bono per year for admitted attorneys and 50 hours for newly admitted attorneys.

### *Tennessee*

- Has an Access to Justice Commission.
- Permits pro work to be credited to CLE.
- Has voluntary pro bono reporting.
- Has an emeritus attorney rule.
- Has NOT adopted language similar to Rule 3.7, but has a policy to allow court employees to do pro bono work.
- Has a goal of 50 hours of pro bono per year.

### *Washington*

- Has an Access to Justice Commission.
- Permits pro work to be credited to CLE.
- Has voluntary pro bono reporting.

- Has an emeritus attorney rule.
- Has adopted language similar to Rule 3.7 and has a policy to allow court employees to do pro bono work.
- Has a goal of 30 hours of pro bono per year.

**Wyoming** – Although Wyoming does not require pro bono reporting, it does:

- Have an Access to Justice Commission
- Permit pro bono work to be credited to CLE.
- Have an emeritus attorney rule.
- Language identical to Rule 3.7.
- Has a goal of 50 hours of pro bono per year.

Note that ALL these states have an Access to Justice Commission.

## **XI. States that have the fewest policies or rules promoting pro bono:**

### ***Missouri***

- No Access to Justice Commission.
- Does not permit pro bono work to be credited to CLE.
- Does not require pro bono reporting.
- Does not have an Emeritus attorney rule.
- Does not have a yearly pro bono goal.

### ***Nebraska***

- No Access to Justice Commission.
- Does not permit pro bono work to be credited to CLE.
- Does not require pro bono reporting.
- Does not have an Emeritus attorney rule.
- Does not have a yearly pro bono goal.

### ***New Jersey***

- No Access to Justice Commission.
- Does not permit pro bono work to be credited to CLE.
- Does not require pro bono reporting.
- Has not adopted a rule similar to 3.7.
- Does not have a yearly pro bono goal.

### ***North Dakota***

- No Access to Justice Commission.
- Does not permit pro bono work to be credited to CLE.
- Does not require pro bono reporting.
- Has not adopted a rule similar to 3.7.
- Does not have a yearly pro bono goal.

***Oklahoma***

- No Access to Justice Commission.
- Does not permit pro bono work to be credited to CLE.
- Does not require pro bono reporting.
- Does not have an Emeritus attorney rule.
- Does not have a yearly pro bono goal.

***Pennsylvania***

- No Access to Justice Commission.
- Does not permit pro bono work to be credited to CLE.
- Does not require pro bono reporting.
- Does not have an Emeritus attorney rule.
- Has not adopted a rule similar to 3.7.
- Does not have a yearly pro bono goal.

***Rhode Island***

- No Access to Justice Commission.
- Does not permit pro bono work to be credited to CLE.
- Does not require pro bono reporting.
- Does not have an Emeritus attorney rule.
- Has not adopted a rule similar to 3.7.
- Does not have a yearly pro bono goal.

***South Dakota***

- No Access to Justice Commission.
- Does not have a CLE requirement.
- Does not require pro bono reporting.
- Has not adopted a rule similar to 3.7.
- Does not have a yearly pro bono goal.

***West Virginia***

- Does not permit pro bono work to be credited to CLE.
- Does not require pro bono reporting.
- Has not adopted a rule similar to 3.7.
- Does not have an unbundling rule.
- Does not have a yearly pro bono goal.

Note that only one of these states has an Access to Justice Commission.

# Rules Breakdown

## Pro Bono Task Force Rules Change

<b>Mandatory Bar</b>		
<b>Category</b>	<b>State</b>	<b>Total</b>
Unified State Bar	Alabama, Alaska, Arizona, California, DC, Florida, Georgia, Hawaii, Idaho, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming	<b>33</b>
Voluntary State Bar	Arkansas, Colorado, Connecticut, Delaware, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Tennessee, Vermont	<b>18</b>
<b>Continuing Legal Education</b>		
<b>Category</b>	<b>State</b>	<b>Total</b>
States Accepting Pro Bono as CLE	Arizona, Colorado, Delaware, Minnesota, New York, North Dakota, Ohio, Tennessee, Vermont, Washington, Wyoming	<b>11</b>
States Not Accepting Pro Bono as CLE	Alabama, Alaska, Arkansas, California, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Virginia, West Virginia, Wisconsin	<b>34</b>
States without CLE Requirements	Connecticut, District of Columbia, Maryland, Massachusetts, Michigan, South Dakota	<b>6</b>

## Emeritus Rules

Category	State	Total
<b>(1) No Minimum Age Requirement; (2) No Minimum Years of Practice Requirement; and (3) Out-of-State License Not Permitted</b>		<b>11</b>
(1) No minimum age requirement (2) No requirement for a minimum number of years of practice (3) Inactive or retired status (4) Limited or no supervision required (5) Out of state license not allowed (6) Malpractice insurance required or provided by legal services organization (7) Reduced or waived fees	Alabama, Alaska, Hawaii, Wyoming	
(1) No minimum age requirement (2) No requirement for a minimum number of years of practice (3) Inactive or retired status (4) Limited or no supervision required (5) Out of state license not allowed (6) No mention of malpractice insurance (7) Reduced or waived fees	Maine, Maryland, Massachusetts, Minnesota, New Hampshire, South Dakota	
(1) No minimum age requirement (2) No requirement for a minimum number of years of practice (3) Active status (4) Limited or no supervision required (5) Out of state license not allowed (6) Malpractice provided by the organization (7) Reduced or waived fees	Connecticut	
<b>(1) No Minimum Age Requirement; (2) No Minimum Years of Practice Requirement; and (3) Out-of-State License IS Permitted</b>		<b>11</b>
(1) No minimum age requirement (2) No requirement for a minimum number of years of practice (3) Inactive or retired status or active or inactive out of state (4) Limited or no supervision required (5) Out of state license permitted (6) No mention of malpractice insurance (7) Reduced or waived fees	Colorado, New Mexico, North Carolina	
(1) No minimum age requirement (2) No requirement for a minimum number of years of practice (3) Inactive or retired status or active or inactive out of state (4) Limited or no supervision required (5) Out of state license permitted (6) Disclose extent of malpractice coverage (7) Reduced or waived fees	Illinois, Nevada	

<ul style="list-style-type: none"> <li>(1) No minimum age requirement</li> <li>(2) No requirement for a minimum number of years of practice</li> <li>(3) Inactive or retired status</li> <li>(4) Limited or no supervision required</li> <li>(5) Out of state license permitted</li> <li>(6) No malpractice insurance requirement</li> <li>(7) Fees not waived</li> </ul>	District of Columbia	
<ul style="list-style-type: none"> <li>(1) No minimum age requirement</li> <li>(2) No requirement for a minimum number of years of practice</li> <li>(3) Inactive or active out of state</li> <li>(4) Limited or no supervision required</li> <li>(5) Out of state license permitted</li> <li>(6) No mention of malpractice insurance</li> <li>(7) Fees not waived</li> </ul>	New Jersey	
<ul style="list-style-type: none"> <li>(1) No minimum age requirement</li> <li>(2) No requirement for a minimum number of years of practice</li> <li>(3) Inactive or licensed in another state</li> <li>(4) Limited or no supervision required</li> <li>(5) Out of state license permitted</li> <li>(6) Malpractice insurance required</li> <li>(7) Fees not waived</li> </ul>	Mississippi	
<ul style="list-style-type: none"> <li>(1) No minimum age</li> <li>(2) No minimum years of practice</li> <li>(3) Retired or retiring status</li> <li>(4) General supervision required</li> <li>(5) Out of state license accepted</li> <li>(6) No mention of malpractice insurance</li> <li>(7) Dues are waived;</li> </ul>	Iowa	
<ul style="list-style-type: none"> <li>(1) No minimum age requirement</li> <li>(2) No requirement for a minimum number of years of practice</li> <li>(3) Inactive or retired status or active or inactive out of state</li> <li>(4) Limited or no supervision required</li> <li>(5) Out of state license permitted with 15 years practice</li> <li>(6) No mention of malpractice insurance</li> <li>(7) Reduced or waived fees</li> </ul>	Oregon	
<ul style="list-style-type: none"> <li>(1) No minimum age requirement</li> <li>(2) No requirement for a minimum number of years of practice</li> <li>(3) Inactive or retired status</li> <li>(4) Limited or no supervision required</li> <li>(5) Out of state license allowed for retired attorneys 66 or older</li> <li>(6) No mention of malpractice insurance</li> <li>(7) Waived for retired attorneys who are 66 or older.</li> </ul>	Kansas	
<p><b>(1) No Minimum Age Requirement; (2) Years of Practice Requirement; and (3) Out-of-State License NOT Allowed.</b></p>		3 325

