

ORIGINAL

LEGAL SERVICES CORPORATION **RETURN TO CORPORATION**
SECRETARY ARCHIVES FILE

BOARD OF DIRECTORS

OPEN SESSION

RECEIVED

JUL 25 1994

Executive Office

Saturday, July 16, 1994

8:15 a.m.

The Legal Service Corporation
750 First Street, Northeast, 11th Floor
THE BOARD ROOM
Washington, D.C. 20002

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

BOARD MEMBERS PRESENT:

Douglas S. Eakeley, Chair
Hulett "Bucky" Askew
John T. Broderick, Jr.
John G. Brooks
F. Wm. McCalpin
Maria Luisa Mercado
Thomas F. Smegal, Jr.
Ernestine P. Watlington
Edna Fairbanks-Williams

STAFF PRESENT:

Alexander D. Forger, President
Martha Bergmark, Executive Vice President
Patricia D. Batie, Secretary
David L. Richardson, Comptroller and Treasurer
Victor Fortuno, General Counsel
Edouard Quatrevaux, Inspector General

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

C O N T E N T S

	PAGE
Approval of Agenda	4
Consider and Act on Audit and Appropriations Committee Report	15
President's Report	43
Presentation by Linda Rexer, President, National Association of IOLTA Programs	84
Consider Proposed Changes to the Corporation's Bylaws	103
Consider and Act on Operations and Regulations Committee Report	103
Consider and Act on Provision for the Delivery of Legal Services Committee Report	128

MOTIONS: 8, 10, 11, 11, 12, 16
19, 20, 128, 126, 138

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

P R O C E E D I N G S

(8:15 a.m.)

1
2
3 CHAIRMAN EAKELEY: I would like to suggest several
4 changes in the agenda, and solicit the Board's approval of
5 those before we go into closed session to pick up the agenda
6 items. I don't believe -- now, I've got a -- I'm not sure
7 whether we're all reading from the same text, but on my
8 revised closed session agenda item 10, it's consultation by
9 Board with the president on internal personnel and
10 operational matters. That will be deleted.

11 Item 10(a), Consideration of the Inspector
12 General's Access to Corporation Documents, will not be taken
13 up in executive session, but if we have time and if Alex
14 Forger arrives, we will discuss it in open session if that's
15 all right. Otherwise, it is something that we can defer
16 until September. Indeed, I hope to present to the Board a
17 resolution.

18 Item 11, Consider and Act on Internal Personnel and
19 Operational Matters, again, I don't see any need for, so we
20 will delete.

21 Twelve, consultation by Board -- I'm sorry --
22 yes -- will now be a briefing by the inspector general on his

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 report. No discussion, but just a receipt of the report in
2 executive session by the inspector general.

3 In the open session, then, since Maria Luisa has to
4 leave early, we will move up item 22, Consider and Act on
5 Audit and Appropriations Committee Report, to the first part
6 of the open session, if that's all right.

7 MR. BRODERICK: What are you reading from?

8 CHAIRMAN EAKELEY: A different text than everybody
9 else has. Unfortunately, I've got an amended agenda.

10 (Laughter)

11 CHAIRMAN EAKELEY: I've got two amendments. I've
12 got a revision of July 8th and then a revision of July 12 --
13 oh, and there's July 16th.

14 MR. McCALPIN: I've got July 12th, but nothing
15 before that.

16 CHAIRMAN EAKELEY: Okay, you have the July 16?
17 This an earlier -- okay, well, it's item 19 on the July 16
18 agenda on the Board book. Consider and Act on Audit and
19 Appropriations Committee Report, and we'll move that up to
20 the beginning of the open section, so that Maria Luisa can
21 present her report and we can discuss it before she has to
22 leave.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 We will not reach item 21, but defer that until the
2 next board meeting, consideration of the organizational
3 responsibility for oversight of grant fee, annual financial
4 audits, and item 16, Consider and Act on Proposed Changes to
5 the Corporation's Bylaws.

6 I would suggest that we have -- at least to
7 consider, and possibly consider foregoing acting on proposed
8 changes to the bylaws in today's session. Now, have I
9 confused everyone thoroughly enough?

10 MS. FAIRBANKS-WILLIAMS: You sound like your usual
11 self.

12 CHAIRMAN EAKELEY: Well, I --

13 (Laughter)

14 CHAIRMAN EAKELEY: And I'm warming you up for the
15 discussion of Wilkinson.

16 MS. FAIRBANKS-WILLIAMS: I already it this morning
17 in the --

18 CHAIRMAN EAKELEY: I wish you would be frank --

19 (Laughter)

20 CHAIRMAN EAKELEY: All right, well, subject to
21 those changes and permutations, which I'm going to forget as
22 soon as we get back here, but somebody will keep me honest, I

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 hope --

2 MR. McCALPIN: Doug, what did you say will not be
3 considered in closed session?

4 CHAIRMAN EAKELEY: We are not going to consider --

5 MR. McCALPIN: Tell me by numbers on the --

6 CHAIRMAN EAKELEY: Okay, but I've got to go back
7 and deal with this -- the other -- I will --

8 MS. FAIRBANKS-WILLIAMS: See, I told you he was
9 confused.

10 MR. McCALPIN: He confused me.

11 CHAIRMAN EAKELEY: Well, I meant to.

12 MS. MERCADO: He had three different agendas, three
13 different dates.

14 CHAIRMAN EAKELEY: Yeah. We're not going to do --
15 we are not going to do --

16 MR. ASKEW: Good morning. I'll pull up next to
17 Mark.

18 MR. McCALPIN: You're not moving like a guy with a
19 disk.

20 MR. FORGER: I heard you discussed a case, and I
21 didn't want to miss another three hours.

22 (Laughter)

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 CHAIRMAN EAKELEY: 7(a) -- we're going to take out
2 of the agenda for executive session 7(a) -- well, we're going
3 to take out 7, 7(a) -- that is, Consultation by the Board
4 with the President on Internal Personnel and Operational
5 Matters; 7(a), Access to Corporation Documents; 8, Personnel
6 and Operational Matters; 9 will become Receipt of Report by
7 Inspector General, it's just a briefing. All right?

8 And then, in open session, we move up to -- really
9 up to item 10 1/2, the Audit and Appropriations Committee
10 Report.

11 MS. FAIRBANKS-WILLIAMS: Yeah, we will be moving
12 item 19 up to right after 10.

13 CHAIRMAN EAKELEY: And I proposed to defer item 21.
14 All right? Subject to those changes, is the agenda
15 acceptable?

16 M O T I O N

17 MR. ASKEW: So moved.

18 MS. FAIRBANKS-WILLIAMS: Second.

19 CHAIRMAN EAKELEY: All those in favor?

20 (Chorus of ayes.)

21 CHAIRMAN EAKELEY: All those opposed?

22 (No response.)

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 CHAIRMAN EAKELEY: You have --

2 MR. McCALPIN: Doug, I voted too quickly on that.
3 Is it -- do you think it appropriate formally to dissolve the
4 search committee? Its job is done. It was appointed on the
5 record -- I suppose that as far as the record is concerned,
6 it continues in existence -- but it seemed to me that maybe
7 there ought to be a formal resolution dissolving the
8 committee.

9 MS. MERCADO: Well, didn't it already have it from
10 the original that it was only through the period in time in
11 which it would --

12 MR. McCALPIN: I don't think so.

13 MS. MERCADO: I mean, I thought that original
14 creation gave it its --

15 MR. McCALPIN: Well, you will recall that when we
16 came on board, there was a continuing presidential search
17 committee.

18 CHAIRMAN EAKELEY: Yeah, an initial -- whether that
19 succeeded the board tenure.

20 MR. McCALPIN: Right, right.

21 CHAIRMAN EAKELEY: Why don't we put that on the
22 open session for when we come back, and we will entertain a

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 motion at that point to conclude it.

2 MR. McCALPIN: It shouldn't take 10 seconds.

3 CHAIRMAN EAKELEY: Good. Let's do that, but remind
4 me when we get back to open session. All right, now, let's
5 start with the draft minutes that were prepared very well by
6 Pat Batie and her team, and which we have for consideration.
7 The first is the draft minutes of the November 8, 1993,
8 executive session.

9 MS. MERCADO: Are we in closed session?

10 CHAIRMAN EAKELEY: Yeah -- no, that's right.

11 MS. MERCADO: We need to move.

12 CHAIRMAN EAKELEY: Thank you.

13 M O T I O N

14 MS. MERCADO: I so move.

15 CHAIRMAN EAKELEY: All those in favor.

16 (Chorus of ayes.)

17 CHAIRMAN EAKELEY: Opposed?

18 (No response.)

19 CHAIRMAN EAKELEY: We are back in public session
20 because we discovered in closed session that the agenda that
21 the chair was working from was a later revision than the one
22 in the Board books, and that agenda included an item in

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 closed session, Consult with the President and General
2 Counsel and, I proposed, inspector general, on the matter of
3 Wilkinson versus Legal Services Corporation.

4 MR. McCALPIN: And other counsel as well?

5 CHAIRMAN EAKELEY: And other counsel whom we have
6 invited in. And, that just was omitted by oversight from the
7 revised agenda, and therefore, no one was given -- people
8 were not given the opportunity to approve that agenda item
9 for closed session. Now, having reopened, can we modify yet
10 again the agenda for closed session to include this item?

11 M O T I O N

12 MR. McCALPIN: So moved.

13 MS. WATLINGTON: Second.

14 CHAIRMAN EAKELEY: All those in favor?

15 (Chorus of ayes.)

16 CHAIRMAN EAKELEY: Now, may we go back into
17 executive session.

18 M O T I O N

19 MR. McCALPIN: Move we go back into closed session
20 to consider the item just added to the agenda.

21 MS. WATLINGTON: Second.

22 CHAIRMAN EAKELEY: All those in favor?

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 (Chorus of ayes.)

2 CHAIRMAN EAKELEY: All those opposed.

3 (No response.)

4 CHAIRMAN EAKELEY: Thank you very much.

5 (Whereupon, at 8:24 a.m., the meeting was adjourned
6 to the executive session.)

7 * * * * *

8 (8:35 a.m.)

9 CHAIRMAN EAKELEY: We are back in open session.

10 The first agenda item was approval of the minutes of the June
11 18, 1994, meeting.

12 M O T I O N

13 MR. McCALPIN: So moved.

14 MS. WATLINGTON: Second.

15 CHAIRMAN EAKELEY: Any discussion?

16 (No response.)

17 CHAIRMAN EAKELEY: All those in favor.

18 (Chorus of ayes.)

19 CHAIRMAN EAKELEY: Opposed?

20 (No response.)

21 CHAIRMAN EAKELEY: All right. We're going to jump
22 to the report from the Audit and Appropriations Committee.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

PRESENTATION OF MARIA LUISA MERCADO

MS. MERCADO: Yes, Mr. Chairman, in the interest of time, let me just report that the Audit and Appropriations Committee Report did receive the financial statements both for the period ending May 31, 1994, and the period ending June 30,

1994. All of you should have received a copy -- the most current date that should be in front of you on the June report -- and the key thing that I would need to report about that is that we are on target within our expenditures, we are on target in retiring the deficit for this year, and we -- the main difference in the budget is the \$500,000 that we received for federal emergency relief.

Other than that, pretty much all the expenditures are pretty much up-to-date. There was no action needed at that time.

There will probably be a need for action in August to modify the budget to reflect that, but at this point we do not have that item. We did have several presenters on the whole issue of priority setting by this Board with the field and, of course, the client community, in determining priorities -- not only of new money, but of money that

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 already exists -- in determining whether or not we prioritize
2 on the side of equalizing programs, on the side of bringing
3 programs that have consistently and historically, at least
4 for the last 12 years, been cut much greater than any of the
5 other programming, which is linkage plus issues.

6 And all the Board was present a couple of months
7 ago when Mr. Singsen and Andy Steinberg did a presentation
8 regarding the different issues of prioritizing the funding
9 that is an issue that this Board will have to take up for the
10 FY '95 budget, depending on what Congress ultimately does in
11 appropriations. However, that is an item that you will
12 probably be asked to vote on sometime in September, and the
13 Audit Appropriations committee will work in more detail at
14 its August meeting.

15 And we are looking to have input from the field on
16 those priorities and how those priorities should be done,
17 depending on the funding that we have or whether we have no
18 funding on some of those items.

19 CHAIRMAN EAKELEY: Ed, can you stay for two
20 minutes -- five minutes? I've got just a couple of
21 preliminary things that -- sorry.

22 MS. MERCADO: The -- for that presentation, we had

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 Regina Rogoff and Gerry Singen and Mr. David Richardson that
2 presented to us. The item which we considered both in closed
3 session and in open session was a consideration of the
4 selection of an accounting firm to conduct the corporation
5 financial audit for the fiscal years '94 and '96.

6 The inspector general, with its head auditor,
7 presented the different nominees, with the pros and cons as
8 to their qualifications and their ratings within the
9 government accounting audit standards, as well as their
10 reputation within the community, and also looking into
11 aspects of affirmative action and experience with non-
12 profits, as well. Those were all factors and evaluations.

13 At the previous -- in the May board meeting, the
14 OIG presented to us in writing all of the qualifications that
15 they use for the RFPs in the accounting firms. And all the
16 accounting firms that they reviewed as the final applicants
17 for the RFPs met those qualifications. And the committee
18 authorized the IG to go ahead and enter into negotiations
19 with the firms that met all the requirements and to proceed
20 to go ahead and enter into a contract --

21 CHAIRMAN EAKELEY: Did you authorize or did you
22 agree to recommend to the Board to authorize the negotiations?

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 MS. MERCADO: We -- I'm sorry, we agreed to request
2 to the Board that we go ahead and authorize the IG to enter
3 into those negotiations with the accounting firm, and the
4 committee feels that they have met all the requirements that
5 were necessary for the RFP, and the IG will be in charge of
6 the selection.

7 CHAIRMAN EAKELEY: Do you want to put that in the
8 form of a motion?

9 M O T I O N

10 MS. MERCADO: I so move.

11 MS. FAIRBANKS-WILLIAMS: Second.

12 CHAIRMAN EAKELEY: The motion is to authorize the
13 inspector general to enter into negotiations, as recommended
14 to the Audit and Appropriations Committee, for the retention
15 of external auditors for a three-year contract period for the
16 corporation.

17 MR. MCCALPIN: Did I understand you to say that the
18 ultimate decision of whether or not to retain this audit firm
19 will rest with the IG or with this Board?

20 MS. MERCADO: With the IG. We have authorized them
21 to do that.

22 CHAIRMAN EAKELEY: I thought that the

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 recommendation was to authorize them to enter into
2 negotiations with a specific firm on terms and conditions
3 that were approved by the committee, as recommended by the
4 IG.

5 MS. MERCADO: That's correct.

6 MR. SMEGAL: So he doesn't have the discretion to
7 not complete those negotiations, Bill.

8 CHAIRMAN EAKELEY: Well, if it becomes non-
9 negotiable, he's got to come back, but he -- the committee
10 wanted to leave him some negotiating room, but also, it made
11 very clear the direction, target and content of the
12 negotiations.

