

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

TELEPHONIC MEETING OF THE
BOARD OF DIRECTORS
OPEN SESSION

Thursday, November 21, 2013

5:03 p.m.

Legal Services Corporation
3333 K Street, N.W.
Washington, D.C. 20007

BOARD MEMBERS PRESENT:

John G. Levi, Chairman

Martha L. Minow, Vice Chair

Sharon L. Browne

Robert J. Grey, Jr.

Charles N.W. Keckler

Laurie Mikva

Julie A. Reiskin

Gloria Valencia-Weber

James J. Sandman, ex officio

STAFF AND PUBLIC PRESENT IN THE CORPORATION'S OFFICES:

Lynn Jennings, Vice President for Grants Management

Wendy Rhein, Chief Development Officer

Rebecca Fertig, Special Assistant to the President

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

Katherine Ward, Executive Assistant, Office of Legal
Affairs

David L. Richardson, Comptroller and Treasurer,
Office of Financial and Administrative Services

Carol A. Bergman, Director, Office of Government
Relations and Public Affairs

Jeffrey E. Schanz, Inspector General

Joel Gallay, Special Counsel to the Inspector
General, Office of the Inspector General

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Motions: Pages 4, 4, 20 and 23

P R O C E E D I N G S

(5:03 p.m.)

CHAIRMAN LEVI: I'm going to call the duly noticed meeting of the Legal Services Corporation's Board of Directors to order, and ask if we could have a motion to approve the agenda.

M O T I O N

MS. BROWNE: I'll move. This is Sharon Browne.

MS. REISKIN: This is Julie Reiskin. I'll second.

CHAIRMAN LEVI: Thank you. All in favor?

(A chorus of ayes.)

CHAIRMAN LEVI: Could we have a motion to approve the minutes of our Board's meeting of October 22?

M O T I O N

MS. BROWNE: This is Sharon. I'll move, but I think we have one correction to make on the minutes.

CHAIRMAN LEVI: Yes?

MS. BROWNE: It's just a spelling error on page 2, the last paragraph. "Grant," where it says

1 "technology innovation grant," "grant" is misspelled.

2 PRESIDENT SANDMAN: Got it.

3 MS. REISKIN: This is Julie. This is just a
4 little tiny thing; it's not really a correction. But
5 in Public Comment, even though the names and
6 organizational affiliations are up at the top, for any
7 outsider reading the minutes, like it says "Don
8 Saunders," it would be good if you would just say where
9 they're from in the future.

10 Again, I'm just thinking of it from people who
11 read stuff who aren't there who might not know all the
12 players. You can go up and look, but it's just
13 generally they do it that way in other fora.

14 PRESIDENT SANDMAN: Good suggestion. We'll do
15 that.

16 CHAIRMAN LEVI: I think that's a good
17 suggestion.

18 Any other comments or changes?

19 (No response.)

20 CHAIRMAN LEVI: Well, with that, can I have a
21 motion to approve -- did we get one? I guess Sharon
22 moved it with the change, with the correction. Can I

1 get a second?

2 MS. REISKIN: Second.

3 CHAIRMAN LEVI: All in favor?

4 (A chorus of ayes.)

5 CHAIRMAN LEVI: Opposed?

6 (No response.)

7 CHAIRMAN LEVI: Now we come to the main reason
8 for the call here today. We have to consider and act
9 on the Board of Directors' transmittal of the Inspector
10 General's Semiannual Report to Congress for the period
11 of April 1, 2013 through September 30, 2013. Is the
12 Inspector General there?

13 MR. SCHANZ: Yes, sir.

14 CHAIRMAN LEVI: Do you have anything you wish
15 to say? Is there anything different here than as we
16 saw previously?

17 MR. SCHANZ: No. You've been provided the
18 Semiannual Report.

19 CHAIRMAN LEVI: Any questions from the Board
20 as it relates to this?

21 MS. REISKIN: This is Julie. It's not really
22 a question. I'm just wondering if we might want to put

the "Fiscal Oversight" and "Pro Bono" data closer to the top just because they seem to like that. But that's up to you.

CHAIRMAN LEVI: In the order in the letter?

MS. REISKIN: Yes. Just a thought. It doesn't matter.

PRESIDENT SANDMAN: So move what are currently the fifth and sixth bullets to first and second?

MS. REISKIN: Yes.

CHAIRMAN LEVI: Well, then put them in order of time, too. Do that.

MS. REISKIN: Yes. They just seem to be not in any kind of order, unless there was an order I didn't understand.