(1) No minimum age requirement (2) Must have practiced 3 out of last 5 years (3) Inactive or retired status (4) Limited or no supervision required (5) Out of state license not allowed (6) No mention of malpractice (7) Reduced or waived fees	California	
(1) No minimum age (2) Must have practiced 10 of the last 15 years (3) Retired or inactive status, must commit to 25 hrs/yr (4) No direct supervision required (5) Out of state license not accepted (6) No mention of malpractice insurance (7) Dues are waived	Montana	
(1) No minimum age (2) Must have practiced 10 of the last 15 years (3) Retired (4) Direct supervision required (5) Out of state license not accepted (6) No mention of malpractice insurance (7) Dues are waived	Virginia	
<b>(1) No Minimum Age Requirement; (2) Years of Practice Requirement; and (3) Out-of-State License IS Allowed</b>		9
(1) No minimum age (2) 10 years of practice (3) Retired Status (4) Direct supervision required (5) Out of state license accepted (6) No mention of malpractice insurance (7) Dues waived	West Virginia	
(1) No minimum age (2) Must have practiced 10 of the last 15 years (3) Retired or inactive status (4) Direct supervision required (5) Out of state license accepted (6) Legal Service organization must provide malpractice insurance (7) Dues are reduced	Idaho	

<ul style="list-style-type: none"> <li>(1) No minimum age</li> <li>(2) Must have practiced for 10 of the last 15 years</li> <li>(3) Retired status</li> <li>(4) Direct supervision required</li> <li>(5) Out of state license accepted</li> <li>(6) No mention of malpractice insurance</li> <li>(7) No waiver</li> </ul>	Florida	
<ul style="list-style-type: none"> <li>(1) No minimum age</li> <li>(2) Must have practiced 5 of the last 10 years</li> <li>(3) Volunteer practice only</li> <li>(4) Direct supervision required</li> <li>(5) Out of state license accepted</li> <li>(6) No mention of malpractice insurance</li> <li>(7) Dues are waived</li> </ul>	North Dakota	
<ul style="list-style-type: none"> <li>(1) No minimum age</li> <li>(2) Must have practiced 5 of the last 10 years or 25 years of active practice</li> <li>(3) Inactive status</li> <li>(4) Direct supervision required</li> <li>(5) Out of state license accepted</li> <li>(6) Disclose extent of malpractice insurance</li> <li>(7) Dues are waived</li> </ul>	Tennessee	
<ul style="list-style-type: none"> <li>(1) No minimum age</li> <li>(2) Must have practiced 5 of the last 10 years, 10 of last 15 years if out of state</li> <li>(3) Retired status</li> <li>(4) No direct supervision required</li> <li>(5) Out of state license accepted</li> <li>(6) No mention of malpractice insurance</li> <li>(7) Dues are reduced</li> </ul>	Washington	
<ul style="list-style-type: none"> <li>(1) No minimum age</li> <li>(2) Must have practiced for 5 of last 10 years</li> <li>(3) Retired status</li> <li>(4) Direct supervision required</li> <li>(5) Out of state license accepted</li> <li>(6) Must have malpractice insurance</li> <li>(7) Dues are waived</li> </ul>	Texas	
<ul style="list-style-type: none"> <li>(1) No minimum age</li> <li>(2) Must have practiced for 5 years</li> <li>(3) Retired or inactive status</li> <li>(4) No direct supervision required</li> <li>(5) Out of state license accepted</li> <li>(6) Disclose extent of malpractice insurance</li> <li>(7) Dues are waived</li> </ul>	Arizona	

<ul style="list-style-type: none"> <li>(1) No minimum age</li> <li>(2) Inactive or retired for less than 7 years</li> <li>(3) Retired or inactive status</li> <li>(4) Direct supervision required</li> <li>(5) Out of state license accepted</li> <li>(6) No mention of malpractice insurance</li> <li>(7) Dues are reduced or waived</li> </ul>	South Carolina	
<b>(1) Minimum Age Requirement; (2) No Requirement For Minimum Number of Years of Practice; and (3) Out-of-State License NOT Allowed</b>		<b>2</b>
<ul style="list-style-type: none"> <li>(1) Minimum age: 70</li> <li>(2) No requirement for a minimum number of years of practice</li> <li>(3) Age is only required status</li> <li>(4) Limited or no supervision required</li> <li>(5) Out of state license not allowed</li> <li>(6) Must accept coverage provided by emeritus program</li> <li>(7) Reduced or waived fees</li> </ul>	Wisconsin	
<ul style="list-style-type: none"> <li>(1) Minimum age: 65</li> <li>(2) No requirement for a minimum number of years of practice</li> <li>(3) Inactive</li> <li>(4) No supervision required</li> <li>(5) Out of state license not allowed</li> <li>(6) No mention of malpractice insurance</li> <li>(7) Waived fees</li> </ul>	Delaware	
<b>(1) Minimum Age Requirement; (2) Years of Practice Requirement; and (3) Out-of-State License NOT Allowed</b>		<b>3</b>
<ul style="list-style-type: none"> <li>(1) Minimum age of 55</li> <li>(2) 10 years of practice</li> <li>(3) Retired Status, must commit to 30hrs/yr</li> <li>(4) Direct supervision required</li> <li>(5) Out of state license not accepted</li> <li>(6) Malpractice insurance provided by organization</li> <li>(7) Dues waived</li> </ul>	New York	
<ul style="list-style-type: none"> <li>(1) If retired, age 75</li> <li>(2) If not retired, 50 years of practice</li> <li>(3) Retired or 50 years in practice</li> <li>(4) Direct supervision required</li> <li>(5) Out of state license not accepted</li> <li>(6) No mention of malpractice insurance</li> <li>(7) Dues waived</li> </ul>	Utah	

(1) Minimum age of 70 (2) 25 minimum years of practice (3) Retired Status (4) No supervision required (5) Out of state license not accepted (6) Malpractice insurance not mentioned (7) Dues waived	Georgia	
<b>No Emeritus Rule</b>		
No Emeritus Rule	Arkansas, Indiana, Kentucky, Louisiana, Michigan, Missouri, Nebraska, Ohio, Oklahoma, Pennsylvania, Rhode Island, Vermont	<b>12</b>
<b>Pro Bono Reporting</b>		
<b>Category</b>	<b>State</b>	<b>Total</b>
States with Mandatory Pro Bono Reporting	Florida, Hawaii, Illinois, Indiana, Maryland, Mississippi, Nevada, New Mexico, New York	<b>9</b>
States with Voluntary Pro Bono Reporting	Arizona, Connecticut, District of Columbia, Georgia, Kentucky, Louisiana, Montana, Ohio, Oregon, Tennessee, Virginia, Washington	<b>12</b>
States with No Pro Bono Reporting	Alabama, Alaska, Arkansas, California, Colorado, Delaware, Idaho, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, North Carolina, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, West Virginia, Wisconsin, Wyoming	<b>30</b>