13 MR. McCALPIN: Are we identifying that firm on the
14 record?

15 MS. MERCADO: No.

16 MR. SMEGAL: No.

17 MR. McCALPIN: There will be no record, then, of
18 this Board having retained a specific auditor, there will --

19 MS. MERCADO: We have not retained them, yet.

20 CHAIRMAN EAKELEY: He is going to attempt to
21 negotiate a contract, then come back, and the Board will
22 approve the contract.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 MR. MCCALPIN: Oh, so that the ultimate decision
2 will not rest with the IG, but with this Board when it
3 ratifies the contract.

4 MS. MERCADO: We will have to ratify the contract,
5 yes. Mr. Quatrevaux.

6 MR. QUATREVAUX: We have a timing problem -- I
7 suppose we can work that out -- given that we're having an
8 August Audit and Appropriations Committee meeting. I just --
9 for the record, under the Inspector General Act, I do have
10 independent contracting authority -- but I sense a need to
11 ratify, so we'll work out the details.

12 CHAIRMAN EAKELEY: Recommendations were made, they
13 were discussed, considered, decided upon. A clear
14 authorization was given to the IG, but it was not done in
15 open session so that the IG could have negotiating
16 flexibility.

17 MS. MERCADO: And that is something that is allowed
18 under the ascensions of the Sunshine Act.

19 MR. BROOKS: Should we authorize the Audit and
20 Appropriations Committee to approve the contract, naming the
21 audit firm at that time, that being done presumably at their
22 own August meeting.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 MS. MERCADO: Hadn't we done something like that
2 much, much earlier, several months ago?

3 CHAIRMAN EAKELEY: Well, let's do it this way.
4 There's a motion currently pending to authorize the inspector
5 general to enter into negotiations with one or more
6 recommended, outside auditing firms, for the purpose of
7 retaining that firm to audit the books of this company for
8 the next three years. Can we get a vote on that first, and
9 then we'll deal with the second issue.

10 M O T I O N

11 MS. WATLINGTON: So moved.

12 MR. SMEGAL: Second.

13 CHAIRMAN EAKELEY: Any other questions?

14 (No response.)

15 CHAIRMAN EAKELEY: All those in favor?

16 (Chorus of ayes.)

17 CHAIRMAN EAKELEY: Opposed?

18 (No response.)

19 CHAIRMAN EAKELEY: Now, secondly, the ratification
20 point -- since the Audit and Appropriations Committee will be
21 meeting in August, and hopefully we will have a negotiated
22 contract by that time, would the Board wish to delegate

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 authority to ratify that contract to the Audit and
2 Appropriations Committee?

3 M O T I O N

4 MR. BROOKS: I so move.

5 MR. ASKEW: Second.

6 CHAIRMAN EAKELEY: Discussion -- and then we will
7 announce it, too, Bill, obviously. All those in favor?

8 (Chorus of ayes.)

9 CHAIRMAN EAKELEY: Opposed?

10 (No response.)

11 CHAIRMAN EAKELEY: Abstain?

12 (No response.)

13 CHAIRMAN EAKELEY: Okay. Is that all right?

14 MS. MERCADO: Uh-huh. The only other comment that
15 I would mention to you, Mr. Chairman, and members of the
16 Board, is that it was brought to our attention in the
17 committee that it would make the work of the corporation on
18 the financial end more up-to-date if we had our meetings
19 closer to the 20th of the month, rather than between the 10
20 and the 15, because most of the books close before then to
21 give the auditor/comptroller enough time to render current
22 financial statements to the board of directors.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 And, while some of our meetings are already pretty
2 much set because there are other functions that are occurring
3 concurrently with those meetings, inasmuch as we could try
4 and accommodate that, we will do so.

5 And I did thank Mr. Richardson and his staff for
6 having worked during their July 4th holiday weekend to get
7 the reports to us for the June period in time, but hopefully
8 that won't be something that will be necessary -- at least
9 that's one of the factors we need to look at when we set our
10 meetings.

11 CHAIRMAN EAKELEY: All right. Any other -- any
12 questions for Maria Luisa on her Audit and Appropriations
13 Committee?

14 (No response.)

15 CHAIRMAN EAKELEY: Can you stay for five minutes or
16 so for some scheduling things that -- I don't know whether
17 that's correct or not, that's just been shoved in front of
18 me. All right, let's go back to the agenda, Approval of
19 Minutes of the June 18, 1994, Meeting. Any corrections or
20 additions?

21 MR. ASKEW: We have already done that.

22 CHAIRMAN EAKELEY: The minutes?

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 MR. ASKEW: Yes. We did that before you did
2 Maria's report.

3 CHAIRMAN EAKELEY: Okay. I've got several
4 different things on my report, but I'll move them out of
5 order because I know Maria Luisa has to leave. This month is
6 the 20th anniversary of the signing of the Legal Services
7 Corporation Act, and I would be remiss in not noting it at
8 this meeting.

9 We have received word through John Broderick and
10 some really great groundwork that John has done, although he
11 just left the room -- that's why I can give him some credit,
12 I suppose -- that the White House has agreed to host a 20th
13 anniversary celebration of the Legal Services Corporation at
14 the White House in September. And that will be on the 29th
15 of September, from 4:00 to 6:00. That's a Thursday. And
16 there's a lot of planning that has to go into that.

17 John will chair that planning effort, clearly, will
18 want to involve Alex and Martha, but I think that we ought to
19 have a planning subcommittee, John, to help with identifying
20 people to invite and the differing ways in which we can use
21 the event to get the message of justice out to as broad a
22 community as possible. And I'd like to solicit volunteers if

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 anyone else would like to participate.

2 MR. BRODERICK: Well, I apologize, I stepped out of
3 the room. I had asked -- a few weeks ago, Bucky asked you to
4 assist me on that, and I'm not sure that's complete enough.
5 I'm just saying Bucky was gracious enough to say he would
6 help.

7 CHAIRMAN EAKELEY: I'm just asking whether there
8 are any other volunteers, or whether the Board as a whole
9 would be interested in participating? I think the best thing
10 to do is just contact John, let him know of your interest,
11 and perhaps have Alex or Martha or someone they designate as
12 the staff support for this important function to work with
13 you to pull this off nicely.

14 MR. BRODERICK: Absolutely. No, I think whoever
15 wants to assist -- and we are desperately in need of names of
16 potential invitees, and we want to make sure that we do it
17 appropriately and broadly, and we -- presumably Alex, as
18 president of this corporation, would be responsible in-house
19 for overseeing how that's done mechanically.

20 CHAIRMAN EAKELEY: Now, that leads to the
21 scheduling issue. We have a board meeting scheduled for
22 earlier in September. That happens to be -- that's on

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 September 16th and 17th, and, when we set those dates, I
2 didn't realize that we were really running right into Yom
3 Kippur.

4 The problem is, the preceding week is the week of
5 Labor Day, which is hectic for everybody. I don't know
6 whether -- not meeting in August, I don't know whether we can
7 let things go until we're here on the 29th, 30th. It's
8 possible we can do it that way if that's the sense of the
9 Board. We may be able to take care of things in the interim
10 with committee meetings.

11 MS. MERCADO: Why don't we just do that? That
12 would be easier, and then we don't have to come twice.

13 MR. SMEGAL: Put the September meeting off.

14 CHAIRMAN EAKELEY: Put the September meeting off to
15 September 30, October 1. Now, the October meeting gets
16 stacked up, we're scheduled to be in Boston and the New
17 England region on the 14th and 15th.

18 MR. ASKEW: May I ask a question about that?

19 CHAIRMAN EAKELEY: Yes.

20 MR. ASKEW: John, first, how far along are you in
21 the planning of anything around that October meeting? Have
22 plans been made that couldn't have been changed around the

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 dates of that meeting?

2 MR. BROOKS: Not that I know of. Jack Ward in the
3 audience here may have something for me.

4 MR. WARD: I think it's fairly flexible.

5 MR. BROOKS: As far as I know, it's still open as
6 far as specific --

7 CHAIRMAN EAKELEY: Well, that makes it easier for
8 Maria Luisa and the Audit and Appropriations Committee.
9 Alex, you were going to say?

10 MR. FORGER: Yes. I see Albuquerque followed
11 shortly thereafter. I assume that's not firmed up. That may
12 coincide with other events in Albuquerque?

13 MR. ASKEW: No. I would suggest we merge those two
14 meetings, and maybe move the October meeting either until
15 later in October or earlier in November, and then have just
16 one meeting rather than two in October.

17 MS. MERCADO: The problem we're going to be having
18 is that we have -- we're going to have to get in a lot of
19 stuff to OMB -- well, maybe it's just the Audit and
20 Appropriations Committee that's going to have to work, but we
21 have a lot of work as far as budget stuff that happens
22 October, November, December, into the president's budget.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 One of the things that I think hurt us terribly
2 this last time around is that we didn't get to the president,
3 and we did not get to OMB early enough to work on these
4 things, and there are strategies that we need to work on.
5 And part of what I hope that the 20th anniversary celebration
6 will do is to bring this broader support group, if you
7 will -- or coalition, although people don't want to hear
8 that -- supporters out there that are going to be working
9 those networks for us much earlier.

10 We cannot wait until December or November to tell
11 the president what we want on that budget mark or OMB on what
12 we want. We have to work much quicker than that. And so, my
13 preference, whether it means that the Audit and Appropriation
14 Committee works it -- I don't know whether we need the
15 approval of the full Board during that time period --

16 CHAIRMAN EAKELEY: Well, here's what I also have
17 that you also -- no, maybe not. At my request, the inspector
18 general, in response to another one of these hot line GAO
19 complaints concerning the prior Board's propagacy in meeting
20 around the country and spending corporate assets --

21 MR. ASKEW: Alleged propagacy.

22 CHAIRMAN EAKELEY: Alleged propagacy -- made

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 several recommendations that were worthwhile, pointing out
2 that it costs more, because of staff travel time,
3 essentially, not Board travel time, for us to meet at
4 different parts of the country, and that when we do meet
5 elsewhere, because we have an acknowledged need to meet and
6 take information and impressions from different groups in
7 different parts of the country, that we try to focus our
8 attention at those meetings on receiving input, and that we
9 try to schedule, for Washington meetings, the work of the
10 Board when that's necessary, but that the entire Board need
11 not meet each time, but we should try to do more by
12 committees, and indeed, as we discussed at our Atlanta
13 workshop, if we could work it so the Board met every other
14 month or not quite every month, we may be able to deal with
15 that effectively.

16 And so, my suggestion would be, schedule an Audit
17 and Appropriations Committee meeting for when you need to to
18 develop the information necessary and the strategy behind a
19 request for a budget mark, and we can ratify that or proceed
20 apace with that, but that, rather than have yet another board
21 meeting, go to the first week in November for another board
22 meeting, and collapse, perhaps, the Boston and the

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 Albuquerque meetings, also saving some travel time.

2 The other recommendation that Ed Quatrevaux made
3 that I thought was quite well made was that we should hold
4 board meetings in the most cost-effective locations within
5 the regions we seek to visit, and that we try to document
6 what we've done to keep our budget at a manageable level.

7 And this, I think, was the sort of -- if we could
8 come to some consensus that this should be an operational --
9 a modus operandi, that -- namely, that we meet only when
10 necessary, and when we meet out of the District, when
11 necessary, we do it at the most cost-effective location, and
12 focus our efforts on receiving and meeting, I think that
13 that's something he could work into his next report to the
14 Congress as well. But does that make sense to everyone, in
15 any event?

16 Does the strategy for meetings and applying that
17 strategy to what's coming up with the shift with the
18 Washington meeting, I would propose a meeting -- I hope it
19 doesn't offend Roberta Ramos that we go to New England rather
20 than Albuquerque, but she will be the president-elect then of
21 the American Bar Association, and we will have close to a
22 year to still find an opportunity to come to the southwest

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 region to meet.

2 But I would suggest meeting in Boston, perhaps that
3 first weekend, that -- the November 3rd, 4th, is that all
4 right?

5 MS. MERCADO: That's fine.

6 CHAIRMAN EAKELEY: Actually, it would be November
7 4th, 5th. And I would ask that Pat, perhaps, work with John
8 Brooks to identify the most cost-effective location within
9 that Boston area. Of course, transportation-wise, it's
10 helpful. Ed --

11 MS. MERCADO: Doug, I would say that, because we're
12 skipping a meeting in October, and delaying, having the
13 meeting much later in September, I don't want to have the
14 same thing happen to us that happened to us, this time
15 around. I really do feel that the Audit and Appropriations
16 Committee is going to need some significant time. Is it
17 possible for my committee to meet that Thursday afternoon or
18 Thursday evening, on November 3rd?

19 CHAIRMAN EAKELEY: I was suggesting that you could
20 meet in October, we could have committee meetings, if
21 necessary, in October. There's nothing to prevent you from
22 doing that, or we can do it in November, if that's -- that

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 may be coming too late.

2 MS. MERCADO: We're going to need both is the
3 problem.

4 MR. McCALPIN: Let me say that there was some
5 discussion yesterday at the Operations and Regulations
6 Committee meeting about the work volume that we have in front
7 of us, and I think it is going to be necessary to have a
8 separate meeting of the Operations and Regulations Committee,
9 as well.

10 MS. MERCADO: Can we try and get Ops and Regs and
11 Audits around the same time?

12 MR. McCALPIN: Well, I think the only problem is,
13 if we tried to do it sequentially, we're there twice as long
14 as if we overlap. What?

15 CHAIRMAN EAKELEY: I was just telling Ed not to go
16 away while you're talking.

17 MR. McCALPIN: I guess it's a question of whether
18 we're going to try to have everybody attend every meeting.

19 CHAIRMAN EAKELEY: Yes, and I would recommend that
20 we not do that. We've got to get the regulatory reform thing
21 going, and I would recommend that the Ops and Regs Committee
22 meet at a time when it is most efficient to focus on the work

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 at hand and get going with that. And I think, again, Audit
2 and Appropriations, if they have to meet, they should do so.
3 The committee chairs should try and coordinate with me, and
4 we'll try and deal with it in the most cost-effective way, as
5 well.

6 But let's set the Board dates as September 26, 27,
7 and November 4, 5, for Washington and Boston respectively,
8 cancel Albuquerque.

9 MR. MCCALPIN: We're wrong on September, I think.

10 MS. MERCADO: No, September 29, 30, and October 1.

11 CHAIRMAN EAKELEY: Yes, you're right, right.

12 MR. SMEGAL: Is it 30 and October 1?

13 MS. MERCADO: Yes, and then that 20th anniversary
14 thing at the White House is September 29th, that evening.

15 CHAIRMAN EAKELEY: That's right. That's the 30th
16 and the 1st -- I'm sorry, it's good to always put your
17 reading glasses on and look at what you wrote down -- and
18 November 4 and 5 in Boston. Okay. Maria Luisa, thank you
19 very much.

20 Ed, you were going to say?

21 MR. QUATREVAUX: Mr. Chairman, the recommendation
22 to do a cost analysis and maintain the documentation thereof

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 really deals with the decision whether to hold the meeting
2 here at the headquarters in Washington or some other
3 location, so that would be the costing that would be done.