PRESIDENT SANDMAN: We had thought, maybe, to give the "Award of the Hurricane Sandy Relief Grant" --

CHAIRMAN LEVI: I think that's a good idea. Put it first. I think maybe my order would be to actually move the "Development Officer" after the "Implement the Pro Bono Task Force" and the "Fiscal Oversight," move those two up there.

MS. REISKIN: Yes.

CHAIRMAN LEVI: So that you could move them up to either before or after the "Hosted White House Forum."

PRESIDENT SANDMAN: John, just so we're clear on what you're suggesting, could you just go through in order what we should put there?

CHAIRMAN LEVI: Okay. I would leave the order as it is until you get to "Appointed Chief Development Officer." Okay.

CHAIRMAN LEVI: Then I'd move that down below "Project to Harness Data."

PRESIDENT SANDMAN: And would you put it above or below that?

CHAIRMAN LEVI: I don't have a strong feeling. I also wanted to say I noticed -- and this was a comment -- that maybe it's because it's not part of -- for that six-month period, the Technology Summit did not continue to meet?

PRESIDENT SANDMAN: Not during this period, no.

CHAIRMAN LEVI: Okay. But did we award TIG grants? No?

PRESIDENT SANDMAN: No. Those were awarded in early October, outside this period.

CHAIRMAN LEVI: Okay. So they'll be in the next one. All right.

PRESIDENT SANDMAN: They'll be in the next one, and the next one can report on the issuance of the report of the Tech Summit.

CHAIRMAN LEVI: Right. Okay. Any other comments or suggestions on the letter?

MS. MIKVA: This is Laurie Mikva. On the "Work to Implement Pro Bono Task Force" -- this is very minor -- "Task Force Recommendations," at the end it says, "Pro bono service in support of the work of LSC grantees," and it certainly will do that.

But I think it's broader than that, and wonder whether we want to say something broader -- "legal services organizations" or something -- because I think it will help all manner of legal services organizations.

CHAIRMAN LEVI: It says, "Completed a survey of." Is that where you're talking about?

MS. MIKVA: No. I'm sorry. In the "Pro Bono

Task Force Recommendation Implementation," it says all this will be done to provide placebo service in support of the work of LSC grantees.

CHAIRMAN LEVI: Yes. That's all that Congress is interested in.

MS. MIKVA: Well, I understand.

CHAIRMAN LEVI: I would leave it.

MS. MIKVA: I'm not sure that's right. They're interested in pro bono. Right? But I don't know.

CHAIRMAN LEVI: Well, they're particularly interested in pro bono --

MS. MIKVA: In how we're supported LSC grantees. I understand.

CHAIRMAN LEVI: Yes. As it relates to the volume need in the country. Their pet peeve is that -- which many of us, I think, recognize -- that the volume is not being as effectively dealt with in a pro bono way. So I'm wondering if that change doesn't dilute that aspect. That's what concerns me a little bit. I don't know what the rest of the -- what do the rest of you think about that?

MS. MIKVA: Anyone cares?

CHAIRMAN LEVI: Jim?

PRESIDENT SANDMAN: I think Congress's focus is on the activities of LSC-funded grantees and what we're doing to enhance their pro bono resources. Laurie's point is right, that I think it will have an effect beyond --

CHAIRMAN LEVI: It is right. I know it's right.

PRESIDENT SANDMAN: But I think there is a difference between the effect and what Congress is interested in.

CHAIRMAN LEVI: If you wanted to say "in support of the work of LSC grantees and beyond."

PRESIDENT SANDMAN: I wouldn't recommend that.

CHAIRMAN LEVI: Okay. Any other comments or suggestions?

MR. KECKLER: I have the most minor of comments, which is that when I opened up the document, I think that there's a couple sections that are in a slightly different sized font. So if you want them all in the same size font, you might want to just

doublecheck that.

CHAIRMAN LEVI: Well, that is true. I did notice that the tables, and it looks like page 18, is not the same font. I may be wrong.

MR. KECKLER: Yes. I think maybe parts of the "Make Hurricane Sandy Grant" paragraph and then part of the "Pro Bono Task Force Recommendation" paragraph, it just looks a little different.

CHAIRMAN LEVI: Oh, you mean in the letter? You're talking about the letter?

MR. KECKLER: Yes. Yes, in the letter.

MS. BROWNE: It didn't come up that way on mine when I opened it.

CHAIRMAN LEVI: It didn't come up in the printing that way.

MR. KECKLER: It could be my machine.

CHAIRMAN LEVI: No. The printing, it looks the same. I thought you were talking about the report because the report itself has some. But I think it's because of the tables; they had to be smaller font.