<b>Judicial Conduct Rule 3.7</b>		
<b>Category</b>	<b>State</b>	<b>Total</b>
<b>States with Identical Language to Rule 3.7</b>		<b>6</b>
Language Identical to Rule to 3.7 <a href="http://apps.americanbar.org/legalservices/probono/judicial/downloads/rule_3.7_aba_model_code_judicial_conduct.pdf">http://apps.americanbar.org/legalservices/probono/judicial/downloads/rule_3.7_aba_model_code_judicial_conduct.pdf</a>	Colorado, Connecticut, District of Columbia, New Hampshire, Utah, Wyoming	
<b>States with Language Similar to Rule 3.7</b>		<b>15</b>
Similar Language to 3.7 <a href="http://apps.americanbar.org/legalservices/probono/judicial/downloads/rule_3.7_aba_model_code_judicial_conduct.pdf">http://apps.americanbar.org/legalservices/probono/judicial/downloads/rule_3.7_aba_model_code_judicial_conduct.pdf</a>	Arkansas, Hawaii, Indiana, Iowa, Kansas, Maryland, Minnesota, Missouri, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, Tennessee, Washington	
<b>States with Language Different From Rule 3.7</b>		<b>3</b>
Different Language	Delaware, New York, Pennsylvania	
<b>States that Have Not Adopted a Rule 3.7, but Have Permissive Language</b>		<b>12</b>
	Arizona, California, Florida, Illinois, Massachusetts, Mississippi, Montana, New Jersey, New Mexico, Oregon, South Carolina, Texas	
<b>States that Have Not Adopted a Rule 3.7 or Permissive Language</b>		<b>15</b>
	Alabama, Alaska, Georgia, Idaho, Kentucky, Louisiana, Maine, Michigan, North Carolina, Rhode Island, South Dakota, Vermont, Virginia, West Virginia, Wisconsin	

### **Model Rule 6.1 -- State Pro Bono Ethics Rules**

<b>Category</b>	<b>State</b>	<b>Total</b>
Original 1983 Language <a href="http://www.americanbar.org/groups/probono_public_service/policy/state_ethics_rules.html">http://www.americanbar.org/groups/probono_public_service/policy/state_ethics_rules.html</a>	Alabama, Connecticut, Delaware, District of Columbia, Indiana, Kansas, Missouri, New Jersey, Oklahoma, Pennsylvania, South Carolina, South Dakota, West Virginia	<b>13</b>
1993 Language	Georgia, Hawaii, Kentucky, Louisiana, Maryland, Massachusetts, New Mexico	<b>7</b>
2002 Language	Alaska, Arkansas, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Rhode Island, Tennessee, Utah, Vermont, Washington, Wisconsin, Wyoming	<b>19</b>
Different Language	Arizona, California, Florida, Maine, Michigan, Mississippi, New York, Ohio, Oregon, Texas, Virginia	<b>11</b>
No Information	Illinois	<b>1</b>

### **Unbundling -- Model Rule 6.5**

<b>Category</b>	<b>State</b>	<b>Total</b>
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<p>Adopted 6.5  <a href="http://www.americanbar.org/groups/delivery_legal_services/resources/pro_s_e_unbundling_resource_center/court_rules.html">http://www.americanbar.org/groups/delivery_legal_services/resources/pro_s_e_unbundling_resource_center/court_rules.html</a></p>	<p>Alabama, Alaska, Arizona, Arkansas, Colorado, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Wisconsin</p>	<p><b>38</b></p>
<p>Similar Language</p>	<p>California, Connecticut, District of Columbia, Maine, New Hampshire, New York, North Dakota, Washington, Wyoming</p>	<p><b>9</b></p>
<p>No Rule</p>	<p>Florida, Kansas, Texas, West Virginia</p>	<p><b>4</b></p>

## Law Student Practice Rules

Category	State	Total
<b>No minimum coursework requirement</b>		<b>1</b>
(1) Enrolled in accredited law school (2) Certified by law school dean (3) Completed professional responsibility class (4) No compensation for services	Arkansas	
<b>At least 2 semesters of law school required</b>		<b>12</b>
(1) 2 semesters at accredited law school (2) Supervising attorney or completed certain coursework	California, New York	
(1) 2 semesters of law school completed (2) Certified by law school dean (3) Must be familiar with Professional Rules	Maryland	
(1) 2 semesters of law school completed (2) Certified by law school dean (3) Introduced/supervised by practicing attorney (4) Comply with certain provisions if enrolled in law school outside of CT.	Connecticut	
(1) 2 semesters (administrative) or 3 semester (court) at accredited law school (2) Certified by law school dean (3) No compensation for services	Iowa	
(1) 2 semesters at accredited law school (2) Certified by law school dean (3) Enrolled in clinical program at the Univ. of Hawaii	Hawaii	
(1) At least 30 hours of law school (2) Certified by law school dean (3) Full time student at University of New Mexico Law School	New Mexico	
(1) At least 30 to 45 hours of law school (2) Certified by law school dean (3) Introduced/supervised by practicing attorney (4) Certification by state bar.	Nevada	
(1) At least 41 hours of law school (2) Certified by law school dean (3) Registered with the Unauthorized Practice of Law Committee with the court.	District of Columbia	
(1) 2 semesters of law school completed with passing grades (2) Eligible to participate in clinic, legal aid, or govt agency (3) Introduced/supervised by practicing attorney (4) Must be familiar with Professional Rules	Michigan	
(1) 2 semesters at MN law school (2) Certified by law school dean (3) Accepted by client (4) Maintain confidentiality	Minnesota	

At least half of law school completed		11
(1) At least half of coursework is complete (2) Student's written request with letter from an attorney (3) Consent obtained by client	Alaska	
(1) At least 3 semesters of law school (2) Introduced to the court by a member of the bar. (3) No compensation for services	Pennsylvania	
(1) At least half of the credits needed to graduate (2) Certified by law school dean (3) Completed legal ethics course	Indiana	
(1) At least 3 semesters or half of the credits needed to graduate (2) Certified by law school dean (3) Paid the requested fee (4) No compensation for services	Missouri	
(1) At least 3 semesters or half of the credits needed to graduate (2) Certified by law school dean (3) Introduced/supervised by practicing attorney (4) Completed evidence or trial practice classes	Rhode Island	
(1) At least 3 semester at ABA-accredited law school (2) Certified by law school dean (3) Introduced/supervised by practicing attorney (4) No compensation for services	Arizona, Illinois, North Carolina	
(1) At least half the credit hours towards a degree (2) Certified by law school dean (3) Written approval by Supreme Court of TN	Tennessee	
(1) At least half the credit hours towards a degree (2) Certified by law school dean (3) If attends law school out of state must take a series of steps to become eligible	Wisconsin	
(1) At least half the credit hours towards a degree at OK law school (2) Certified by law school dean (3) Must have graduating GPA average (4) Accepted by Bd of Bar Examiners of OK Bar Association	Oklahoma	

At least 4 semesters of law school required		28
(1) 4 semesters of law school completed	Idaho	
(1) At least 4 semesters of law school (2) Appearing before a program approved by the state Supreme Court	New Jersey	
(1) At least 4 semester at MS law school (2) Introduced/supervised by practicing attorney	Mississippi	
(1) At least 4 semesters of law school completed (2) Appearance must be stipulated by all parties (3) Participation is limited to civil, misdemeanor, or administrative cases.	Utah	
(1) At least 4 semesters of law school completed (2) Certified by law school dean (3) Complete certain courses such as evidence, trial practice or ethics courses.	Massachusetts, Ohio	
(1) At least 4 semesters of law school completed or 2 semesters plus a clinical law course (2) Certified by law school dean (3) No compensation for services	Delaware, Maine, New Hampshire, Texas	
(1) At least 4 semesters of law school completed (2) Certified by law school dean (3) Introduced/supervised by practicing attorney (4) Receive affirmative consent from the court	Nebraska	
(1) At least 4 semesters of law school completed (2) Certified by law school dean (3) Pay fee	Washington	
(1) At least 4 semesters of law school completed (2) Certified by law school dean (3) Pay fee (4) Receive clearance from FL Board of Bar Examiners	Florida	
(1) At least 4 semesters of law school completed (2) Certified by law school dean (3) Client must consent (4) Pay fee (5) Complete court in Professional Responsibility	Kansas	
(1) At least 4 semesters of law school completed (2) Certified by law school dean (3) Introduced/supervised by practicing attorney (4) No compensation for services	Colorado, North Dakota, Oregon, Virginia	
(1) At least 4 semesters of law school completed (2) Introduced/supervised by practicing attorney (3) Must be familiar with Professional Rules (4) No compensation for services	West Virginia	
(1) At least 4 semester of law school completed (2) Introduced/supervised by practicing attorney (3) Client must consent (4) Must have completed course in evidence	Vermont	