4 CHAIRMAN EAKELEY: Okay, but, you see, again, that
5 is difficult. I think that you can't quantify the value you
6 get by going to the field and meeting people there.

7 MR. QUATREVAUX: No, if you decide that it is
8 necessary -- you believe it's necessary to meet elsewhere,
9 that's fine. In theory, I suppose, every one it is that you
10 wish to meet with could be put on a chartered plane and
11 brought here, but that's the distinction. It's really --

12 CHAIRMAN EAKELEY: Yes. Well, I thought -- what I
13 took from your memo, and intend to implement, is managing the
14 agendas so that, when we do meet at different parts of the
15 country, we have on the agenda items that are consistent with
16 meeting in that location, and also minimize the requirement
17 of the necessity of staff travel time and time out of the
18 office, so that we really don't have a large number of staff
19 having to go to different parts of the country, it's really
20 the Board taking --

21 MR. QUATREVAUX: It's what drives the cost. It's
22 what makes the cost --

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 CHAIRMAN EAKELEY: So I thought that was well
2 taken. I did not take -- I don't think you intended it, but
3 I think the Board would find it surprising for anyone to
4 suggest that we're meeting too frequently. I think this
5 exchange just suggests that we still think that we have more
6 work on our plate than we can discharge on a regular monthly
7 basis. I think management would prefer that we not meet as
8 regularly, but we'll work that out over time, also. John.

9 MR. BROOKS: Speaking of that, it occurred to me
10 that it would be wise to set the intermediate committee
11 meetings on dates that we already have set aside for Board
12 meetings.

13 CHAIRMAN EAKELEY: We could do that. I'll -- let
14 me -- I'll talk to Levita and Maria Luisa.

15 MR. BROOKS: Maria thought that was a good idea.

16 MS. WATLINGTON: Yes, that's a good idea, because
17 those dates are probably already --

18 CHAIRMAN EAKELEY: Yes. Let me go back, if I
19 could -- this is sort of jumping around. Alex.

20 MR. FORGER: Yes. So we're clear on meetings
21 outside of Washington, I hope and think the test is, one, is
22 it necessary, because it can be is it desirable from our

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 point of view to do that, not having to meet a test of
2 absolute necessity to go to Boston; and two, the least
3 expensive site for meeting should not be what drives us,
4 either.

5 CHAIRMAN EAKELEY: No, no, no, cost -- desirable --
6 I think it's a strong consensus of the Board that it is
7 highly desirable that we continue to meet at differing times
8 in differing parts of the country, and that, when we select
9 such a region to meet in, that we do it in the most cost-
10 effective way possible.

11 MR. FORGER: But selecting a site is something that
12 the Board determines it's in the best interest of the LSC, it
13 isn't simply that we need to go there because of --

14 CHAIRMAN EAKELEY: Correct. No, that's correct.
15 And then, we're not going to Worcester because it's a little
16 bit cheaper than Boston. We're going to Boston because
17 Boston is a hub, it's easy to get to, it's easy for people to
18 come to meet with us, it's one of our colleague's
19 communities, that sort of thing.

20 Now, let me just -- I don't know why we have
21 agendas, sometimes, because I never meet them. I guess most
22 of you already know, we had, since we met last, engaged in a

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 full court press for an increase in appropriation in a Senate
2 appropriations subcommittee. We did not succeed. That
3 subcommittee has come out with a markup last week of \$400
4 million. The appropriations bill, we expect, will be on the
5 Senate floor on Tuesday.

6 We are told that Senator Graham proposes an
7 amendment to our appropriation, by the way of a rider, that
8 would prevent Legal Services programs -- I don't know, I
9 haven't seen the text, do we have the text? I'm told it will
10 prevent or prohibit Legal Services programs from engaging in
11 class action advocacy against state governments on welfare
12 reform issues.

13 In other words, it would -- it's directed at the
14 New Jersey case, and it's directed at the western law center
15 case that just came down from the Ninth Circuit, and
16 basically says we're going to deny access to the courts to
17 police arbitrary state action that is inconsistent with the
18 congressional intent behind federal legislation in the first
19 place.

20 But this is shaping up to be a very serious,
21 significant battle. We are attempting to do all we can to
22 make sure that that rider does not receive a majority support

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 in the Senate, but it is going to be a very difficult vote.

2 On a somewhat -- on a much more happy note, I was
3 very honored and pleased to attend the reception for Alex
4 Forger the other week that was co-hosted by David
5 Rockefeller, Whitney Young, and, actually, had been hosted by
6 Jacqueline Onassis before her death and Maurice Templesman
7 also participated.

8 Roberta Ramos came and spoke, as did Mr.
9 Templesman, to honor Alex's lifelong commitment and
10 contribution, and the timing was just perfect in the sense
11 that we had just come from electing him the week before to be
12 our president. The grand ballroom of the Waldorf Astoria was
13 filled to overflowing in this tribute to Alex, and it was
14 extremely moving and just wonderful, and I wish everyone
15 could have been there.

16 We have, as a consequence of our Atlanta workshop
17 and the wonderful interviewing process that we all went
18 through, where we learned so much from the many, extremely
19 well-qualified candidates for president, just a great deal of
20 input and information and perspective we received that needs
21 still to be digested and organized and presented in a way
22 that informs this Board and our new leadership of where we

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 would like to go in the short term and the longer term.

2 We don't have time to do it today. Clearly, I sat
3 down with Alex and Martha the week after, three weeks ago
4 now, to just go over some of what I had started to distill,
5 but I would like for our September meeting, especially now
6 that it will be cloaked with the significance, to ask the
7 committee chairs to come back with their game plans or road
8 maps for the next 6, 12 -- 6 and 12 months and then 2
9 years -- in terms of the work of their committees, the
10 priorities that they believe need to be confronted, and
11 strategies for getting us there.

12 I would especially like to see timetables, Bucky,
13 on so many of the delivery issues that we have discussed.
14 This is not limited to that, but we need to see -- the Board
15 needs to have some reasonable timetables for a meaningful
16 client engagement strategy. That's, by the way, going to
17 expect a lot out of the August 12th meeting, Ernestine and
18 Edna, but that needs careful preparation, but then follow-up,
19 so that we have the benefit of what you've learned by the
20 September meeting.

21 Levita is not here, but I don't know that we need
22 to wait for the regulatory working group and the Ops and Regs

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 Committee to reach private attorney involvement in order to
2 address how we proceed with some sort of performance criteria
3 for private attorney involvement, some evaluative process,
4 and possibly even, if we have performance criteria and an
5 evaluative process, steps to enhance private attorney
6 involvement while giving local grantees more flexibility in
7 dealing with it. I would at least like a discussion of that
8 by the September meeting.

9 Thirdly, there is some concern that the monitoring
10 and compliance functions may not have a timetable already
11 developed or at least shared with the Board that will help us
12 anticipate our capacity to generate, receive, evaluate and
13 respond to compliance reports from the field, and whether or
14 not the peer review teams going out, starting to go out next
15 month will bring back in time.

16 That also involves issues that we talked about with
17 respect to audit guides and grant assurances and the like,
18 but there are whole separate groups of clusters of issues on
19 delivery that I would ask your committee, Bucky, to work with
20 Alex and Martha and John to bring back to the Board by
21 September.

22 Audit and Appropriations, we're really talking

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 about strategies for maximizing the likelihood of
2 appropriation increases. We also need to deal with
3 reauthorization, and map out a strategy for maximizing
4 reauthorization in the new Congress. We're talking, for
5 appropriations and reauthorization, about dealing with a new
6 Congress that will not have been elected, but, nevertheless,
7 we need to start dealing with that.

8 Those implicate staffing concerns with respect to
9 communications and the like, but I'd really like to see us
10 come back together with the elements of a collective game
11 plan that takes -- the Board would like to see the
12 cooperation endorse with some timetables.

13 That also includes regulatory reform and what is
14 our schedule on getting these regulations through. And John,
15 in Nancy Harden Rogers' absence, I think it was you and
16 Ernestine and Nancy who were to be the follow-up committee
17 for the Board from our workshop, and I'd like you to talk and
18 think and consider and report in September about the Board
19 process, and whether or not we've dropped the ball since our
20 Atlanta workshop, or whether we are on track in improving the
21 way we work together as a Board and call on the resources and
22 energies and talents of all of the Board members, and

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 whether, now that we have a new president and executive vice
2 president, we're stepping back and reverting to what is our
3 appropriate job description and letting management manage.

4 There are a series of what I call IG issues; I'll
5 just mention them. We're not going to get to them, now, but
6 Ed Quatrevaux has raised several times and has patiently
7 awaited a response to his concern about access to documents.

8
9 My intention would be to meet with the inspector
10 general and the president in the near future, and attempt to
11 reach a resolution that we can report to the Board that
12 provides maximum access pursuant to the inspector general's
13 act, which is access to all records, but also permits
14 management, in some fashion, not protection, but to address
15 the issue if there is an overly burdensome request or
16 something like that.

17 I think -- I have hope that I can find a way to
18 satisfy both sides to what is ultimately an eternal debate,
19 but my intention is to try and deal with that, initially,
20 among the three of us and report back to the Board.

21 I also would like to ask Alex and Martha to report
22 to the Board or give us the benefit of their views of the

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 inspector general's recommendation in costing out of
2 grantees' adoption of government-approved accounting
3 standards. We've let that set. Again, we had other things
4 to deal with. I'd like the Board to consider whether or not
5 this is something we can support. It has been recommended by
6 the inspector general as part of the reauthorization process.

7
8 It would be helpful to be there together if that's
9 where we're going to go. Karen Voellem has provided some
10 costing estimates for that. I think we need some benefits,
11 some management analysis of that as well.

12 We have an annual report that has been floating for
13 a couple of months without coming home for final copy. If
14 you don't have a copy or you can't find your copy, please try
15 and find it and report back. Can we give everyone a deadline
16 for that, Martha?

17 MS. BERGMARK: Well, actually, I don't think
18 Karen's here, but I think that is at the printer. I think
19 she has had contact with people individually, and some of you
20 had comments.

21 CHAIRMAN EAKELEY: Okay. Did she spell my name
22 right?

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 MS. BERGMARK: I don't --

2 CHAIRMAN EAKELEY: Okay.

3 MS. BERGMARK: That should be within a few days of
4 distribution, actually.

5 CHAIRMAN EAKELEY: I also received a renewed offer
6 from Steve Brill, the publisher of The American Lawyer, to
7 provide every member of the Board with, for free, both the
8 software and the operational means of utilizing Counsel
9 Connect as a way of creating our own electronic mail and
10 network for communication, both within the Board, but also
11 within the corporation.

12 This raises -- Bill McCalpin's going to remind
13 me -- yet another series of Sunshine Act issues, but I
14 mention it because it's something to consider. We also
15 talked about the possibility of equipping the Board with
16 HANDSNET as an alternative, but I think that the capacity to
17 communicate other than by voice mail or letter has some
18 wonderful attractions to it. Steve, to his credit, offered
19 to equip the executive directors of all of our grantees,
20 also, as a pro bono contribution by the American Lawyer and
21 Counsel Connect.

22 MR. McCALPIN: I'm the last one to comment on this,

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 because if there's anybody who's electronically illiterate,
2 I'm it.

3 (Laughter)

4 MR. McCALPIN: But I find that our office
5 communicates with the corporation by -- already, we have a
6 capacity of doing that with the corporation, and we have done
7 it.

8 CHAIRMAN EAKELEY: You can also do it through the
9 Internet, but it's cumbersome. This -- did -- right. That's
10 my report. Any other directors' reports?

11 (No response.)

12 CHAIRMAN EAKELEY: Do we have a president's report?
13 How are you feeling?

14 PRESENTATION OF ALEXANDER D. FORGER, PRESIDENT

15 MR. FORGER: I'm feeling fine.

16 CHAIRMAN EAKELEY: We had a great reception in your
17 honor in absentia last night.

18 MR. FORGER: For Ed Quatrevaux's benefit, I will
19 say I was attempting to disprove the doctor's counsel, when
20 he prescribed medication for my back, that it would tend to
21 make me grumpy and irritable.

22 (Laughter)

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 MR. FORGER: I'm sorry I missed the reception,
2 Bill. I hope there's many more opportunities.

3 CHAIRMAN EAKELEY: We'll have another one.

4 MR. FORGER: Thank you, Mr. Chairman, for being in
5 New York. It was an event that -- I view it as sort of
6 closing out one phase of my life. I've disengaged from my
7 law firm, and am busy resigning from a lot of activity in New
8 York, and moving a house to Washington. And so, I'm starting
9 phase two of my life. I've heard life beings at 70 or 71.

10 CHAIRMAN EAKELEY: Just as long as you keep your
11 disks in their proper places.

12 MR. FORGER: Like Bill, I'm also not up-to-date on
13 disks and the computer stuff, but --

14 (Laughter)

15 MR. FORGER: -- but it's -- in the few weeks that
16 have elapsed since our last meeting, we've had a lot of
17 attention to OPS, as you've heard. And I think that is
18 probably one of the major activities for the long term that
19 requires a good bit of thought and attention, and we're going
20 at it in a way, with John and Martha, that, with all
21 deliberate speed, we're not going to try to cover the country
22 all at once, and put in place an entirely new system, but it

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 will take some time and some review as we go along, with
2 attention also to functioning in the old style until we have
3 converted over.

4 What I'd -- the appropriations we know about and
5 reauthorization -- my principal initiative in that regard
6 is -- with respect to the network, the family, the field --
7 is to try to build a lot of connections and relationships,
8 and on an ongoing basis. I met with Dick Taylor and Alan
9 Houseman with respect to the relationship of the corporation
10 and their organizations, and expect to spend some time with
11 Clint.

12 I am hoping to do a year-round basis with Congress,
13 and visit as often as they will have me. We're putting up,
14 in my office on one wall, all relevant data with respect to
15 every member of that receipt committee with which we have
16 contact, so that we can remember their birthdays and any
17 other event in their life.

18 CHAIRMAN EAKELEY: Do you have darts?

19 MR. FORGER: No, no, only roses that will go out,
20 but on an ongoing effort. With respect to people in the
21 field, I'm going to -- starting next Sunday, to go to
22 regional meetings, and I also have scheduled meetings with

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 all of the finalists in the presidential search, to hear from
2 them their thoughts and ideas.

3 They've given some considerable attention to the
4 corporation, and I want to learn from them and see how we can
5 use them in a regular basis for the corporation, on media --
6 I'm meeting with Wall Street Journal next week and Washington
7 Post, and have been on a radio show, and -- trying to spread
8 the word through that network.

9 In terms of staffing -- as I reported to you all by
10 a letter, Martha has agreed to stay on as the permanent
11 executive vice president. John Tull has agreed to continue
12 on as a director of OPEAR. I have asked James Head to take
13 on the position as director of OPS, and we've been having
14 two-week long dialogue, thus far, and James has not said yes,
15 nor has he said no. And I expect to meet with this wife next
16 Sunday to continue my efforts to persuade James to relocate
17 and come East.