DEAN MINOW: This is Martha.

CHAIRMAN LEVI: Yes?

DEAN MINOW: I just had a question about -- maybe you've already talked about this. In the opening of the letter to Harkin, wouldn't it be good to say something about the actual numbers of people served in the opening paragraph?

CHAIRMAN LEVI: Well, remember, we're transmitting the report of the Office of the Inspector General, not the --

DEAN MINOW: No. I understand that. But the Office of the Inspector General shares that mission.

CHAIRMAN LEVI: Yes. Is that in here?

PRESIDENT SANDMAN: We don't have information on the number of people served here because we don't have those numbers for this reporting period.

DEAN MINOW: I see.

PRESIDENT SANDMAN: The most recent period we have those numbers for --

DEAN MINOW: I'm just remembering what the Inspector General said, that our meeting -- something about the mission. So that's fine. Okay.

CHAIRMAN LEVI: Any other comments?
Questions?

MR. GREY: John, this is Robert. This is not a correction; this is just a suggestion. Under "Investigations," when you talk about proactive fraud prevention initiatives, fraud awareness briefings, fraud vulnerability assessments, regulatory vulnerability assessments, I wonder if it might be helpful to start those off with actual numbers that indicate activity.

They are sort of embedded in the narrative, and you have to get into it, like at the bottom of page 13. "The enhanced FABs are an extension of OIG's fraud prevention. This period, we conducted five in Pennsylvania, three in Virginia." Virginia is put in parentheses.

I wonder if we ought not summarize that to begin with to give an indication of the level of activity, and then describe it to the extent it needs to be described, and start each paragraph or each section with activity.

CHAIRMAN LEVI: Well, wait just a second. That's the actual body of the report of the OIG. Are you suggesting I should say something in my letter as

it relates to those sections?

MR. GREY: Well, it may be or it may not be. Here's my point, or I guess maybe I should say my point and then leave that to some suggestion. But it seems to me if I'm reading a report that talks about the activity of the OIG, one of the things I'd want the reader to understand is the level of activity at the outset.

We're doing these things to address issues that we think are critical to the oversight responsibility. And you get a level of awareness of the level of activity vis-a-vis what would be the number of grantees that are under review or subject to these assessments or reviews.

It's more of a summary. It just outlines and gives the reader an impression to begin with that there is this sense of accomplishment or a sense of the level of activity that we're engaged in. You have to read through the whole report, look at the appendices, get all that together in your own head, as opposed to understanding it through the transmittal of the report.

MR. GALLAY: This is Joel Gallay from the IG's

office. That's certainly a good thought, and we'll take that into account as we do future reports.

MR. GREY: That was my point.

MR. GALLAY: But the report is really done, and the discussion is related to the transmittal of the report, which is just really the letter. So we from the IG's office will certainly take those thoughts in consideration and try and address that in subsequent reports.

MR. GREY: Thank you. That was exactly what I wanted.

MS. BROWNE: This is Sharon. I think Robert has a good point, and I think the IG's report really highlights how proactive the IG is in preventing fraud through giving these presentations to our grantees.

But if I recall, the IG has also done a fraud prevention assessment at headquarters. And to tie everything together, would it be possible or even a thought on adding something into our transmittal letter highlighting the importance of being aware of fraud prevention, which includes an assessment at LSC itself?

DEAN MINOW: That sounds good.

CHAIRMAN LEVI: Yes.

PRESIDENT SANDMAN: The last Semiannual Report mentioned the fraud vulnerability assessment that the IG's Office had done on headquarters. That was in the report that we sent up the last time. It was not in the transmittal letter, but it was in the report.

MS. BROWNE: Well, that takes care of it. That's good.

DEAN MINOW: There's something odd about the letter, that it on the one hand is introducing the OIG's report. Then there are two paragraphs about the mission. Then there's descriptions about what the organization has done. And then it gets to the OIG. There's just something odd about it.

MR. GREY: I get some of that same sense. I think we're okay this time, but I'm of the opinion that maybe we ought to think about what we're doing on the transmittal letter that could be helpful both in terms of support of our cooperation and relationship with OIG, but also the sense of our interest and concern -- not concern, but our interest and expectation of the relationship with OIG; that is, that

we have a high expectation of making sure that grantees are both made aware of opportunities to do a good job, and also in capping or recapping it.

They need to know that we have a good relationship and a good sense of what's going on and support it. I just think we ought to think about the transmittal letter, it just seems perfunctory, almost, to me.