<ul style="list-style-type: none"> <li>(1) At least 4 semesters of law school completed</li> <li>(2) Certified by law school dean</li> <li>(3) Introduced/supervised by practicing attorney</li> <li>(4) Be familiar with rule of professional conduct</li> <li>(5) Receive no compensation</li> </ul>	Montana, South Dakota	
<ul style="list-style-type: none"> <li>(1) At least 4 semesters completed at an SC law school</li> <li>(2) Certified by law school dean</li> <li>(3) Be familiar with rules of professional conduct</li> <li>(4) No compensation for services</li> </ul>	South Carolina	
<ul style="list-style-type: none"> <li>(1) 4 semesters of law school completed</li> <li>(2) Introduced/supervised by practicing attorney</li> <li>(3) Covered by malpractice insurance</li> </ul>	Georgia	
<ul style="list-style-type: none"> <li>(1) 4 semesters of law school completed</li> <li>(2) Certified by law school dean</li> <li>(3) Supervising attorney must be in court and cannot supervise more than 3 students</li> <li>(4) Client must consent in writing</li> <li>(5) Filed an affidavit with the WY Sup. Ct. that student will comply with ethical standards</li> </ul>	Wyoming	
<ul style="list-style-type: none"> <li>(1) 4 semesters of law school completed</li> <li>(2) Certified by law school dean</li> <li>(3) Introduced/supervised by practicing attorney</li> <li>(4) Completed course in ethics</li> <li>(5) No compensation for services</li> </ul>	Louisiana	
<ul style="list-style-type: none"> <li>(1) 4 semesters of law school completed</li> <li>(2) Certified by law school dean</li> <li>(3) Introduced/supervised by practicing attorney</li> <li>(4) Written approval by Chief Justice of KY Supreme Court</li> </ul>	Kentucky	
<ul style="list-style-type: none"> <li>(1) 4 semesters of law school completed</li> <li>(2) Certified by law school dean</li> <li>(3) Introduced/supervised by a practicing attorney</li> <li>(4) Consent from the Client</li> <li>(5) Written approval by Chief Justice of the AL Supreme Court</li> </ul>	Alabama	

# **Rules Crosswalk**

	Access to Justice Commission		Bar Type		Continuing Legal Education			Emeritus Rules		Pro Bono Reporting			Unbundling			Law Student Practice					Model Rule 3.7					Model Rule 6.1 -- State Pro Bono Ethics Rules										
	Access to Justice Commission	No Access to Justice Commission	Unified Bar	Voluntary Bar	Accept Pro Bono for CLE	Does Not Accept Pro Bono for CLE	Does Not Require CLE	Has An Emeritus Rules	No Emeritus Rule	Mandatory Pro Bono Reporting	Voluntary Pro Bono Reporting	No Pro Bono Reporting	Adopted ABA Model Rule 6.5	Adopted Language Similar to MR 6.5	No Unbundling Rules	No Minimum Semester of Law School	At Least 2 Semesters of Law School	At least 50% or 3 semesters of Law School	At Least 4 Semesters of Law School	Identical Language to MR 3.7	Similar Language to MR 3.7	Different Language than MR 3.7	No MR 3.7 But Permissive Language	Has Not Adopted MR 3.7	Same or Similar Original Language & No Goal	Same or Similar Original Language & PB Goal	Same or Similar to 1993 Language & PB Goal	Same or Similar to 2002 Language & NO PB Goal	Same or Similar to 2002 Language & PB Goal	Different Language & NO PB Goal	Different Language & PB Goal					
Alabama	X		X			X		X				X			X								X		X								Alabama			
Alaska	X		X			X		X				X					X							X								50 hours	Alaska			
Arkansas	X			X		X			X			X			X						X											50 hours	Arkansas			
Arizona	X		X		X		X	X		X							X						X									50 hours	Arizona			
California	X		X			X		X				X		X		X				X			X									50 hours	California			
Colorado	X			X	X		X					X						X		X													Colorado			
Connecticut	X			X			X			X			X			X				X					X								Connecticut			
Delaware	X			X	X			X				X						X				X			X								Delaware			
District of Columbia	X		X				X			X			X						X							50 hours							District of Columbia			
Florida		X	X			X		X	X					X				X					X										20 hours	Florida		
Georgia	Other		X			X		X		X			X																				Georgia			
Hawaii	X		X			X		X		X			X			X					X												50 hours	Hawaii		
Idaho		X	X			X		X			X		X					X																50 hours	Idaho	
Illinois	X			X		X		X		X			X				X						X											Illinois		
Indiana	X			X		X		X	X				X												X									Indiana		
Iowa		X		X		X		X			X		X			X (Admin)	X (Court)					X												50 hours	Iowa	
Kansas	X			X		X		X			X							X							X									Kansas		
Kentucky	X		X			X		X			X		X					X																Kentucky		
Louisiana	Other		X			X		X		X			X																					50 hours	Louisiana	
Maine	X			X		X		X			X		X																					Maine		
Maryland	X			X			X		X			X				X																		Maryland		
Massachusetts	X			X			X				X		X										X											25 hours	Massachusetts	
Michigan	Other		X			X		X			X		X				X																	30 hours	Michigan	
Minnesota	Other			X	X		X				X		X					X																50 hours	Minnesota	
Mississippi	X		X			X		X		X			X					X					X											20 hours	Mississippi	
Missouri		X	X			X		X			X		X				X								X									Missouri		
Montana	X		X			X		X			X		X																					50 hours	Montana	
Nebraska		X	X			X		X			X		X																						Nebraska	
Nevada	X		X			X		X			X					X (Activity dependent)	X (Activity dependent)																	20 hrs free/60 hrs reduced rate	Nevada	
New Hampshire	X		X			X		X			X		X						X															30 hours	New Hampshire	
New Jersey		X		X		X		X			X		X					X					X												New Jersey	
New Mexico	X		X			X		X		X			X				X																		50 hours	New Mexico
New York	X			X		X		X		X			X				X																		50 hours	New York
North Carolina	X		X			X		X			X		X																						50 hours	North Carolina
North Dakota		X	X			X		X			X		X																						North Dakota	
Ohio		X		X				X			X		X																						X	Ohio
Oklahoma	X		X			X		X			X		X																						Oklahoma	
Oregon	Other		X			X		X		X			X																						80 hours	Oregon
Pennsylvania		X		X		X		X			X		X																						Pennsylvania	
Rhode Island	X		X			X		X			X		X																						50 hours	Rhode Island
South Carolina	X		X			X		X			X		X																						South Carolina	
South Dakota		X	X			X		X			X		X																						South Dakota	
Tennessee	X			X		X		X			X		X				X																		50 hours	Tennessee
Texas	X		X			X		X			X		X																						50 hours	Texas
Utah		X	X			X		X			X		X																						50 hours	Utah
Vermont	X			X		X		X			X		X																						50 hours	Vermont
Virginia	X		X			X		X			X		X																						2%	Virginia
Washington	X		X			X		X			X		X																						30 hours	Washington
West Virginia	X		X			X		X			X		X																						West Virginia	
Wisconsin	X		X			X		X			X		X				X																		50 hours	Wisconsin
Wyoming	X		X			X		X			X		X																						50 hours	Wyoming