18 We have other positions that we wish to fill,
19 principally communications, both government relations as well
20 as media and internally. We will be posting -- if that's the
21 right word -- or listing for that position, and that is the
22 principal one we want to complete now to make certain that we

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 communicate as best we can internally, to make it to the
2 outside world. And, I guess that covers the various
3 relations.

4 Also, looking out towards the community groups,
5 with setting up a meeting with AARP and the Administration on
6 Aging, Urban League and other community groups, and trying to
7 have us as close as we can be, and with the White House, I've
8 had some additional correspondence with the First Lady, and
9 hope to have a close relationship also with the White House.

10 While Martha does all the work, you know, I'm out
11 cavorting around and meeting folks and spreading the word.
12 But, without the presence of Martha Bergmark, you know, it
13 would not be possible to function on all the other aspects,
14 not that she couldn't do that, also, but she's acquiescing
15 and letting me do this, so -- I look forward to working with
16 all the Board members, and it's a great group, and I continue
17 of the view that this has a fantastic opportunity of making a
18 major contribution to delivery of legal service and to
19 enhancing the position and improving the position of the 37
20 million plus clients that we serve.

21 So, it's a wonderful opportunity and I think you
22 for the -- giving me that chance to function with you, the

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 stakeholders, the field, and the community at large. That's
2 all I have to say.

3 CHAIRMAN EAKELEY: Thank you. Any questions of
4 Alex?

5 MR. ASKEW: Is that the Wall Street Journal
6 editorial board you're meeting with?

7 (Laughter)

8 MR. ASKEW: Do you need protection.

9 MR. FORGER: No, they must have misunderstood my
10 role. I did get one letter of congratulations that said,
11 "Gee, it's great you've got the job you really want. I'm not
12 quite sure, but I think it's executive director of the Urban
13 League, and congratulations."

14 (Laughter)

15 MR. FORGER: -- so, even undeserved congratulations
16 I get.

17 CHAIRMAN EAKELEY: Okay. Next, we have a
18 presentation by representatives of the fund raising project,
19 and I would ask Shelley Sergahely and Bob Jenkins, Linda
20 Clingan, is it -- William King and Jack Ward, are you all
21 here? Come on up. Pull up some other chairs by the table,
22 Shelley, if you would. Welcome and good morning. I think

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 it's still morning. We've had a -- sorry to keep you
2 waiting, but we're delighted you came.

3 PRESENTATION BY REPRESENTATIVES OF THE FUNDRAISING PROJECT

4 MS. SERDAHELY: Thank you. Thank you, Mr.
5 Chairman. We appreciate having the opportunity to meet with
6 you this morning.

7 MR. MCCALPIN: Shelly, we can't hear very well.
8 Will you speak into this?

9 MS. SERDAHELY: We appreciate the opportunity to
10 meet with you this morning, and we know that you have a full
11 agenda and not a lot of time, so we're going to keep our
12 remarks brief. We also know that the most important
13 information that we have to share with you is the effect of
14 the work that we do on field programs and their ability to
15 provide services to clients.

16 So, today I brought with me four representatives of
17 field programs. We have Jack Ward, who is the associate
18 director of development and finance for Greater Boston Legal
19 Services; Bob Jenkins from the Legal Services Agency of
20 Western Carolina; William King, who is a member of JONAH,
21 which is a community organization that works with Legal
22 Services of West Tennessee -- I'm sorry, West Tennessee Legal

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 Services; and Linda Clingan, who is the director of
2 development for Oregon Legal Services.

3 Jack and Bob and Linda are all members of my board,
4 as are Rick Teitelman and Steve Xanthopolis, who, for some
5 unknown reason, are hiding in the back. Before I turn the
6 mike over to Jack to make the presentation, I just wanted to
7 thank Mr. King for being willing to come here today and talk
8 about the potential impact of our work on client
9 organizations. We think this is really important, and really
10 appreciate your willingness to come here.

11 So, while they talk, you'll be happy to know I'm
12 going to run around giving you more pieces of paper.

13 CHAIRMAN EAKELEY: If they're the same high quality
14 as the preview, they're welcome.

15 MS. SERDAHELY: Thank you.

16 CHAIRMAN EAKELEY: Even if they're not, they're
17 welcome, but the initial handout was excellent.

18 MR. WARD: Thank you for having us here this
19 morning. Again, my name is Jack Ward, I'm from Greater
20 Boston Legal Services, and, other than Mr. Brooks, there may
21 need to be an interpreter so people can understand my Boston
22 accent, but John will, I think, adequately respond as an

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 interpreter --

2 MR. McCALPIN: John Brokerick will --

3 MR. BRODERICK: I know something about Boston
4 accents.

5 MR. WARD: We're really delighted to be here, and
6 what we would like to talk about this morning is what we
7 believe is the exciting result that the fund raising project,
8 along with the field programs, have been able to accomplish
9 for a number of programs in helping them to work towards the
10 goal of equal justice for the poor, by bringing more
11 additional financial resources into the program, which
12 ultimately translates into client services.

13 Actually, it's very appropriate for us to be here
14 with the corporation, since the origins of the fund raising
15 project date back to, actually, the 1980s, when the
16 demonstration grant was provided by the southeast regional
17 office to Atlanta Legal Aid to provide some expertise to
18 programs in that area on how to apply our funds.

19 And one of the people who was hired by Atlanta
20 Legal Aid as a fund raiser, herself having been experienced
21 in raising funds for other types of social service programs,
22 came to legal aid and found that working at legal aid and

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 raising money for legal aid was not an easy task, because
2 people could not really understand why they should give money
3 for lawyers for poor people. So, she was somewhat daunted by
4 what she was looking into working for that organization, the
5 Atlanta Legal Aid.

6 What she did was decided to invite a group of
7 people to Atlanta who had worked in legal services programs
8 doing fund raising in various parts of the country. So a
9 group of us met in 1988 in Atlanta, basically just to share
10 ideas, to talk with one another, to see what we could learn
11 from each other, and also to build up a camaraderie between
12 ourselves to realize that we were not out there by ourselves,
13 and there was a group of people working towards the same
14 goal.

15 We were very pleased with that meeting, and out of
16 that meeting grew the idea that we actually had a great deal
17 of wealth and expertise within our own midst, and that we
18 could really help other programs and share what we had with
19 each other. So, what we went about doing is establishing an
20 annual event of -- annual meeting of programs, inviting any
21 legal services programs from around the country to come and
22 just listen to and share ideas about fund raising.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 We had two of those events, and those events
2 actually met -- far -- actually exceeded our expectations.
3 All of them were oversubscribed by the number of
4 participants. And in the process, we also came to realize
5 that there was a great yearning amongst programs to learn
6 about different techniques to raise money for legal services
7 programs.

8 So, as a result of those programs, those two
9 training sessions, each of the people on the Board who was
10 trying to -- funded by their own program, trying to devote
11 time to this national effort while at the same time working
12 at their own organizations, were getting numbers of phone
13 calls during the year for different types of technical
14 assistance, different types of expertise, different types of
15 questions about how they should go around dealing with
16 specific areas and aspects of fund raising.

17 It became such a point that we realized that we
18 were not adequately responding, that each of us were busy in
19 our own jobs, and the only way that we could really
20 adequately respond was, somehow or another, for at least a
21 year or two, institutionalize in some way a central
22 clearinghouse that would provide technical assistance to

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 field programs. And that was the genesis of the fund raising
2 project.

3 Being fund raisers, we decided the best way to do
4 that was to go out and to get some money for that. And,
5 actually because of the help of some people here in this
6 room -- Bucky Askew and Tom Smegal and, actually, Martha
7 Bergmark, who had some influence and sway with the Ford
8 Foundation, we were able to receive a Ford Foundation grant
9 in 1990 to establish the fund raising project.

10 At that point in time, we hired permanent staff,
11 who was present five days a week -- they feel as though they
12 work 24 hours a day, I think, at times -- to provide the
13 technical expertise and backup of field programs. Since we
14 established ourselves in 1990 as a fund raising project, we
15 extended our mission, we intensified our approach, and we
16 believe have tried to respond to the needs of field programs.

17
18 We believe that we're driven by the needs of the
19 field program, we try to assess what is out there, we try to
20 evaluate the types of questions that are being asked by the
21 field program, and tailor our training and materials that we
22 provide to the field to meet their needs.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 and, we believe, have tried to respond to the needs of the
2 field programs. We believe that we're driven by the needs of
3 the field program. We tried to assess what is out there, we
4 tried to evaluate the types of questions that are being asked
5 by the field programs, and tailor our training and the
6 materials that we provide to the field to meet their needs.

7 We have four specific areas that we have been
8 working on particularly to help programs. First, we produce
9 a quarterly newsletter. I also believe that, in your
10 materials that was presented to you, you have sort of an
11 overview of what all of these are.

12 We have our quarterly newsletter that details
13 different types of fund raising activities that are going on
14 around the program. And the purpose of that is, one, to help
15 raise the level of consciousness amongst field programs that
16 they themselves can raise the money, and the second thing is
17 to provide tips and shortcuts to people so they don't waste
18 their time trying to reinvent the fund raising wheel, in a
19 sense, so that they can learn from what has already been
20 done.

21 But the second thing that we did, and we're quite
22 proud of, is we've developed and produced and distributed a

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 comprehensive fund raising manual that covers a whole gamut
2 of fund raising, and particularly emphasizes the unique
3 aspects that there are for fund raising for legal services,
4 the private bar, what sort of federal grants we'll be able to
5 approach, what sort of state funding programs we'll get into,
6 as well as going into the broad fund raising areas of grant
7 writing and public relations and media relations, in order to
8 heighten the awareness of the importance of legal services in
9 the broader community in which you people are working.

10 And then, in addition to that, we've developed --
11 which we think is probably one of the more unique aspects of
12 the mentor program -- whereby the fund raising project asks
13 experienced, seasoned fund raisers in legal services to act
14 as mentors for new people who are recently hired to work in
15 legal services programs.

16 For two reasons that's important. It helps those
17 individuals sharpen their learning curve, and it also helps
18 the new person become quickly acquainted with the techniques
19 available for raising funds in legal services, and also be
20 able to assist them in developing a strategic plan for their
21 own unique area, which is usually different from one city and
22 one locality to another.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 You people are more aggressive than we are about
2 the types of problems that various programs have to encounter
3 and the types of locales in which they work, and so that one
4 plan doesn't necessarily work well in every single place, so
5 it would have to be adapted. And the mentor program is meant
6 to do that, to be able to help the individual assess and plan
7 and develop a comprehensive plan that will work for them in
8 their area.

9 And finally, the newest initiative that we've
10 undertaken is a partnership with NLADA and PAG to help
11 programs identify and receive, access additional governmental
12 grant sources from various other governmental departments,
13 whether it be from HUD, whether it be to the Administration
14 of the Aging, whether it be from the Department of
15 Agriculture substantive food stamps program. And what we're
16 learning is that that is a very, very important endeavor.

17 The fund raising projects are unique in the sense
18 it brings a group of people together with a bunch of
19 expertise that's really to share with each other. Very
20 experienced programs, places like GBLS has, I think, a pretty
21 good track record with raising money, itself -- really learn
22 it from other programs.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 Steve Xanthopolis' program in western Tennessee, we
2 learned how to access a particular HUD grant on HUD
3 counseling. We have used Steve as a mentor for us on a
4 number of occasions to help us be able to acquire those
5 funds. We finally just last week were able to apply for
6 those funds, so we all learn from one another.

7 The beauty of the fund raising project, it's a
8 grass roots program, it meets the needs of the people in the
9 field, we try to tailor our programs for the field, and we do
10 that also by providing not only the national workshop, which
11 you hold annually, but by doing a number of regional
12 workshops, in addition to trying to meet specific areas of
13 need.

14 We have met with the southeast project directors,
15 we have had a midwest project directors -- we have met with
16 the programs in Texas, but also we have had a special program
17 that we developed with the native American programs that was
18 held in Albuquerque. Was that -- Las Vegas, I think, was --
19 sorry -- several months ago.

20 We also are developing a program to be able to
21 discuss what the -- rural needs, because the rural fund
22 raising is much more difficult than it is in urban areas. So

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 what we're trying to do is respond to those areas. And it's
2 because of the Ford Foundation that we've been able to do
3 that, and right now we have enough funding to carry us
4 through for another year, and we're really excited to be able
5 to continue this on.

6 The project has really grown to a point where we
7 really think that we're providing a valuable service to
8 programs. So what we would like to do now is briefly -- I
9 talked a little bit longer than I wanted, I'm sorry, I always
10 do this -- is to have the field programs -- someone to talk
11 about their experience that they have. And first, to my
12 right here is -- well, actually, I think Linda Clingan from
13 Oregon, my far right, will talk about her experience and what
14 she has been able to accomplish without, you know,
15 hopefully --

16 MS. CLINGAN: Good morning, I'm Linda Clingan. I'm
17 the director of development for Legal Services Programs in
18 Oregon. I was hired when Ira Zeiroff, the director of one of
19 those five programs in Oregon, came back from an early fund
20 raising workshop in New Orleans.

21 He had gone to that workshop because he could look
22 a couple of years down the road and know that he would be

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 reducing services to clients, he would be closing rural
2 offices, if he didn't develop some new sources of funding for
3 our program. I think that's a very common situation for
4 people around the country.

5 And he didn't go very optimistically, thinking that
6 there was much potential for raising money from lawyers in
7 Oregon, but he decided he didn't have many other options, and
8 so he checked it out. He came back and, shortly after, hired
9 me. He became a believer that it was possible to do private
10 fund raising, and he was ready to give it a try.

11 I have about 10 years of fund raising experience
12 before coming to Legal Services, and a lot of experience with
13 social causes and social related organizations, but I had
14 never dealt with lawyers before, and the sort of fund raising
15 milieu. Lawyers and doctors are the people who you have the
16 most difficulty raising money from.

17 So, after learning a lot about Legal Services, as
18 much as I could in sort of an immersion experience, I knew
19 the next thing I needed to do was to figure out as much as I
20 could about lawyers, and what would compel them to want to
21 make a contribution to Legal Services, and how to go about
22 putting together a campaign.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 I think on my desk the day I started was the first
2 fund raising project newsletter, so I looked to see who was
3 on the Board of the fund raising project and who the other
4 programs were that were doing fund raising. And I called up
5 Jack, and I called up Dennis Dorgan, and I called up Paulette
6 and Ovette, and I called up two or three other people whose
7 names are on the letterhead, and said, "Now, what can you
8 send me? What do I need to know to get this started?"

9 And they were all willing to send me information,
10 they were willing to talk to me. Jack, however, wasn't
11 willing to let me come to a meeting, but that's another
12 story.

13 (Laughter)

14 MR. WARD: Mr. Brooks was working you too hard.

15 MS. CLINGAN: I see, I see. In three years, since
16 we've started an annual fund campaign among attorneys in
17 Oregon -- it's a statewide campaign, it's the first -- it's
18 the first program, it's the first consortium of programs that
19 have collectively, statewide organized a fund raising
20 campaign. And we've raised a million and a half dollars in
21 the first three years. We've become the most successful new
22 fund raising campaign for legal services in the country.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 Half that money has come directly in attorney
2 contributions. Half that money has come from foundation
3 sources. We started the campaign by getting matching funds
4 from the Meyer Memorial Trust and a couple of other small
5 foundation grants, so they were willing to match attorney
6 contributions dollar for dollar over the first three years to
7 help us get this campaign up and running.