CHAIRMAN LEVI: Well, I should say the draft that's prepared for us, for our review, is consistent with a prior pattern of the drafts, which was to take an opportunity in the transmittal -- to the extent that anybody seriously reads it on the other end; I'm assuming that some staff folks for sure do -- to recap some of the high points of our Board and Management activity in addition to transmitting --

MR. GREY: The report.

CHAIRMAN LEVI: -- the report. It's kind of a highlights of six months. We don't have to do that. There's nothing that requires it. And so you're right that in some respects that comes in the middle of transmitting the OIG's information.

1 We could move it to the end and put it in a
2 different order. I'm not wedded to this order. I
3 think we do want to have the attention of the Senate
4 and the Congress and those that oversee us to have a
5 sense of our level of management and interest.

6 We don't write other letters to them at other
7 times, and so this has been an opportunity without
8 going overboard. So we could certainly reorganize the
9 approach, but this is kind of the approach we've been
10 using.

11 Now, as to the report itself, I think the
12 suggestions of Robert's were good, and I hear the
13 Inspector General thinking so, too. But this report is
14 already ready to go, and we're not going to ask them to
15 recreate it at expense. But I'm happy to move those
16 paragraphs if people feel the letter flows better.

17 MR. SCHANZ: John, this is Jeffrey Schanz, the
18 IG. To put it in colloquial terms, I am not involved
19 in the drafting of the letter, but I've always been
20 told to lead with your aces. And I think, the way this
21 is written, Management has done quite a bit in the last
22 six months, and I'm certainly impressed with the hires

that Jim has made and the Board's actions there, too.

So I don't see a problem with leading with what was done; and not only that, but we're taking advantage of working closely with the IG to resolve the questioned costs proceedings.

CHAIRMAN LEVI: Yes. Well, that's the impression. I certainly hope that is clear, and appreciate your comments, Jeff.

Martha, are you okay with leaving this draft alone?

DEAN MINOW: Absolutely. It's just something to think about for the future.

CHAIRMAN LEVI: Okay. Any other comments? Suggestions? Changes? And I don't want to foreclose that. Anyone else?

(No response.)

CHAIRMAN LEVI: Well, then, could I have a motion to approve --

M O T I O N

DEAN MINOW: So moved.

CHAIRMAN LEVI: Second?

MR. GREY: Second.

MS. BROWNE: Second.

CHAIRMAN LEVI: All in favor?

(A chorus of ayes.)

CHAIRMAN LEVI: Opposed?

(No response.)

CHAIRMAN LEVI: Before we get to
public -- well, is there public comment?

(No response.)

CHAIRMAN LEVI: Then hearing none, I will move
to other business. And I've been handed a note via the
email system from Becky Fertig asking me to make the
following announcement during the telephonic meeting:

"LSC is implementing a new electronic travel
system called Concur. Bernie Brady will continue to
coordinate all travel; the system will just automate
her work. It will require some very minimal
training" -- that is her word, not mind -- for
importing the information, which Bernie will email the
Board about after Thanksgiving. For anyone who has
recently traveled, they may have already received
emails re Concur. Please ignore them for now, as
Bernie is handling."

Which is a nice way of saying, happy
Thanksgiving, everybody.

(Laughter.)

CHAIRMAN LEVI: So I assume that this is a
matter of efficacy and will help you coordinate travel
better. Is that correct?

MS. FERTIG: Yes. It will help Bernie
greatly.

CHAIRMAN LEVI: Okay. Any other items for the
good of the order?

(No response.)

CHAIRMAN LEVI: Well, then, I do want to wish
everybody a happy Thanksgiving. And if we don't have
an occasion to talk again, I will be down in Washington
in December and will have an opportunity to wish
everybody at headquarters a very happy holiday season.

But to the Board, if I don't get to see you in
person, please know that we're all in this together,
and that next year, as we begin the 40th year, I for
one feel very much the importance of the mission of our
work together, and that in a sense, our work together
has been building towards this.

1 I'm very proud of this Board, and thank you
2 all for everything that you do, and hope that you all
3 have the happiest of holiday seasons.

4 DEAN MINOW: John, thank you. Thank you for
5 what you do.

6 PROFESSOR VALENCIA-WEBER: Thank you,
7 everybody.

8 MR. GREY: Same to everybody.

9 CHAIRMAN LEVI: Could we have a motion to
10 adjourn?

11 M O T I O N

12 DEAN MINOW: So moved.

13 CHAIRMAN LEVI: Thank you.

14 (Whereupon, at 5:29 p.m., the Board meeting
15 was adjourned.)

16 * * * * *