# **Board Agenda**

# **BOARD OF DIRECTORS**

**January 24, 2015**

## **Agenda**

### **OPEN SESSION**

1. Pledge of Allegiance
2. Approval of agenda
3. Approval of minutes of the Board's Open Session meeting of October 7, 2014
4. Approval of minutes of the Board's Open Session telephonic meeting of November 17, 2014
5. Consider and act on nominations for the Chairman of the Board of Directors
6. Consider and act on nominations for the Vice Chairman of the Board of Directors
7. Chairman's Report
8. Members' Reports
9. President's Report
10. Inspector General's Report
11. Consider and act on resolution recognizing Sharon L. Browne for her service on the Legal Services Corporation Board of Directors
12. Consider and act on the report of the Finance Committee
13. Consider and act on the report of the Audit Committee
14. Consider and act on the report of the Operations and Regulations Committee

15. Consider and act on the report of the Governance and Performance Review Committee
16. Consider and act on the report of the Institutional Advancement Committee
17. Consider and act on the report of the Delivery of Legal Services Committee
18. Report on implementation of recommendations of the Pro Bono Task Force Report and the Pro Bono Innovation Fund
19. Public comment
20. Consider and act on other business
21. Consider and act on whether to authorize a closed session of the Board to address items listed below

#### **CLOSED SESSION**

22. Approval of minutes of the Board's Closed Session of October 7, 2014
23. Management briefing
24. Inspector General briefing
25. Consider and act on General Counsel's report on potential and pending litigation involving LSC
26. Consider and act on list of prospective funders
27. Consider and act on prospective members of Leaders' Council
28. Consider and act on motion to adjourn meeting

**Draft Minutes of the October 7, 2014  
Open Session Meeting**

**Legal Services Corporation  
Meeting of the Board of Directors**

**Open Session**

**Tuesday, October 7, 2014**

**DRAFT**

Chairman John G. Levi convened an open session meeting of the Legal Services Corporation's ("LSC") Board of Directors at 8:22 a.m. on Tuesday, October 7, 2014. The meeting was held at the Hilton Albany, 40 Lodge Street, Albany, New York 12207.

The following Board members were present:

John G. Levi, Chairman  
Martha L. Minow, Vice Chair  
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, *ex officio*

Also attending were:

Lynn Jennings	Vice President for Grants Management
David Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services (OFAS)
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Jeffrey Schanz	Inspector General
John Seeba	Assistant Inspector General for Audit, Office of the Inspector General (OIG)
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General (OIG)
Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, Office of the Inspector General
Carol A. Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Wendy Long	Executive Assistant, Office of Government Relations (GRPA)

Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Julia Kramer	Program Counsel, Office of Compliance and Enforcement (OCE), Executive Office
Bernie Brady	LSC Travel Coordinator
Herbert Garten	Non-Director Member, Institutional Advancement Committee
Paul J. Lupia	Executive Director, Legal Aid Society of Mid- New York
Barbara Finkelstein	Executive Director, Legal Services of the Hudson Valley
Lillian Moy	Executive Director, Legal Services of the Hudson Valley
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)

The following summarizes actions taken by, and presentations made to, the Board:

Chairman Levi called the meeting to order. The Pledge of Allegiance was recited.

**MOTION**

Dean Minow moved to approve the agenda. Ms. Mikva seconded the motion.

**VOTE**

The motion passed by voice vote.

**MOTION**

Ms. Reiskin moved to approve the minutes of July 22, 2014. Mr. Maddox seconded the motion.

**VOTE**

The motion passed by voice vote.

Chairman Levi gave the Chairman's Report. He thanked the LSC staff for their hard work in the celebration of the 40<sup>th</sup> LSC anniversary conference. Chairman Levi read a passage from a centennial sermon written by his great, great, grandfather regarding the Nation's founding and justice in America. He thanked the Board and Non-Director members for their continuous work.

President Sandman gave the President's Report, which included the mid-year grantee information on activity levels during the first six months of 2014 and an overview on Technology Initiative Grant awards and Pro bono Innovation Fund awards. He answered board members questions.

Inspector General Schanz gave the Inspector General's Report which included commending the board for their continuous support of OIG. He reported the OIG had completed an entrance conference with Nancy Davis of WithumSmith+Brown for audit purposes for the upcoming review of LSC's financial statements; he shared the positive feedback OIG received from a grantee on OIG's review of the grantee's fraud vulnerabilities.

**MOTION**

Dean Minow moved to adopt the resolution recognizing Thomas Coogan. Father Pius seconded the motion.

**VOTE**

The motion passed by voice vote.

**MOTION**

Dean Minow moved to adopt the resolution in memoriam of John Robb. Father Pius seconded the motion.

**VOTE**

The motion passed by voice vote.

Father Pius gave the report for the Delivery of Legal Services Committee.

Mr. Grey gave the report for the Finance Committee.

Mr. Maddox gave the report for the Audit Committee.

Mr. Keckler gave the Operations and Regulations Committee report.

**MOTION**

Mr. Keckler moved to adopt the proposed revisions to 45 CFR Part 1614 (Private Attorney Involvement) as final rule.

**VOTE**

The motion passed by voice vote.

Dean Minow gave the report for the Governance and Performance Review Committee.

Chairman Levi gave the Institutional Advancement Committee report.

Ms. Jennings and Mr. Flagg gave a report on the implementation of the Pro Bono Task Force.

Chairman Levi invited public comment. Ms. Moy, Executive Director, Legal Aid Society of Northeastern New York, thanked Dean Minow for her participation in the New York State Justice Task Force Hearing, and encouraged the board to stay the course on leadership issues.

There was no new business to consider.

**MOTION**

Father Pius moved to authorize an executive session of the Board meeting. Dean Minow seconded the motion.

**VOTE**

The motion passed by voice vote.

The Board continued its meeting in closed session at 9:51 a.m.

**Draft Minutes of the November 17, 2014  
Open Session Telephonic Meeting**

**Legal Services Corporation  
Telephonic Meeting of the Board of Directors**

**Open Session**

**Monday, November 17, 2014**

**DRAFT**

Chairman John G. Levi convened an open session telephonic meeting of the Legal Services Corporation's ("LSC") Board of Directors ("the Board") at 3:35 p.m. on Monday, November 17, 2014. The meeting was held at the F. William McCalpin Conference Center, LSC Headquarters, 3333 K Street, NW, Washington D.C. 20007.

The following Board Members were present by telephone:

John G. Levi, Chairman  
Martha L. Minow, Vice Chair  
Sharon L. Browne  
Robert J. Grey, Jr.  
Charles N.W. Keckler  
Victor B. Maddox  
Father Pius Pietrzyk  
Julie A. Reiskin  
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel and Corporate Secretary
Atitaya Rok	Office of Legal Affairs
Carol A. Bergman	Director, Office of Government Relations and Public Affairs
Treefa Aziz	Government Relations Manager, Office of Government Relations and Public Affairs
Jeffrey E. Schanz	Inspector General
Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, Office of the Inspector General
John Seeba	Assistant Inspector General for Audit, Office of the Inspector General
Joel Gallay	Special Counsel to the Inspector General, Office of the Inspector General
David O'Rourke	Assistant Inspector General for Investigations, Office of the Inspector General

David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General
Traci Higgins	Director, Office of Human Resources
Sophia Mason	Benefits Manager, Office of Human Resources
Janet LaBella	Director, Office of Program Performance

The following summarizes actions taken by, and presentations made to, the Board:

Chairman Levi called the open session telephonic meeting of the Board to order.

**MOTION**

Father Pius moved to change the order of the agendas on the Federal Register Notice; the Governance and Performance Review Committee meeting will be held after the Board of Directors meeting. Ms. Reiskin seconded the motion.

**VOTE**

The motion passed by voice vote.

**MOTION**

Professor Valencia-Weber moved to approve the agenda of the Board meeting. Ms. Reiskin seconded the motion.

**VOTE**

The motion passed by voice vote.

Ms. Aziz briefed the Board on the draft transmittal letter to accompany the Inspector General's Semiannual Report (SAR) to Congress. She answered questions from the Board.

**MOTION**

Professor Valencia-Weber recommended that the Board approve the SAR transmittal letter to Congress, with amendments. Dean Minow seconded the motion.

**VOTE**

The motion passed by voice vote.