8 We think there was a little bit of malice that they
9 really believed that lawyers wouldn't contribute, they
10 wouldn't have to give us the match, and that it was just out
11 there as a carrot, but we in fact did raise the \$750,000 over
12 three years.

13 At this point, about a quarter of all the lawyers
14 in the State of Oregon have contributed. If you look at that
15 sort of newspaper or newsprint in your report, there are 2500
16 names of contributors. We've been as successful at raising
17 money per capita in Ontario, Oregon and small, tiny rural
18 places as we have in Portland, Oregon.

19 We've raised money across the spectrum, across
20 areas of practice, across areas of law, and in little towns
21 and in big towns and in medium-size towns, from large law
22 firms to medium law firms, small law firms. We've really

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 segmented the bar in a variety of ways, so that we work group
2 by group by group by group, and we've built a campaign year
3 by year. In the first year, there were 600 contributors, in
4 the second year, 1,000, in the third year about 2,000
5 contributors.

6 So, it has grown. The challenge this year is to,
7 without the matching funds, really sustain this effort, and
8 to see it grow. And it has become about 10 percent of the
9 operating funds for Legal Services Programs in Oregon. And
10 my time is up.

11 In the course of doing this I'll say two more
12 things. We have gotten a lot of publicity. We have
13 generated 60 or 70 articles that have increased the
14 visibility of legal services, of the client population, of
15 the kinds of -- how necessary it is to do this kind of work.

16
17 And we have also avoided disaster. If we had not
18 started this campaign, Ira had no idea how bleak the future
19 really was going to be with the bottom falling out of IOLTA
20 funding. We've raised a million and a half dollars. At the
21 same time, we've lost a million dollars in IOLTA funding. We
22 would be very much worse off if we hadn't undertaken this

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 effort.

2 The wolf is not far from the door. I'm now
3 mentoring other programs trying to get started fund raising,
4 but I'm also looking to the fund raising project. The
5 federal grants area and the ideas that bubble up from the
6 field are all things that we are going to very much need to
7 develop to maintain the level of service we currently
8 provide.

9 And my goal is to get to a point sometime in the
10 future where we're not just keeping the wolf from the door,
11 but we can think about what we really want to do next, and we
12 can go out and raise money for those kinds of things. Thank
13 you for the time.

14 MR. JENKINS: Good morning. My name is Bob
15 Jenkins. I come to you from the State of South Carolina, and
16 I wear several hats. I'm the director of the Legal Services
17 of Western Carolina, where I've served as the director for
18 the past 15 years.

19 I also chair the South Carolina Legal Services
20 Association. I function as a member of the PAG steering
21 committee, as well as working as a working board member with
22 the fund raising project.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 And I'm delighted to be here with them today simply
2 because I see -- I have experienced the value of their
3 contribution to me and my role as a leader in my program, and
4 my state in developing a broader base, effective delivery
5 system for legal services in our state.

6 I would like to commend the Board in adopting the
7 theme that it has adopted, the theme of equal justice for
8 people in poverty. I think that is an appropriate direction
9 that we need to be going to create the directions for the
10 development of stronger legal services programs across this
11 nation.

12 I believe that the fund raising mission project of
13 empowering and working with programs such as mine fits well
14 within your theme of providing greater opportunities for
15 addressing more of the unmet needs that exist in our service
16 areas.

17 In South Carolina, for the past year and a half,
18 we've been trying to develop what we call a vision and action
19 program. And the design of that program is multi-
20 dimensional. It has a fund raising aspect to it, but it has
21 an aspect to it greater than that. And it's -- it has the
22 aspect of trying to develop a partnership with the churches

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 and the epumetical bodies in the State of South Carolina.

2 There are more than 7,000 of them, and we view them
3 as an existing resource that, if we can be appropriately
4 organized as a Legal Services Program, that we can tap that
5 resource to help us to serve more people that are in need of
6 our services.

7 We have found the services of the fund raising
8 project to be immensely valuable to us. There are six
9 separate legal services programs in South Carolina. There
10 are six separate directors. There are six separate boards of
11 directors. Possibly there are six separate visions of what
12 we are doing or how we -- to go about what we need to do.

13 The value of the fund raising project is that we
14 have been able to utilize it as a consultive, planning,
15 objective vehicle to bring us together. In planning our
16 approach to tapping what could be a very significant,
17 impactful resource that currently exists in our state, we
18 have been able to bring the staff in, and they have been able
19 to bond us together around planning. I understand that my
20 time is up, also.

21 (Laughter)

22 MR. JENKINS: But, the point that I would like to

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 make to you, that the value of a fund raising project goes
2 beyond just fund raising. It goes to the element of
3 development which we so badly need. It can contribute to our
4 planning capacity. It can contribute to the mind-set, the
5 mind-set that we need to develop and the paradigm shifting of
6 moving to equal justice for people in poverty from minimum
7 access.

8 I would think that other states, such as South
9 Carolina, are going to be coming together to be operating at
10 an optimum level beyond just program levels. Therein lies
11 the value of an entity such as the fund raising project, that
12 can come in and share with us the experiences of programs
13 beyond our state, act as a vehicle that can help us bond our
14 thinking and develop our planning to move us in a direction
15 where we are functioning as an integral group around a common
16 theme.

17 My work with the fund raising project has been
18 three years, now, and I have found it to be very
19 complimenting, not only to the Vision In Action program, but
20 also, the other things that I do in my program year in and
21 year out in terms of broadening the community stakeholders,
22 and broadening the partners that we can develop, and thereby

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 strengthening our ability to achieve equal justice for people
2 in poverty.

3 I recommend your consideration of this entity as
4 something that would fit into your goal of equal justice for
5 people in poverty. You have identified a vision, but beyond
6 that, we have to figure out a means of achieving that vision.
7 I would just close by saying this anonymous quote that's
8 included in some of my literature: "Vision without action is
9 just a dream, but vision with action can change the world
10 around a common theme." Thank you for having me here this
11 morning.

12 MR. KING: Good morning. If I seem nervous, it's
13 because I am.

14 (Laughter)

15 MR. KING: It's not often that people out in the
16 community get a chance to do this, but it's very important
17 that the voice of the people who benefit programs are heard.
18 And I'm not just speaking for William King, I'm speaking for
19 all of those people who we represent in rural west Tennessee,
20 and I think that, hopefully, that my voice will do them well,
21 the work that I do will do them well.

22 First, my name is William King. I work with a

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 community organization that's called JONAH, and we have a 15-
2 year track record of working to empower poor people in rural
3 west Tennessee. And we do that by trying to understand the
4 law of the institution and program that govern us, and work
5 to push for change whenever we are denied our full voice.

6 We work with people directly up in rural west
7 Tennessee, not urban, but rural, where, only until 1963 is
8 where we was able to vote. So it seems like ironic, the town
9 I live in is where, basically, if you read "Eyes on the
10 Prize" where you talked about Tin City, this is the place
11 that we come from. So, you're talking about people who have
12 been oppressed and -- but we rose above that; it's because we
13 decided to do something for ourselves.

14 And we do that, again, by making sure that we
15 understand those programs, and to work together to push for
16 change. One of the things that has happened is that we try
17 to, and we do, not to try to duplicate service, but to access
18 those technical system programs of whoever it is that can
19 help us do the work that we need to do, and then take it to
20 the appropriate person or people or organization to make sure
21 that it's implemented.

22 One of the things that we're most proud of now, and

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 I want to speak briefly about it, and that is the food stamp
2 outreach program, in which West Tennessee Legal Services and
3 our organization, JONAH, has come together and figured out a
4 way that how we can better get those people who either needed
5 food stamps, or who wanted the food stamps, to break down the
6 barriers for getting it.

7 I'll give you a scenario of what would have
8 happened in one of our schools is where they take kids who
9 deserve to get food stamps, their parents tell them not to
10 because they are separated from the rest of them, and other
11 kids are, you know, points at them and say that "you are on
12 food stamps."

13 So we had to educate our total community about it.
14 And the best people who can do that are the folks in the
15 community. You know, sometimes we think that agencies can
16 bring in programs for our community, and just say, well,
17 because it's here that, you know, you should accept it. But
18 this is not what people want. People want to be part of it,
19 people want to be part of the planning, as well as the
20 implementation of a program such as this one.

21 And this is what has happened with JONAH and Legal
22 Services. Not only that, but even some of the funding that

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 is needed for us -- our organization to continue through this
2 grant, was able to happen because they was able to hire an
3 outreach worker to work with Legal Services, which gave us
4 access to having people in the community. Not only did it
5 volunteer to do the program, but there was people, basically,
6 who was able to be paid to do this.

7 And then, another part about it is, because one of
8 the things that you can understand is that when people do
9 things for themselves, they have more self-pride, they
10 understand programs, and when a person walks down to the DHS
11 office to get their food stamps, they understand what that
12 program is. It's basically because of the technical
13 assistance they have been provided with, and the legal
14 advocacy that they know that they have in case something
15 happens.

16 And in that way the word gets out, and then,
17 everybody -- I think that what it does is, even if this
18 program didn't exist, the education about this would be left
19 in the community, so people will start doing for themselves
20 because they understand that. He was talking about equal
21 justice for those who are poor. If you want equal justice
22 for those who are poor, then you got to find how to -- ways

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 to work with, and not for, those who are poor and undeserved.
2 Thank you.

3 MR. WARD: I've been assigned to wrap this up.
4 Shelley's arm isn't long enough to pass me the notes, so I
5 wrote a note to myself to keep it short.

6 (Laughter)

7 MR. WARD: We do want to thank you for allowing us
8 to come today. We believe that we as -- I hope you have seen
9 from what we've talked about that the fund raising project
10 has been a very effective tool. We believe that the program
11 has really assisted field programs in diversifying their
12 funding base, and would like to be able to continue to do so.

13 Shelley, I think, has passed out some statistics to
14 you of specific examples of a wide variety of programs,
15 ranging from urban programs to rural programs, and the
16 statewide programs, and the amounts of money that they have
17 been able to raise with the assistance of the fund raising
18 project.

19 We believe the programs need to have the technical
20 assistance available to them so that they can short circuit,
21 in one sense, the long learning curve that there is in trying
22 to raise funds for Legal Services.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 So that, in this time when we're all struggling to
2 be able to have a shared vision of gaining more services and
3 more access for poor people to the justice system, then we
4 will be able to short circuit that so more resources will be
5 available, we're delighted that LSC is here giving us the
6 funds, giving programs the funds to be able to raise to work
7 for legal services.

8 We hope that we can work with you and continue to
9 do that so that there will be more resources available. The
10 vision of equal justice for everyone is a broad vision. The
11 money has to come not only from Congress, but from a wide
12 variety of sources. And we believe that the technical
13 assistance a fund raising project has to offer will help
14 effectuate that so that there will be more services for poor
15 people into the future. Any questions?

16 CHAIR EAKELEY: I just want to thank you, first,
17 for an excellent presentation, and for some very wonderful
18 and clearly effective work. I've got several, and I'll just
19 take the chair's prerogative and push this first, so that --
20 turn this around. But, my first question, I -- we're in much
21 the same business, in a sense.

22 I mean, a lot of what we've been trying to do is

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 raise funds from the Congress. We haven't succeeded very
2 well this year, and I was just hoping you could lend some
3 technical assistance to us as we go forward. It's clear --
4 we are committed to maximizing the resources available to
5 help make Legal Services effective, and high quality legal
6 services available to those in need, in order to accomplish
7 this objective of equal justice for people in poverty.

8 And, clearly, many of the same techniques and
9 objective of the fund raising project are similar to ours, as
10 we -- John Broderick made the point at an earlier meeting
11 that we're not going to succeed in convincing the Congress,
12 or the president, for that matter, to commit to an order of
13 magnitude step forward on the appropriations process, unless
14 and until we can convince the constituents of the members of
15 Congress that equal justice is important as a principle, but
16 also important to them in their daily lives.

17 And, part of that's convincing lawyers, the
18 gatekeepers of the system, but it obviously has to go beyond
19 lawyers to the religious community to people who really don't
20 think that often of lawyers or of legal needs. And I was
21 just very interested and impressed with putting faces on
22 poverty of people that need, and attempting to educate people

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 about what you do.

2 As you do that, and succeed in your own private
3 fund raising, you also enhance our ability to go to the
4 Congress, when we are San Francisco, Hose Padea, the
5 executive director of California Rural Legal Assistance,
6 spent his entire presentation to us on the basis of the
7 impoverished client community that his agency served.

8 So I think that these are just very worthwhile, and
9 I just wish we had more resources to help -- I mean, sort
10 of -- you'd need money to make the investment in the first
11 place. But other than the investment that you would like us,
12 I assume to make in the project directly.

13 How else can this corporation facilitate what you
14 do in the private sector?

15 MR. FORGER: Could I answer that by asking John
16 Tull a question. John, are you still there?

17 Okay, Martha can answer it, then. I'm just
18 wondering, in our annual communication with all of the field
19 programs where we ask a variety of questions.

20 What information do we derive from each field
21 program as to the extent of their private fund raising
22 endeavors, how they're doing it, what success they've had,

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 and whether they pulled on folks as the funding experts --
2 and whether there is not some way just to CAI.

3 You could have some direction that some investment
4 be made in raising funds, just as you and John Brokerick
5 talked about getting a constituency, we heard in the
6 appropriations subcommittee questions asked, as well as the
7 new chair of the house committee, as to what else are you
8 doing to raise money? Do you look just to the government?

9 So, it's important, from Congress' point of view,
10 as well. I just wonder we have any -- what kind of leverage
11 are we using, Martha, with respect to the programs?

12 MS. BERGMARK: Well, I think the recent history, or
13 certainly the last 12 or 14 years has not been one of
14 encouragement from the corporation for raising other funds.
15 In fact, just the opposite is true, and I think the fund
16 raising project is a manifestation of the programs' effort to
17 do this on their own, which they've clearly done very
18 effectively, and that's the sort of initiative that we, I
19 think, need to encourage in a variety of ways.

20 We are working on things like performance measures,
21 standards and performance criteria. While there is not one
22 that, you know, directly is on that point, certainly the

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 notion of broad-based support and involvement in the
2 community that would, I think -- evidence of which would be
3 things like -- some of the programs just described would be
4 evidence of that. But we're not -- and we do --

5 MR. FORGER: So the corporation hasn't yet put to
6 the field its desire that they go out and raise money --

7 MS. BERGMARK: I don't think so. Right, I don't
8 think that's happened. So there would be a variety of ways
9 to encourage that, and the whole emphasis on support, as well
10 as just, you know compliance. Obviously, there's nothing in
11 our regulatory framework or anything that requires
12 specifically that, but in terms of support for what creates
13 healthy legal services institutions, this is certainly an
14 example of the sort of support that's needed.