In other business, Ms. Browne of the Governance and Performance Review Committee recommended that the Board approve the Health Reimbursement Arrangement Plan, and adopt the resolution to affirm the LSC President's authority to amend the employee health benefits.

**VOTE**

The Board unanimously adopted the resolution and Health Reimbursement Arrangement Plan with noted changes.

Chairman Levi solicited public comment and received none.

There was no other business to consider.

The Board of Directors meeting adjourned at 3:59 p.m.

**Sharon L. Browne**  
**Resolution**



BOARD OF DIRECTORS

Legal Services Corporation  
America's Partner For Equal Justice

## RESOLUTION

### IN RECOGNITION AND PROFOUND APPRECIATION OF DISTINGUISHED SERVICE BY SHARON L. BROWNE

**WHEREAS**, Sharon L. Browne has faithfully and with great honor, integrity, and distinction served as a member of the Legal Services Corporation's Board of Directors for the last four years;

**WHEREAS**, Sharon has provided invaluable insights, perspective, and guidance to the Corporation on a variety of matters throughout her tenure on the Board and on the Board's Delivery of Legal Services Committee, Finance Committee and Governance and Performance Review Committee;

**WHEREAS**, Sharon's collegiality and assiduous attention to details have been of enormous benefit to LSC and her colleagues on the Board;

**WHEREAS**, Sharon's leadership and commitment to LSC's mission of providing high-quality civil legal services to low-income Americans have been a great asset to the Corporation;

**NOW, THEREFORE, BE IT RESOLVED THAT**, the LSC Board of Directors hereby acknowledges and extends its profound appreciation to Sharon for her years of dedicated and distinguished service and contributions to LSC and to the cause of civil legal assistance for low-income Americans.

**Adopted by the Board of Directors**  
On January 24, 2015

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**John G. Levi**  
*Chairman*

**Attest:**

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**Ronald S. Flagg**  
*Vice President for Legal Affairs,  
General Counsel & Corporate Secretary*

**Resolution #2015-XXX**

**University of Miami**  
**School of Law Events**

## **Justices and Judges Panel Bios**

**The Importance of Access to Justice to the Judiciary**

**January 23, 2015**

**University of Miami School of Law**

**Miami, Florida**

**Judge Marcia G. Cooke, U.S District Court for the Southern District of Florida**

Marcia G. Cooke is a native of Detroit, Michigan. Judge Cooke is an experienced trial attorney and lawyer and has held a variety of positions in the public sector. Prior to being appointed to the Federal Bench, she was an Assistant Miami-Dade County Attorney. She represented Miami-Dade County in a variety of matters including litigation on behalf of the Housing Agency and defensive tort litigation. Judge Cooke has also served as the Chief Inspector General for the State of Florida. Governor Jeb Bush appointed Judge Cooke in 1999. The Chief Inspector General is responsible for promoting accountability, integrity, efficiency and ethical behavior in the agencies under the jurisdiction of the Executive Office of the Governor.

Prior to serving as Chief Inspector General, Judge Cooke served as an Executive Assistant United States Attorney for the Southern District of Florida, in Miami, for seven years. Her responsibilities included training and professional development for a staff composed of 200 lawyers and over 200 support personnel, as well as immigration issues and other special projects.

In 1984, she was selected as a United States Magistrate Judge for the Eastern District of Michigan. Responsible for the full range of judicial activities, Judge Cooke was the youngest federal judicial officer at the time of her appointment.

She has also served as a legal services attorney and a public defender, providing representation for the indigent, and an Assistant United States Attorney in the Eastern District of Michigan. As a prosecutor in Michigan and Southern Florida, she successfully prosecuted over thirty criminal jury trials. Judge Cooke was also in private practice with the law firm of Miro, Miro and Weiner.

In addition to her other responsibilities, Judge Cooke is an adjunct professor at the University of Miami School of Law where she teaches litigation skills and criminal law. She also served as an adjunct professor at Wayne State University Law School. She is also a long-time faculty member of the National Institute of Trial Advocacy (NITA) and has taught at trial practice and litigation programs throughout the country. Judge Cooke also lectures on issues related to trial practice and litigation. Having presided over the case of United States of America v. Jose Padilla, she is often called upon to participate in symposiums related to terrorism. One of the defendants in the trial, Jose Padilla, is the only American citizen detained in a military brig as an enemy combatant. Mr. Padilla, at the behest of his co-defendant, served as a Mujadeen in Afghanistan.

A graduate of the Georgetown University Edmund G. Walsh School of Foreign Service, she remains active in university activities. She is a member of the Board of Governors and served as the national President of the Georgetown University Alumni Association. She was elected to the University's Board of Directors in 1998. She received her law degree from the Wayne State University Law School in Detroit, Michigan.

Judge Cooke has presided over many interesting cases, among them criminal cases involving the Israeli mafia moving company scams, and various drug offense cases. One of the more memorable multi-defendant drug cases involved the kidnapping and attempted murder of a rival drug trafficker (who happened to have his 3 year old godchild with him). Testimony in the case revealed drug traffickers pawning off Mercedes Benz automobiles in order to acquire cash to complete drug deals; torture of rivals using a household steam iron; boyfriends hiding in closets; and even a love affair between a trafficker and police officer!

### **Chief Justice Jorge Labarga Supreme Court of Florida**

Jorge Labarga was born in Cuba in 1952. He is married to Zulma R. Labarga, and they have two daughters. He arrived in the United States at the age of 11 where he initially lived with his family in Pahokee, Florida. He graduated from Forest Hill High School in West Palm Beach in 1972 and received his B.A. (1976) and J.D. (1979) from the University of Florida.

Justice Labarga began his legal career in 1979 as an Assistant Public Defender with the Public Defender's Office in West Palm Beach, assigned to the appellate, misdemeanor and felony trial divisions. In 1982 he joined the State Attorney's Office in West Palm Beach, where he tried cases ranging from theft to homicide. In 1987 he joined the firm of Cone, Wagner, Nugent, Roth, Romano & Ericksen, P.A., and specialized in personal injury trial work. In 1992 Justice Labarga participated in founding the law firm of Roth, Duncan & Labarga, P.A., in West Palm Beach, where he continued to specialize in personal injury litigation and criminal defense.

Governor Lawton Chiles appointed Justice Labarga to the Circuit Court of the Fifteenth Judicial Circuit, in and for Palm Beach County, in 1996. In that capacity he served in the family, civil and criminal divisions. He also served as the administrative judge of the civil division.

In December 2008 Justice Labarga was appointed by Governor Charlie Crist to the Fourth District Court of Appeal. On January 1, 2009, he was appointed by Governor Crist to the Florida Supreme Court, where he presently sits as the 84th Justice to take office at the Florida Supreme Court since statehood was granted in 1845. On June 30, 2014, he was sworn in as the 56th Chief Justice of Florida -- the first person of Hispanic descent to lead the state judicial branch.

### **Richard K. Leefe, Leefe Gibbs, Sullivan & Dupre**

Richard K. Leefe is a founder of the firm of Leefe, Gibbs, Sullivan & Dupré, where he practices as a senior partner. He has been practicing law for forty (40) years. Prior to attending law school, Mr. Leefe graduated from Louisiana State University with a bachelor's degree in engineering in 1969. Upon graduation, he passed the licensing test for engineers and worked as an engineer. Mr. Leefe then entered the United States Army receiving a commission as a Combat Engineer Officer and served in the Viet Nam war, commanding an engineer company in the Mekong Delta during 1970-1. Upon returning from Viet Nam, he attended Loyola College of Law where he attained honors and served as an Editor of the Loyola Law and later served on adjunct faculty for twenty-six years as a professor teaching junior and senior law students. Mr. Leefe is also a graduate of Robert Gordon University in Aberdeen, Scotland, where he obtained a LLM (Master of Laws) in International Commercial Law. In 2002, Mr. Leefe taught at Huazhong University Law School in Wuhan, China, teaching Chinese law students American law and returned to China in 2009 to teach English to Chinese engineer PhD candidates at the same university.