15 MR. WARD: We never would want mandated a certain
16 percentage of --

17 (Laughter)

18 MR. WARD: -- our allocations of monies to fund
19 raising like there is now with the PAI regulation, but I
20 think the encouragement of the corporation to sort of say
21 that this, you know, that the corporation itself is never
22 going to be able to have enough funding to provide adequate

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 access to justice for those low income people, that there
2 have to be a diversification of funding sources. And
3 providing some sort of encouragement is extremely important.
4 That does not come out of the corporation.

5 You're right, Martha. We grew up precisely because
6 there wasn't that sort of --

7 CHAIR EAKELEY: The other thing this corporation
8 has deliberately avoided is a communication strategy aimed at
9 educating the public at large or, for that matter, those
10 significant segments of the public capable of making
11 contributions to legal services about the necessity for equal
12 justice.

13 And I'm thinking about the corporate community, in
14 particular, and, as well, we're attempting to develop a game
15 plan where we stop with passionate regularity, the national
16 bar associations and the state bar associations and corporate
17 counsel and the foundation world not to contribute to the
18 Legal Services Corporation, but to contribute to our
19 collective cause, and to make that -- to facilitate that type
20 of project.

21 And it seems to me that it's very helpful to be
22 able to know and point to existing fund raising efforts, and

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 encourage efforts to be made to reach out for those fund
2 raising efforts.

3 MS. CLINGAN: Could I speak for just a minute? We
4 have consciously created a backdrop, a PR backdrop. One of
5 the small grants we got was to hire a PR person we pay very
6 little to, but we have really made an effort in Oregon, and I
7 brought a package of material I can leave with you. There
8 have been 70 or 80 articles over the course of this campaign
9 that have reached people all over the state, and some of them
10 nationally.

11 And, doing that sort of level of education has
12 really been an essential factor. We would never have raised
13 a million and a half dollars. We would never have made this
14 a Main Street campaign. It's bipartisan. There's at least
15 as much Republican support as Democratic support. And having
16 that sort of happen at the national level for programs to
17 hook into, if you want to know sort of how to assist them,
18 that is a backdrop.

19 Those articles that you can include that give
20 legitimacy to your own efforts locally as something that's
21 part of the national, sort of, operation would be invaluable.
22 And, in terms of technical assistance to programs, we have a

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 lot of ideas about what would work and what's needed if you
2 get down to that level, but those things are really important
3 in how successful a program will be if they really want to
4 take this on.

5 CHAIR EAKELEY: Bucky.

6 MR. ASKEW: Yeah, these four programs are excellent
7 examples, I think, of what's happening in the field, that
8 they would be the first to tell you that there are probably
9 dozens more programs out there with their help and on their
10 own who are doing effective jobs, also, at this.

11 And the two programs in Georgia, particularly, I
12 know are really very well structured to do this and raise a
13 lot of money. And we -- it's not facetious. We have a lot
14 to learn from them about how they do this and how we can take
15 advantage of the work they're doing.

16 Martha and I and Tom ~~S~~iegel were on the original
17 advisory board to this project, along with Brooksley Borne
18 and Joy Kramer from the ABA and Jose Padilla. So we've been
19 involved with it since the beginning. We had to resign
20 because of a conflict, now, but we know a lot about the
21 development of this program.

22 The corporation's role in this, I think,

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 originally, through the good efforts of Victor Geminiana and
2 then the southeast funded the original southeast fund raising
3 center, but then the corporation changed hands and was out of
4 the picture. And this is really a model for how an effective
5 program is developed, I think, because it has been a grass
6 roots effort, and it started with programs and built upwards.

7
8 It's taken advantage of NLADA and PAG and the other
9 national organizations, for assistance really has not been
10 driven by them, it's been driven by the field programs and by
11 people in these programs, and that's -- but the corporation
12 has not been an actor in it for the last 12 years.

13 And I think the real challenge for us and for them
14 to tell us is what our appropriate role can be in the future,
15 both to assist them from our perspective, but for them to
16 assist us as we go forward, because they can put the pictures
17 to the reality of what we need to be telling the public and
18 the Congress and the other people that we need to be talking
19 to about what it is our programs are attempting to do and how
20 effectively they are doing it.

21 We do ask programs to tell us all their sources of
22 funds, and we collect a lot of data about numbers, but we

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 don't take the second step, which is ask them what sort of
2 programs they're doing in this area, how we can learn from
3 them, I mean, how we can assure the Congress, "Yes, programs
4 are doing this; we're not just asking only the federal
5 government to support this."

6 CHAIR EAKELEY: I started my speech to the
7 southeast region project directors association in New Orleans
8 the other month with "I'm from the Legal Services
9 Corporation. I'm here to help you." But it's --

10 MR. ASKEW: You got to cheer, right?

11 CHAIR EAKELEY: No, it's sort of a bewildered look,
12 I think, more than that. But we do have to be asking the
13 question, how can we help better, notwithstanding the
14 limitations on our resources.

15 MR. WARD: I think that what Linda said was
16 probably the most accurate description of what you could do
17 right now, is really try to bring an influence to bear on
18 other sectors of the funding community, such as the corporate
19 philanthropy world, the private philanthropy world, the
20 American Bar Association, the attorney support which is
21 critical to ourselves, our natural constituents. I think, if
22 you're able to do that, you're able to be able to say that

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 you people have to join with us and help us meet the goal.

2 Raising people's consciousness on that level would
3 be very, very helpful.

4 CHAIR EAKELEY: Now, for that we need a
5 communications strategy and capacity, but we're with you
6 there. And, we're with you there across the board, but thank
7 you very much for coming. Are there any other questions?
8 We're running behind time again, but this was very helpful.
9 There was no reason to be nervous, you're extremely
10 effective, Mr. King, we appreciate you're coming up, and
11 we'll be back in touch, but stay in touch with us too,
12 please, and let us know how we can do better.

13 MR. BROOKS: Thank you all for your time. Thank
14 you for what you're doing for us, too.

15 CHAIR EAKELEY: Linda Rexer and -- Bob, are you
16 coming up, too, or are you going to --

17 PRESENTATION BY LINDA REXER, PRESIDENT

18 NATIONAL ASSOCIATION OF IOLTA PROGRAMS

19 MS. REXER: Thank you for allowing us an
20 opportunity to talk to you, make a brief presentation about
21 IOLTA, today the IOLTA community. I'm Linda Rexer, current
22 president of the National Association of IOLTA programs, and

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 that is a membership organization which includes virtually
2 all of the IOLTA community, that is 50 states and the
3 District of Columbia in the U.S., and also a number of
4 Canadian programs with me.

5 I'm trying to time this so Ann's back for the
6 introduction, with me to help answer some questions, although
7 they won't be making a presentation. As a former president
8 of the National Association of IOLTA Programs, Bob Rudy, and
9 also he is executive director of the Maryland Legal Services
10 Corporation, and Ann Bartsch, who is a former chair of the
11 Americans Bar Association Commission on IOLTA, and general
12 counsel for the Oregon bar and, with responsibility for
13 overseeing IOLTA.

14 In my other life, I am executive director of the
15 Michigan State Bar Foundation, and I bring you greetings in
16 case you're having second thoughts about having gone to
17 Detroit. It is also 92 degrees and humid there, so we are
18 fine here.

19 NAIP's -- just to tell you what NAIP is, briefly --
20 NAIP's mission is articulated thusly: "To enhance legal
21 services to the poor, and the administration of justice,
22 through growth and development of IOLTA programs as effective

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 grant-making institutions that provide a major source of
2 funding and support for legal services to the poor," and
3 also, to a much lesser degree, to various administration of
4 justice causes, as well.

5 NAIP is one of two national organizations devoted
6 to IOLTA, the other being the American Bar Association
7 Commission on IOLTA, currently under the able leadership of
8 Doreen Dodson of St. Louis. And NAIP works very closely with
9 the ABA through a structured relationship with the
10 Commission.

11 The Commission has also been very important to
12 developing and maintaining IOLTA in the last decade or so,
13 and I won't take time to log their praises, but I commend you
14 to learn more about them as well, at some point. I also know
15 that you have received information in the past about the
16 status of IOLTA and its history, and so I will try not to
17 repeat that. I really want to just say two things today,
18 talk about two things.

19 One is to discuss some of the ways, really beyond
20 the funding, the direct money aspect of IOLTA, in which the
21 IOLTA community and NAIP, has been a force in supporting
22 legal services to the poor. And secondly, to underscore our

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 interest in maintaining a dialogue with the Legal Services
2 Corporation, and offer some thoughts and solicit your
3 thoughts on ways that we can work together toward what is
4 really a common goal of assuring the client community's
5 access to equal justice.

6 Just briefly, by way of summary, in the past decade
7 IOLTA has provided more than \$700 million to support civil
8 legal services for the poor. And it has also given other
9 support. I should say that, of that 700 million, that a
10 great deal of that, perhaps 60, 70 percent, has gone to Legal
11 Services Corporation funded programs.

12 But, the IOLTA community also has provided a
13 variety of other support as it has evolved and grown in
14 sophistication in the last decade or so. Among that, its
15 technical assistance, advocacy, nurturing some innovations,
16 protecting the IOLTA resources that we have, the money,
17 leadership -- I think some important leadership for alternate
18 fund raising development, and funding -- providing funding in
19 some areas for which LSC dollars were restricted.

20 And I want to give just a couple of quick examples
21 in a couple of those areas, so that you have a sense of the
22 scope of our work. In the area of developing resources, I

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 feel very fortuitous to have followed the fund raising group
2 in all of their wonderful work, because we have made some
3 connections with them, and also our own efforts along the
4 lines of developing additional resources.

5 To talk about what they talked about, first,
6 though, the IOLTA community has provided some leadership in
7 leveraging and developing private fund raising in a number of
8 ways. Some of those include: direct grants for grantees to
9 pursue fund raising training or staff training of grantees in
10 fund raising -- that is, funding that.

11 Several of the large states have taken the
12 initiative to convene the rest of the philanthropic
13 community, either by groups, such as community foundations
14 for -- just a general range of foundations to educate them
15 about the need to support legal services as one funder to
16 another.

17 Other states -- and you've already heard about
18 this -- have established their own groups, such as in Oregon,
19 in which the IOLTA community has participated as an advisor
20 or helper or funder. That's also true in Washington State.
21 There are some states -- New York, notably, and also in Bob's
22 state -- where the IOLTA funder acts as a broker.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 There's a role that is played among the funding
2 community. When needs are identified by the IOLTA funder for
3 which resources do not exist there, the relationships that
4 are there allow encouraging other support for those needs,
5 even just something as simple as sending an application that
6 you can't process to someone who can.

7 And so, I think that range of things has developed.
8 Also, there's some real leadership that has happened in
9 various states, by the IOLTA folks, to promote and obtain
10 filing fees funds, a significant source of money for civil
11 legal services to the poor, some state funding, and in some
12 half dozen states, the administration of those dollars for
13 legal services grants is placed with the IOLTA administrator,
14 I think in recognition of the experience of that community in
15 handling those dollars and the relationships with those
16 grantees.

17 You're well aware of the types of technical
18 assistance that are needed, and there's certainly a range of
19 that that has happened from the IOLTA community. One
20 innovation that is an example is the computer-assisted
21 referral system in Illinois, where the IOLTA funder and
22 various local funders gathered the dollars in order to

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 develop a centralized referral system for all of Cook County.

2 And I think those kinds of things involve, on a
3 regular basis, the leaders in the IOLTA programs.

4 Restrictions, for example -- grantees have used, been able to
5 use, in the last decade, some IOLTA dollars for such things
6 as legislative advocacy, immigration counseling, or perhaps
7 the other needs of non-citizens.

8 There of course are some restrictions in some of
9 the IOLTA states about what those dollars can be used for,
10 but I think it's accurate to say that, in general, the IOLTA
11 community has tried very hard to keep the same arsenal of
12 weapons open for the client community as would exist for
13 anyone who could pay for legal services, and has minimized
14 those restrictions to a great deal.

15 The last area is really advocacy, which, I think,
16 Chairman Eakeley expressed very well. And that is, when you
17 are involved in showcasing the work of the grantees and
18 educating various audiences and constituencies, we are all
19 building on the base of support which benefits us all.

20 And the IOLTA community is particularly attuned to
21 that, perhaps with a different nexus, because of the local
22 focus, that is, being state-based, there certainly is a

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 different set of audiences which we work with regularly, and
2 maybe the best way to illustrate that -- and I don't know if
3 you would be aware of this -- the IOLTA programs boards of
4 directors, to a great extent, are filled with very high level
5 bar leaders in the states in which those programs exist.

6 And relationships with bar leaders and people in
7 the profession are very good, and have been built over a
8 period of time. The staff in IOLTA programs, the executive
9 directors in particular, bring a lot of depth, also, to their
10 work. Many of them -- and you might see on the orange sheet
11 in front of you -- there are some names there you may
12 recognize, because many of these people have been leaders in
13 NLABA and PAIG and various aspects of the legal services
14 community.

15 They may have field experience themselves, and that
16 level of depth allows us to, in our close relationship with
17 grantees, to help have this capacity to identify needs, and
18 also to respect the strength that is in the field, to really
19 understand it with the depth -- we know, from our experience,
20 that there is a steep learning curve sometimes, in order to
21 have the depth to make good decisions about legal services
22 grants and funding, and I particular commend the Board for

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 seeking input from such a variety of people so that you can
2 inform yourself toward that end.

3 As you may know, IOLTA resources have dwindled in
4 recent years, because of the decline in interest rates. I
5 can just give you a quick example of to what extent. The
6 total funding for legal services in the year 1992 was about
7 \$150 million, I believe, whereas this year it is projected at
8 under \$100 million.

9 Now, that is an unfortunate drop, but we're pleased
10 to see some interest rates going up, and the IOLTA community
11 has not been passive about this at all, working diligently
12 with bar leadership and with banks in order to maximize the
13 income that we might be able to get even in a low interest
14 rate environment. There have been many successes around the
15 country in getting huge banks to waive all kinds of service
16 charges.

17 The dollar amount of the contribution is
18 staggering, and I'm sorry I don't have the figures, but that
19 also plays into our advocacy in communities, because there's
20 a range of people outside the profession whose support is
21 essential to these dollars. And all of the education about
22 the fine work going on in the legal services community is

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 important beyond just the bar and the IOLTA program.

2 NAIP, in particular, as an organization of IOLTA
3 programs, has played a couple of special roles that I want to
4 mention -- networking as sort of a general ruberg under which
5 it might fall -- we have, several times, worked aggressively
6 to get the word out to all of our members about the need to
7 contact representatives from Congress, et cetera, when issues
8 regarding LSC reauthorization and appropriation have come up.

9 We have done it in various other ways, also, in
10 response to legal challenges around the country to IOLTA, all
11 of which have been successfully deflected. Periodically,
12 other diversion attempts, once -- in any deep pocket
13 situation, someone also always figures out a way to try to
14 come after the money. And so this network is particularly
15 effective, and we have worked, also, closely with the ABA on
16 these efforts.

17 And, I would just say to you that it exists, and
18 is, perhaps, something you might consider -- remember that
19 does exist, because we might be able to assist with
20 dissemination of information and material, and I think that
21 any way in which communication is needed with the field, I
22 would be just pleased to see if NAIP could assist with that.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 I do want to mention another area in which NAIP, as
2 an organization, has worked, and that is in undertaking
3 initiatives to explore certain need areas. I'll give you one
4 current example, although there have been several over the
5 years.

6 We have a group currently exploring the replication
7 of innovation in legal services, and some private funding to
8 develop the ideas along that line. We have a little task
9 force whose acronym is ripples -- R-I-P-L-S, for Replication
10 and Innovation in Legal Services.

11 It is just being developed, it's probably
12 consistent and maybe overlaps with some ideas that you're
13 exploring, but we are able to tap this network of nationwide
14 funders who all have depth in what kinds of things legal
15 services programs are doing in innovations.

16 And we have noticed from our experience in dealing
17 directly with all of our grantees, that even though we have
18 an information network about good things going on, we don't
19 necessarily have the support to help each other benefit from
20 those, but we're trying to look at ways in which NAIP as an
21 entity has a mechanism -- can facilitate that, and we're just
22 starting to do that.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 The orange sheet that you have is just for your
2 information, to let you know that another thing that we have
3 done is to try to structure internally, just for ourselves, a
4 way in which our members can stay abreast of the many, many
5 things at the fast pace you all are doing them, and exploring
6 issues that are of great interest to our community, as well.

7
8 And I think I wrote to Martha a while back and sent
9 this along to her, but I wanted you to see that we have a --
10 quite a focus from our group on the areas that you're working
11 on, because we also work on them at the state level, and
12 because they intersect with what we do.

13 And, along those lines, I'd like to commend the LSC
14 staff and others for reaching out to the IOLTA community.
15 There have been, already, any number of people from the IOLTA
16 community participating in the delivery working groups and in
17 various ways of input on these issues that you are working
18 on.

19 There have been some wonderful, not so obvious
20 ways, such as -- just being put on the mailing list has been
21 a great thing. We are uniquely positioned to sort of
22 identify resources that might be leverage. I believe, for

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 the law school clinical program, the RFP went to a lot of
2 IOLTA funders who were in a position to encourage people to
3 look at it.

4 That is the kind of thing -- and I guess, just to
5 wrap it up here -- enhancing communication is of great
6 interest to us, and I have just a couple of specific thoughts
7 about ways in which we might help each other as we work
8 toward these common goals.

9 I know you're still in the throes of transition and
10 identifying structures by which to work, but perhaps the
11 Board or LSC could consider institutional -- we could
12 consider a way of institutionalizing communication between
13 NAIP and/or the IOLTA community and LSC by a liaison position
14 or something, just to keep in mind as you continue along
15 thinking about the mechanisms that you have in place.

16 I think that the chairman's remarks about
17 advocating broadly in various communities, wherever you are,
18 is well placed. The moral authority that you have can be
19 brought to the bully pulpit whenever it's appropriate when
20 IOLTA is threatened in a locale, or when you happen to be
21 speaking to bar leaders in a state where the IOLTA folks may
22 be trying to convert from a voluntary program to the much

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803
WASHINGTON, D.C. 20006
(202) 296-2929

1 more lucrative mandatory program.

2 And I think, lastly, just as a suggestion, that
3 whenever the opportunity presents itself to join forces in
4 meetings, and in sessions where we can share and learn from
5 each other the experience and expertise of the IOLTA
6 community can be tapped and vice versa, that we should do
7 that.

8 And, along those lines, the meetings in New Orleans
9 of the ABA the first week in August will include IOLTA
10 workshops, which are listed on the blue pages that you have.
11 And, I'm happy to say that a number of the Board and staff
12 are going to participate in our workshop for which we're
13 devoting the better part of the day on emerging LSC issues
14 and their impact on IOLTA programs. That's an important
15 discussion, as are any other kinds of discussions like that
16 that can be arranged.

17 The IOLTA community, in filling kind of a void in
18 the last decade and encouraging the improvement and
19 enhancement of legal services, and doing its own brand of
20 evaluation, for example, along those lines, has developed
21 systems for helping grantees to improve what they're doing.

22 And you're also working on the same thing. And it

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 may be that there's a way, as long as our communication is
2 good and regular, that we don't duplicate, that we learn from
3 each other or we -- what you decide to do will have a
4 definite impact on what the IOLTA community does. And we
5 need to be aware of that and learn about it.

6 So I guess soliciting your ideas on how we might
7 work together is sort of my last point -- well, not really, I
8 guess I'd like to just thank, on behalf of the IOLTA
9 community and NAIP -- thank all of you, Mr. Chairman, Mr.
10 President, and all of the transition team and the staff --
11 for your efforts to strengthen LSC and for your work for the
12 equal justice community, and pledge to you that our support
13 and our assistance will continue.

14 CHAIRMAN EAKELEY: Well, thank you very much. I
15 think we recognize, but sometimes don't appreciate as much as
16 we should, the wonderful partners in this common cause we
17 have in the IOLTA community, and I just made a little listing
18 of the things you do that we do that we could do better
19 together, including networking delivery assistance and
20 evaluation, audit and compliance and advocacy.

21 Julie Clarke would never forgive me if I didn't ask
22 you this question: We have a crisis presented on the floor

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803
WASHINGTON, D.C. 20006
(202) 296-2929

1 of the Senate on Tuesday. Do you think your network --

2 MS. REXER: Monday morning.

3 CHAIRMAN EAKELEY: All right.

4 MS. REXER: I made a note.

5 CHAIRMAN EAKELEY: Thank you very much for that.

6 Are there any questions? And I apologize for not being
7 available the week of the ABA convention, because I very much
8 would have liked to have attended your workshop sessions, as
9 well, but we're going to be out of the country, as I think I
10 wrote you. But hopefully you'll have better participants, in
11 any event.

12 MS. REXER: We would have enjoyed having you there.
13 I hope there will be another opportunity. In addition to
14 questions, I'd like to ask if either Ann or Bob has anything
15 to add.

16 MS. BARTSCH: I have nothing to add.

17 CHAIRMAN EAKELEY: Two minutes, Bob.

18 MR. RHUDY: Twenty seconds. You've been talking
19 about fund raising this morning. I think I'd just point out
20 that state-generated public funds, if you include IOLTA as
21 public funds, has been a major growth area since 1981. The
22 funding has gone from about \$10 million annually to about

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 \$150 million annually.

2 And you are fund raisers with Congress at the
3 national level, we are fund raisers at the state level, not
4 only IOLTA, but the filing fee, surcharges, general revenue
5 funds and other approaches. We are looking forward to
6 working with -- many of us are starting to work with the fund
7 raising project. They specialized, in the past, in private
8 funds; we specialized in state public funds.

9 I think there's an excellent partnership that we
10 have, working together, to help increase the level of funding
11 for legal services. President Forger talked about the family
12 of organizations and individuals across the country that are
13 involved in increasing access to justice. We would encourage
14 you and invite you to consider us part of the family, and we
15 would like to work together in this mission.

16 CHAIRMAN EAKELEY: I think we don't need a lot of
17 encouragement, but I think we need reminding, at times. And
18 I'm not quite sure what you meant by an institutionalized
19 liaison, but I'd like to encourage management to give some
20 thought to how we can make sure that we don't need as
21 frequent reminding of our friends and support. Ernestine.

22 MS. WATLINGTON: Well, I guess I'm also a part of

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 that. I'm also on our state board of IOLTAs, I've always
2 recognized the importance that IOLTA played in bringing more
3 funds to our client community. So I am a supporter, as you
4 know, and still is, to Al Azen, who is our director, so this
5 is one board member that is very much aware of what IOLTA can
6 do to assist in the legal services program.

7 MS. REXER: Thank you. I'm not sure what I meant
8 by institutionalized liaison, either, but just thinking about
9 the structures that will accommodate, facilitate more regular
10 and specific communication, I think, will benefit everybody.

11 The white page that you have is an agenda for the
12 National Association of IOLTA Programs meeting in New
13 Orleans, and any of you who may be available during that
14 time -- I think it's August 5th -- please come by, we would
15 love to have you.

16 The following morning, August 6th, is the meeting
17 of the American Bar Commission on IOLTA, which will be held
18 at the Hotel Intercontinental in New Orleans, starting at
19 9:00 a.m. And if you're in New Orleans and can come to that,
20 please do.

21 CHAIRMAN EAKELEY: I noticed you've got just a --
22 almost comprehensive set of NAIP liaisons, and your

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 participants in the delivery working group, as well, I
2 believe.

3 MS. REXER: Yes.

4 CHAIRMAN EAKELEY: But you've got private attorney
5 involvement, monitoring, evaluation and reauthorization
6 regulations, but curious in its absence is appropriations.

7 MS. REXER: Yes, it is. We think of
8 reauthorization and appropriations together, those -- the
9 people on that work team are taking that approach. The label
10 is not so good, not so comprehensive.

11 CHAIRMAN EAKELEY: Okay. Any other questions?
12 We'll develop some follow-through from this meeting.

13 MS. REXER: Great, great.

14 CHAIRMAN EAKELEY: This is just very helpful, and I
15 appreciate your coming in and being with us today. And I'll
16 miss you in August, but I know we'll see you again soon.

17 MS. REXER: Thank you very much.

18 CHAIRMAN EAKELEY: Thank you. By the way, we have
19 lunch that's not ready but can be at some point. My
20 inclination would be to work straight through and then have
21 lunch when we're concluded. We may be done by 1:15 or so,
22 and, instead of taking the time, because we lose time

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 recessing and reconvening, if everyone is willing to sit
2 through and take a quick individualized break when needed, I
3 would propose that we push ahead. All right?

4 Bill, we've got -- the next two items, Consider
5 Proposed Changes to the Bylaws and Consider and Act on
6 Operations and Regs Committee Report, and I understand you're
7 going to be doing the Ops and Regs Committee report as well.
8 Do you want to just fold into that report the proposals for
9 the bylaw revisions, as well?

10 MR. McCALPIN: I'll be glad to, and I think it
11 might be easier to take them in reverse order. At its
12 afternoon session yesterday, the Operations and Regulations
13 Committee concluded its work on regulations 1608 and 1621,
14 authorized the publication of the proposed amended
15 regulations following circulation of the drafts to the other
16 members of the Board, giving, pursuant to our procedure, the
17 other members of the Board an opportunity to interdict the
18 publication in the Federal Register if there is a serious
19 problem which ought to prevent publication that cannot be
20 rectified when the regulation, after publication, after the
21 comment period, after reconsideration of the comments by the
22 Operations and Regulations Committee, ultimately comes back

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803
WASHINGTON, D.C. 20006
(202) 296-2929

1 to this Board for final approval.

2 So, it's a preliminary step, but in order to give
3 the Board an opportunity to have a voice, should it want to
4 do so, the amended proposed regulations will be circulated to
5 the Board for a period of 10 days before publication in the
6 Federal Register. Publication in the Federal Register will,
7 as the process is developing, be for a period of 60 days, so
8 that, presumably, the publication will be in the next couple
9 of weeks.

10 Probably the comment period will end about the
11 first of October, and we will then be in a position to
12 consider the comments and come back.

13 CHAIRMAN EAKELEY: Bill, excuse me, just on that
14 point -- will we be giving courtesy copies of that proposed
15 publication in advance to our congressional oversight
16 committees?

17 MR. MCCALPIN: I don't think so.

18 CHAIRMAN EAKELEY: Might we consider doing that, or
19 just say, "We've submitted this for publication in the
20 Federal Register," just to give them a --

21 MR. MCCALPIN: I don't think we have done that in
22 the single past instance with 1607, but, again, they go in

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 the Federal Register for publication and for comment, but we
2 can, as a courtesy --

3 CHAIRMAN EAKELEY: I just -- everything -- we were
4 talking about this yesterday in the context of just -- if
5 we're not reorganizing OPEAR and OPS, but making some changes
6 and adopting a concept of a program officer, let's write to
7 our oversight committees anyway, to let them know what we're
8 doing and considering, and take every opportunity we can to
9 enhance and increase the communications between us and the
10 oversight.

11 MR. McCALPIN: We haven't done that in the past,
12 have we?

13 MR. FORTUNO: No. The reprogramming requirement
14 doesn't --

15 CHAIRMAN EAKELEY: I'm not talking about
16 reprogramming, I'm talking about communicating.

17 MR. FORTUNO: We haven't communicated in that
18 precise fashion in the past. There's nothing that would
19 preclude us from doing so, and certainly we could do so.

20 CHAIRMAN EAKELEY: I would think that it's an
21 appropriate step to take, it tells people we're there trying
22 to do some work and work in the right direction.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 MR. McCALPIN: Well, in that connection, let me say
2 to you that Martha advised this morning that yesterday there
3 came a telephone call from --

4 CHAIRMAN EAKELEY: John Osthaus asking questions
5 concerning our amendment of the bylaws with respect to
6 removing them from the regulations, and the publication in
7 the Federal Register, which will be responded to on Monday.
8 In addition, we are told that staff has received two comments
9 on 1607, which was published a while back, and for which the
10 comment period is still running.

11 We will be in a position to consider those and
12 other comments at the next meeting of the Operation and
13 Regulations Committee -- which is uncertain at the moment in
14 view of the scheduling changes we've done today -- as well
15 as, at -- well, we deferred consideration yesterday on a
16 review of the revised 1611, so it is contemplated that when
17 next we meet, we will consider the comments to 1607 and may
18 be able to present that to the Board for final approval, and,
19 in addition, we will review 1611 preparatory to authorizing
20 that to be published -- circulated and published for comment.

21 We were advised yesterday that there are at least
22 two other regulations which the working group is prepared to

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 give us. The idea was that, as of yesterday, we would try to
2 finalize 1607 and do the necessary preliminary work on 1611
3 in September. We would take up the other two at an extended
4 session in October.

5 CHAIRMAN EAKELEY: What do the other two address?

6 MR. McCALPIN: The other two are which, Linda?

7 MS. PERLE: 1604, which is outside practice of law,
8 and 1609, which is fee generating cases, attorneys' fees --

9 CHAIRMAN EAKELEY: What is 1611?

10 MR. FORTUNO: Eligibility.

11 MR. McCALPIN: Eligibility -- 1611 is eligibility,
12 and we have -- there are some problems which have arisen in
13 connection with the consideration of that regulation. That
14 plus the time that it took on Wilkinson yesterday prevented
15 our considering 1611 yesterday.

16 CHAIRMAN EAKELEY; What's the schedule for reaching
17 private attorney involvement?

18 MR. McCALPIN: There is no schedule. Nor is there
19 a schedule for 1622, to which I will refer in a few moments.

20 CHAIRMAN EAKELEY: Okay, well, tell us what --
21 tantalize us -- don't tantalize us. Tell us what 1622 is.

22 MR. McCALPIN: Sunshine.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 CHAIRMAN EAKELEY: Okay, okay. Why is there no
2 schedule for PAI?