Mr. Leefe was elected by the Louisiana State Bar Association (LSBA) and served as LSBA President for the term 2013-14. He serves on the Board of Governors to the Louisiana State Bar Association, as well as on numerous committees of the bar association. He has also served as LSBA Secretary and Editor of the Louisiana Bar Journal. Mr. Leefe is a member of the Board of Directors of the Louisiana Bar Foundation, and has been a delegate to the ABA House of Delegates and served on the ABA Legal Access Job Corps Task Force, 2013-14. Mr. Leefe is presently serving as the Chair of the Louisiana Supreme Court Attorney Intern Program (LaSCAIP), being appointed to that position by the Louisiana Supreme Court.

Mr. Leefe has handled legal matters in Europe, South America, Africa and Asia, as well as in many of the United States, Canada and Mexico.

Mr. Leefe is the author of legal treatises including: *Louisiana Code of Evidence, Practice Guide*, 1st Edition 1990, 2nd Edition 1998 and 3rd Edition 2005 (Lexis Law Publishers) which he updates every year with published pocket parts; *Cases and Materials on Louisiana Negotiable Instrument Law*, three editions, Loyola University Publisher; and *Cases and Materials in Evidence*, two editions published by Loyola University. In addition to teaching law school, he annually teaches sections of mandatory continuing legal education dealing with the rules of evidence, ethics, professionalism and courtroom matters. In 2011, he taught in the Loyola University Executive MBA program teaching Courtroom Evidence to Executive MBA students. He has been a speaker for many years at Loyola College of Law/National Institute for Trial Advocacy (NITA) based programs on the state and federal rules of evidence, LSBA CLE for Professionalism, Professional Education Systems and others. He has received various awards for his teaching.

#### **Chief Justice Liana Fiol Matta, Tribunal Supremo de Puerto Rico**

The Honorable Liana Fiol-Matta obtained her B.A. in English Literature at Trinity Washington University, then Trinity College, in 1967. She received her Juris Doctor degree magna cum laude in 1970 from the University of Puerto Rico School of Law. She was also Editor in Chief of the University of Puerto Rico Law Review. She obtained a Master of Laws degree in 1988 and a Doctor of Juridical Science degree in 1996, both from Columbia University in New York.

After holding several important positions in the Government of the Commonwealth of Puerto Rico she devoted herself to teaching. Between 1978 and 1988, she taught at the Inter American University School of Law and at the Pontifical Catholic University of Puerto Rico School of Law. She returned to government work from 1988 to 1990, as an Advisor to the Governor, concentrating in the areas of planning, environmental regulations and natural resources. She was appointed to the Court of Appeals of Puerto Rico in 1992 and served as Chief Judge of that court from 1996 to 2002, while teaching law part time at the Inter American University and the University of Puerto Rico.

From 2002 to 2003, she chaired the committee whose work led to the creation of the Puerto Rico Judicial Academy in 2003. She has been Chair of the Board and Academic Dean of that institution since its inception. Justice Fiol-Matta has been recognized as a distinguished advocate of women's rights and environmental protection. She served on the Supreme Court Special Commission on Gender Discrimination in the Courts and the Supreme Court Standing Committee on Gender Equality. She has

authored numerous legal articles published in Puerto Rico and the United States and has been a member of the Puerto Rican Academy of Jurisprudence and Legislation since 2002.

On February 19, 2004, Justice Fiol-Matta became an Associate Justice of the Supreme Court of Puerto Rico by appointment of Governor Sila María Calderón. On April 11, 2014, Governor Alejandro García Padilla designated her as Chief Justice of the Supreme Court of Puerto Rico.

**Judge William A. Van Nortwick, Jr, Florida First District Court of Appeals (ret.)**

William A. Van Nortwick, Jr. is a partner with Akerman LLP working in the Jacksonville office. He will focus his practice on complex civil and administrative appellate matters. Mr. Van Nortwick also serves as partner-in-charge of Akerman's pro bono program where he continues to expand the firm's philanthropic efforts within education and youth development.

In January 2015, Judge Van Nortwick, Jr. retired as a judge on Florida's First District Court of Appeal after serving more than 20 years on the court, following a career in private practice in Jacksonville, Florida. His practice involved a wide range of business law, including transactional matters and commercial and administrative litigation and appeals.

A native of North Carolina, Judge Van Nortwick received his undergraduate degree from Duke University and his juris doctor with honors from the University of Florida, where he served as executive editor of the law review.

He has been active in many professional organizations, including appointment as a member of the Florida Commission on Access to Civil Justice by the Florida Chief Justice, the American Bar Association Judicial Division Ethics and Professionalism Committee, Florida Bar Standing Committee on Pro Bono Legal Services (immediate past chair), the Florida Supreme Court's Standing Committee of Pro Bono Legal Services (former chair), the Florida Supreme Court Professionalism Commission, the executive council of the Florida Bar Business Law Section, the Florida Court Education Council, the Florida Bar Foundation (past president), and the Florida District Court of Appeal Performance and Accountability Commission (former chair). He also previously served as president of the boards of directors for Jacksonville Area Legal Aid and Florida Legal Services.

Judge Van Nortwick is also involved in teaching the law, serving as an adjunct professor at Florida State University College of Law, teaching Professional Responsibility, a visiting professor at University of Trento Law School in Italy, and the Appellate Associate Dean of the Florida College of Advanced Judicial Studies. He is a frequent lecturer for CLE and CJE programs.

Judge Van Nortwick has received the Florida Supreme Court Distinguished Judicial Service Award, the American Bar Association Pro Bono Publico Award, the Florida Bar Pro Bono Award for Florida's Fourth Judicial Circuit, the Thurgood Marshall Award for Florida's Second Judicial Circuit, and the Florida Bar President's Award of Merit in both 1992 and 2002.

# **Tech Presentation Bios**

**Using Technology to Expand Access to Justice: A Showcase of LSC's Technology Initiative Grants**

**January 23, 2015**

**University of Miami School of Law**

**Miami, Florida**

**Bethany A. Bandstra, Legal Intern, University of Miami School of Law Health Rights Clinic**

Bethany Bandstra is a 3L and a Miami native. She earned her Bachelor's degree in Hospitality Administration at Boston University. Prior to law school, Bethany was a restaurant manager for the Hillstone Restaurant Group, where she had an opportunity to lead others in 4 different locations across the US. After applying to law school, Bethany spent a summer in South Africa where she taught English, math, and music to students in the Mamelodi Township of Pretoria. At Miami Law, she is a member of the *University of Miami Law Review* and a Clinical Fellow for the University of Miami Health Rights Clinic. During her time in the Health Rights Clinic, Bethany represented clients in Social Security, Public Benefits, and Immigration matters. Last spring, she worked with a team of students to prepare a guided interview using the Access to Justice software. Bethany also had the pleasure of interning for the Honorable Adalberto Jordan and working as a summer associate for Gunster, Yoakley, and Stewart. Bethany hopes to continue to serve the Miami community throughout her career.

**William D. Mueller, Legal Intern, University of Miami School of Law Health Rights Clinic**

William Mueller is a 3L law student at the University of Miami School of Law. He, along with a team of law students from the University of Miami School of Law Health Rights Clinic, utilized the document-assembly program Access to Justice to produce a pre-need guardianship interview intended for the legally underserved population of South Florida. In June, William presented the group's project at the Region VII Advocates Committee Meeting, and at the "CALIcon" conference at Harvard Law School. William is a graduate of Carnegie Mellon University, and currently works as a clerk for the appellate law firm of Kula & Associates, P.A., where he has worked on several appeals to the Florida District Courts of Appeal.

**Glenn Rawdon, Program Counsel for Technology, Legal Services Corporation**

Glenn Rawdon is Program Counsel for Technology with the Legal Services Corporation. He is responsible for helping legal services programs with their technology efforts and with the administration of the Technology Initiative Grants (TIG) program. Since the program started in 2000, TIG has made over 550 grants totaling over \$46 million, many of them in partnerships with SJI and the courts. He is a member of the Executive Committee of the Self-Represented Litigants Network and a frequent speaker on self-help strategies. Before coming to LSC in 1999, he was a managing attorney at Legal Services of Eastern Oklahoma for five years and before that, he was in private practice. He has served as co-chair of the Law Office Management section of the Oklahoma Bar Association and was a member of the Legal Technical Advisory Counsel of the ABA.

**Jane Ribadeneyra, Program Analyst, Legal Services Corporation**

Jane Ribadeneyra is a Program Analyst for Technology at the Legal Services Corporation in Washington, DC. She is responsible for helping legal aid programs implement innovative technology projects that improve access to high quality legal assistance for poor people across the country, and for the administration of LSC's Technology Initiative Grants (TIG) program. The TIG program has made more than 550 grants totaling nearly \$45 million since its inception in 2000. Jane has over 20 years of experience in nonprofit management, and her areas of expertise include membership marketing, information technology, online community development, communications and project management. She received a B.A. in public policy from Duke University.

# **Miami Pro Bono Awards Bios**

## MIAMI PRO BONO AWARD RECIPIENT BIOS

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### **RUSSELL E. CARLISLE**

Russell E. Carlisle has championed the rights of the poor and disadvantaged in Broward County for more than 50 years, dedicating hundreds of thousands of hours to pro bono service. He was a founding president of the Legal Aid Service of Broward County in 1974 and joined the board of directors of Florida Legal Services (FLS) in 1975. As Vice-President of FLS, he briefed and argued the first petition for Interest on Trusts Accounts (IOTA) before the Florida Supreme Court. Mr. Carlisle became president of The Florida Bar Foundation in 1979 and led the effort to obtain tax and regulatory approvals for IOTA. Mr. Carlisle and others took the program to other U.S. jurisdictions, and it is now available in all 50 states, the District of Columbia, and the U.S. Virgin Islands. In 1981, Mr. Carlisle was elected president of the Broward County Bar Association, where he established its 1,250-member pro bono services program, Broward Lawyers Care. Throughout his career, Mr. Carlisle has focused on the legal problems of the elderly, chairing the Florida Bar Commission on Elder Law and its Elder Certification Committee. He was also the founding president of the Academy of Florida Elder Law Attorneys and has been active with the National Academy of Elder Law Attorneys in both Florida and New Hampshire since 1993. Mr. Carlisle is a graduate of the George Washington University Law School.

### **WENDY S. LOQUASTO**

Wendy S. Loquasto is the managing partner of the Tallahassee office of Fox & Loquasto, P.A., a statewide appellate law firm that also provides pro bono services. In the past ten years, Ms. Loquasto has donated more than 1,200 hours to providing pro bono services on family law and domestic violence cases for Legal Services of North Florida, Inc. (LSNF). In 2010, she led a pro bono project focused on mortgage foreclosure defense, unemployment, and domestic violence. The project brought together the First District Appellate American Inn of Court, the One Promise Campaign, and area legal aid organizations, including LSNF, Jacksonville Area Legal Aid, and Three Rivers Legal Services. A former president and current board member of LSNF, she has been a “Partner in Service” – a recognized special contributor – since 1998. Ms. Loquasto also organizes LSNF’s Jazz for Justice, a fundraiser auction that raises more than \$30,000 annually. Ms. Loquasto is a former president and current board member of the North Florida Center for Equal Justice, Inc. (NFCEJ). She has served as president of both the Tallahassee Women Lawyers and the Florida Association for Women Lawyers. Ms. Loquasto graduated from Stetson University College of Law.

### **FRANK E. MALONEY, JR.**

Frank Maloney, Jr. has been a pro bono attorney with Three Rivers Legal Services, Inc. since 2004. He has donated nearly 500 hours to helping low-income citizens of Baker County, a small rural area with fewer than 20 attorneys. Mr. Maloney assists both Three Rivers and Jacksonville Area Legal Aid with family law cases. He has been a member of the Eighth Judicial Circuit Bar Association Board of

## MIAMI PRO BONO AWARD RECIPIENT BIOS

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Directors since 1983 and served as president in 1999. As a member of the Florida Bar's General Practice Solo and Small Firm Executive Council, Mr. Maloney is a strong supporter of the Section's annual award for pro bono projects by legal services programs. He received his law degree with honors from Florida State University College of Law. He also attended the College of Advocacy at the Hastings College of Law.

### **JUDGE ASHLEY B. MOODY**

Judge Ashley B. Moody has donated well over 1,000 hours of pro bono service to the Hillsborough community during her eight years with the Thirteenth Judicial Circuit. Judge Moody created the Thirteenth Judicial Circuit's Volunteer Attorney Ad Litem Program, developing a formal training program and recruiting private attorneys to donate pro bono services to juveniles in the court system. In 2009, she chaired the inaugural Race to the Courthouse pro bono run, generating pro bono pledges of 1,672 hours. Judge Moody served as Vice-Chair and Chair of the Thirteenth Judicial Circuit's Pro Bono Committee from 2008-2010 and 2010-2012, respectively. Judge Moody is one of the founding directors of the 70-member W. Reece Smith Litigation American Inn of Court, focusing on pro bono, professionalism, and diversity. She also serves as a member of the Florida Supreme Court Standing Committee on Pro Bono Services. Judge Moody began her legal career as an associate in the Tampa office of Holland & Knight, LLP. She was elected to the Circuit Court on the Thirteenth Judicial Circuit in 2007, and serves in both the Juvenile Delinquency and Family Law Divisions. Judge Moody graduated from the University of Florida Levin College of Law.

### **TIMOTHY MORAN**

Timothy Moran has been a volunteer attorney with Community Legal Services of Mid-Florida (CLSMF) since 2009. Mr. Moran, who is also a certified housing counselor, plays a critical role offering pro bono assistance to CLSMF's low income Volunteer Lawyers Project (VLP) clients facing foreclosure. He has trained law students from Florida A&M University and other volunteer attorneys in housing counseling and foreclosure litigation. In addition, Mr. Moran has coordinated pro bono efforts with other non-profits, volunteered at foreclosure legal advice clinics, appeared at summary judgment hearings, and counseled clients during mediations. He has been honored as the CLSMF Seminole County Champion of Justice and Pro Bono Attorney of the Year. In 2012, he received the Florida Bar's Young Lawyer Division Pro Bono Service Award. Mr. Moran is a graduate of the University of Florida Levin College of Law

## MIAMI PRO BONO AWARD RECIPIENT BIOS

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### DAVID E. STECKLER

In 2014, David Steckler began a collaboration with the Abuse Counseling and Treatment Shelter (ACT Shelter), Florida Rural Legal Services, and Florida Gulf Coast University to develop the Domestic Violence Pro Bono Project, which assists low income clients with obtaining injunctions for protection. Mr. Steckler hosts a weekly legal clinic at the ACT Shelter to donate pro bono services to low income clients seeking protective orders. In addition to serving over 18 individuals in the past four months, Mr. Steckler has met with countless individuals who do not require complete representation and offered counsel or limited assistance. Mr. Steckler is a professor at Florida Gulf Coast University and a former special assistant attorney general for the state of New York within the Medicaid Fraud Control Unit. He graduated from St. John's University College of Law and earned his L.L.M. in Taxation from New York University.

### HOLLAND & KNIGHT LLP

Holland & Knight's Miami office is committed to providing pro bono service through a partnership with Legal Services of Greater Miami, Inc. (LSGMI). Holland & Knight attorneys are at the forefront of many LSGMI pro bono initiatives, taking on pro bono referrals and participating in support campaigns. Holland & Knight has offered pro bono representation on housing and disability cases. In addition, Holland & Knight attorneys chair the Community Giving Subcommittee and the Together, We Must Campaign Committee. Holland & Knight attorney Tiffani Lee is secretary of LSGMI's board of directors, serving for the past six years and chairing the Community Support Committee. The firm has made significant contributions to the Together, We Must campaign, directly supporting LSGMI's operations.