3 MR. McCALPIN: Well, I guess, basically, we have
4 been content up to this point to be satisfied with an early
5 scheduling that was given to us December or January about the
6 process which the working group would follow in reviewing
7 various regulations and bringing them to our attention. And
8 we are still following the schedule which they set out for us
9 six months ago.

10 Now, it may be that we need to change that
11 scheduling. Linda, is there any present contemplation of
12 consideration of 1614?

13 MS. PERLE: There has been, all along, continued
14 consideration on 1614, and as you may know, one of the
15 delivering working groups is working more generally on the
16 question of PAI, but is also considering -- a subgroup of
17 that group is also considering the PAI regulation, and we
18 have had several telephone calls of that group.

19 We plan to reconvene the PAI subgroup shortly, and
20 we are definitely working on PAI and will continue to work on
21 it. We will get something to you as soon as possible.

22 CHAIRMAN EAKELEY: Well, then, we -- I find it

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 difficult to consider going into yet another fiscal year, and
2 indeed coming up to our first anniversary, without having
3 acted on PAI.

4 And I know all -- I mean, there's an enormous -- a
5 lot of work in all these other things, but the fiscal issue
6 involved with PAI and whether this Board should merely, by
7 inaction, commit to a mandatory set aside without evaluating
8 where that \$60 million is going or how well it's spent, or
9 whether or not there's a better way to do it, or whether we
10 can be more flexible in it in conjunction of the adoption of
11 performance criteria and something functionally equivalent to
12 a peer review process, while maintaining and hopefully
13 enhancing our wonderful working relationship with the
14 organized bar, it is troublesome.

15 I just don't -- it's a stewardship function. I
16 don't think we can wait for a consensus to emerge from the
17 field on how funds that are entrusted to us should be used.

18 MS. PERLE: I think the delivery working group,
19 particularly, has been considering all of those same issue,
20 and our hope is to have something for you to consider later
21 in this year, hopefully, and -- or early next year.

22 CHAIRMAN EAKELEY: Well, can we get it in -- we're

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 meeting late in September. Can we get something in
2 September? I mean, even when we get it, we have to consider
3 it and then we have to circulate it and then we have to
4 publish it, and there's -- 60 days later it comes back -- if
5 it's not in September, we're not going to see it happen in
6 1994.

7 MR. McCALPIN: Even if we see it in September, it
8 won't happen this year --

9 CHAIRMAN EAKELEY: Yes, but I mean, that's -- we'll
10 be halfway through our term, and we haven't dealt with this
11 single, relatively straightforward issue. I know it's
12 complicated, but it's still straightforward. I don't mean to
13 be -- just -- I think I took some of Alex's medicine this
14 morning, but --

15 (Laughter)

16 MR. FORGER: I have some more.

17 (Laughter)

18 CHAIRMAN EAKELEY: I just can't -- I'm punching --
19 I feel like I'm inside a bag, and I'm punching, and it's
20 just -- does anyone else share my frustration?

21 MS. FAIRBANKS-WILLIAMS: I do.

22 MR. FORGER: Let me address it from the -- at least

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 my perception, the organized bar's point of view. This is
2 probably one of the most sensitive issues that this group
3 will deal with. I'm an advocate of PAI, maybe it ought to be
4 15 percent or 20 percent or 2 percent.

5 I realize that one needs an analysis as to how well
6 it's being expended, and there isn't a single uniform way of
7 approaching it. I just think it takes a whale of a lot of
8 attention, more than we would be able to give it in 60 days
9 or 90 days. And my own timetable was, if we had something in
10 place for the Fiscal Year '96, we would be doing
11 extraordinarily well.

12 So, of all of the things we're juggling, Mr.
13 Chairman, I don't think we should feel defensive about not
14 having a position yet on PAI, but certainly looking to it.

15 CHAIRMAN EAKELEY: I don't feel defensive, I feel
16 impatient.

17 MR. MCCALPIN: I would remind the Chair that some
18 responsibility in this area has been delegated to the vice
19 chair of the Board, with whom I have had some discussions and
20 communication about some surveys which were conducted in
21 prior years, leading to, I thought, the intention of the vice
22 chair to initiate some sort of a survey again.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 Now, it seems to me that's another time-consuming
2 matter. So far as I know, that's not on the Board's yet.

3 CHAIRMAN EAKELEY: No, I had asked Nancy, in part,
4 to keep an eye on the delivery working group process for the
5 Board, and also to consider some of these things, but we
6 haven't had a chance to discuss it.

7 MS. PERLE: The delivery working group -- subgroup
8 on PAI, which has another subgroup, met by telephone
9 conference call this week, where we discussed what
10 information might be available currently within the
11 corporation that can be gleaned primarily from refunding
12 applications.

13 And, Martha was part of that call, and I think that
14 there is a sense that there is a lot of information which, if
15 we have the -- if someone took the time to actually look at,
16 and figure out what was there and how it could be accumulated
17 and entered into an appropriate database and massaged, that
18 we could really think that we do have a lot of information
19 that is available that just hasn't really been worked through
20 yet.

21 CHAIRMAN EAKELEY: Martha.

22 MR. McCALPIN: But there is a whole area of that

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 information which is lacking, and that is the necessary
2 inquiry to the bar.

3 MS. BERGMARK: Well, I think that's obviously true,
4 and the tricky part, I think, for the corporation, is that
5 there are two tracks to the issue of PAI that we're on. One
6 is a regulatory track, and we deal with the history and a
7 whole set of baggage, and quite a sort of volatile,
8 provocative situation from a lot of different perspectives
9 that we cope with from a regulatory posture.

10 And then there's the issue of private attorney
11 involvement as a delivery -- as a mechanism for delivering
12 legal services. And the fact that we've had to mush all that
13 into the regulatory debate is a problem, and I don't --

14 CHAIRMAN EAKELEY: But that's why I saw the
15 delivery working group really helping us extricate those
16 issues from the regulatory working group.

17 MS. BERGMARK: We have certainly discussed that,
18 and we're trying for that. And we're certainly trying to
19 reach out to all the different communities that care
20 intensely about how we resolve this issue. So, I think we
21 will have a proposal for doing that by the fall, but I think,
22 as both Alex and Bill point out, we have spent 12 or 14 years

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 getting ourselves into this one, and it, I'm afraid, is going
2 to take us more than just 60 or 90 days to get us out.

3 CHAIRMAN EAKELEY: Well, I don't want to put
4 anybody on the defensive about this; nor do I want my own
5 expressed sense of impatience to be mistaken. I agree that
6 PAI is incredibly important, as is our relationship with the
7 organized bar. And I just want to make sure that we focus on
8 the very important cluster of issues.

9 And if it is the case that it takes that much
10 longer to do, then we'll have to adjust our expectations, but
11 I think what I'd like to ask for by September is what I've
12 already asked for: a strategic plan for PAI, delivery
13 issues, regulatory and funding issues, so that we know that
14 in six months we can expect the regulatory program or the
15 delivery issues or the performance criteria, just -- I'd like
16 to see how it's coming together.

17 I would not like to see more months elapse where
18 we're told, "We're working on it, we're not going to tell you
19 what we're working on," or "We're still working on it; the
20 Board can't do anything because we haven't given it to you
21 yet." Is that fair? Is that okay?

22 MS. PERLE: Yes, I think so. I think the thing

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 that we're most concerned about with respect to the
2 regulatory framework is that we don't want to put in place
3 anything that's really going to hamper our ability to go
4 forward on delivery issues, and it's sort of a difficult
5 balance -- to figure out where to strike that balance, but I
6 think that we could certainly give you some kind of -- if not
7 strategic plan, at least a real sense of where we're going,
8 and --

9 CHAIRMAN EAKELEY: I think I'd like the -- I would
10 like, I think, as input for Bucky's sort of committee's
11 challenge for a September meeting, to have the delivery
12 working group, regulatory working group and management's
13 input in terms of a feasible strategy and timetable for
14 dealing with these very important issues.

15 MR. FORGER: And it might be, Mr. Chairman, that we
16 would take it off the regulatory agenda until we finish with
17 the working group and the other substantive review.

18 CHAIRMAN EAKELEY: Yes, okay. Okay. Bill, that's
19 a long detour, I apologize, but --

20 MR. McCALPIN: It's all right. On the issue of the
21 bylaws of this organization, this Board has already taken two
22 actions with respect to the bylaws. The first was to remove

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 them from the Code of Federal Regulations, in order that we
2 would not have to go through the long, involved process,
3 dealing with changes in regulations, whenever we wanted to
4 change a bylaw which affects our internal operating
5 procedure.

6 The second change that we made was the one that I
7 referred to a few moments ago. We amended 1601.45, the
8 amendment provision, to take out of the amendment process the
9 necessity of publishing in the Federal Register. That was
10 given reprogramming action, as a result of which we got the
11 telephone call yesterday, which turns out to be out of time
12 as far as the reprogramming procedure is concerned, which
13 will be responded to in good faith, nonetheless.

14 With those two actions behind us, the Operations
15 and Regulations Committee turned to an intensive review of
16 the bylaws as they have existed since the beginning of the
17 corporation with some interim amendments over the years.

18 I can't remember whether it was the April or the
19 May meeting at which we finally did it, but we made some --
20 we've reviewed the draft as it was before us. At that time,
21 we made some proposed changes in it, and those proposed
22 changes came to the Board in this document dated June 9, for

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 our consideration at the June board meeting.

2 Because of the press of other business, the action
3 on the amended bylaws was not taken up at that time, and was
4 deferred to this meeting. The fact that we got this amended
5 version on the 9th of June -- actually, it's dated the 9th,
6 we got it a few days thereafter, which was only a couple of
7 days before the June meeting, really prevented a careful
8 examination of the document before the June meeting.

9 Such an opportunity was, however, available between
10 the June meeting and this meeting. That opportunity resulted
11 in suggestions of a number of amendments to the bylaws as
12 they were circulated prior to the June meeting.

13 The Operations and Regulations Committee considered
14 those proposed amendments at length yesterday, and acted upon
15 each one of them, preparatory to recommending the adoption of
16 the amended bylaws to this Board today. Although -- and the
17 changes, as approved by the Operations and Regulations
18 Committee yesterday, are contained in this document, two
19 versions of which were circulated to you this morning. They
20 are called Proposed Amendments to the June 9, 1994 Draft of
21 Proposed Revisions to the Bylaws as adopted yesterday.

22 Now, the reason for the second circulation with a

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803
WASHINGTON, D.C. 20006

(202) 296-2929

1 "revised" written on the front of it is that, inadvertently,
2 a provision was omitted on page 4 of what was passed out to
3 you this morning, and I will come to that in just a moment.
4 But the only change is under 6.09 on page 4. Aside from
5 that, the second circulation today is exactly the same as the
6 first circulation of today, which you may or may not have had
7 an opportunity to read.

8 Now, there are, I think by count, what looked like
9 an ungodly number of amendments to the June 9 document.
10 Actually, I think by count there are 21. Most of these have
11 to do with the correction of a word here and there, the
12 moving of a phrase, the elimination of a phrase, or, in a
13 couple of instances, clarifying what were obviously some
14 transposition changes in the earlier document which didn't
15 make any sense.

16 There are only three significant amendments here
17 which involve matters of considerable substance or, indeed, a
18 policy decision, and I would like to refer to those three
19 with just a little bit of attention.

20 The first is section 3.04, which is at the bottom
21 of the first page. It amends what was 1601.10 of the old
22 regulation. And this comes about because of the Wilkinson

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 decision. You will recall that in the Wilkinson decision,
2 twice there was reference to the so-called statement of
3 willingness to serve, with the implication that somehow or
4 other that related to the qualification of directors to serve
5 on this Board.

6 Legal research in the meantime has developed the
7 fact that the law generally is to the effect that appointed
8 and qualified -- qualified basically means appointed and
9 confirmed. Confirmed is a misnomer, really, because the
10 Senate doesn't confirm, they give their advice and consent.
11 And it's complicated a little bit further by the fact that
12 throughout all history, members of this Board have been
13 administered and subscribed the oath of office.

14 So, it looks like that there -- if you look at it,
15 there may have been four conditions for qualification:
16 appointment, Senate action, taking the oath of office, and
17 executing a statement of willingness to serve. And we were
18 advised, that in connection with the statement of willingness
19 to serve, some members of this present Board did not actually
20 sign that document until sometime after the oath of office,
21 and indeed sometime after the first meeting of this Board.

22 So it seemed to us that that raised an unnecessary

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 qualification nowhere referred to in any of the case law or
2 statutes, and the result was, after considering alternatives
3 yesterday, the Operations and Regulations Committee voted to
4 recommend to you what you see at the top of the second page.
5 "A director shall be deemed qualified when he or she is
6 appointed, the Senate having given its advice and consent."

7 And it's stated that way because, if you will look
8 at the framed documents, which you received following your
9 appointment, you will see that the president sent nominations
10 to the Senate on October 21, the Senate gave its advice and
11 consent, and October 22, the president signed the
12 appointment, the Senate having given its advice and consent.

13 So, in point of fact, appointment follows Senate
14 action, which is referred to as confirmation. So, with all
15 that in mind, this was the proposed, recommended amendment
16 for qualification of a director. That's the longest
17 explanation I'm going to have to give, but a good deal of
18 work.

19 The second one is the interplay of 5.01 and 5.02.
20 5.01 has not changed from the June 9 circulation, in which we
21 proposed that the Board be authorized to appoint two kinds of
22 committees. The 501(a)(1) committee, which would exercise

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803
WASHINGTON, D.C. 20006

(202) 296-2929

1 the authority of the Board with a possible executive
2 committee, which is clearly contemplated by the statute. And
3 501(a)(2) committees which do not exercise the authority of
4 the Board.

5 Now, that one referred to all three of our present
6 standing committees. They do not exercise the authority of
7 the Board. There are different procedures in 5.01 for the
8 appointment and the constitutions of those committees. But
9 that's just background for 502(b), which is the one that --
10 I'm sorry, 502(c), which is the one that I wanted to point
11 out to you.

12 What we have provided in 502(c), consistent with
13 our act and the Sunshine Act, is that the 501(a)(1) committee
14 exercising the authority of the Board, are fully subject to
15 the Sunshine Act. What we provide in the last sentence here
16 is that all other committees may have open or closed meetings
17 as the committee determines. In other words, they are not
18 subject to the Sunshine Act.

19 I hasten to add, however, that they continue to be
20 subject to 1622, which is our regulations on open and closed
21 meetings. The particular -- and what advantage we get out of
22 this now is that, in my judgment, 1622 gives a committee the

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 advantage of the attorney-client exemption contained in FOYA
2 exemption 5, which is not available to this Board under the
3 Wilkinson decision.

4 Otherwise -- there are some slight differences
5 between 1622 and the Sunshine Act, that, one of the two to
6 which I've just referred, being, I think, the most important
7 one.

8 There's certainly no reason to believe that, in
9 practice, the situation will be any different than it has
10 always been, other than that we will not have to go through
11 the rigmarole of the voting by mail in advance and the
12 certification by the general counsel with respect to whether
13 or not the particular things comes within a -- particular
14 meeting comes with in a particular exemption of the Sunshine
15 Act.

16 It slightly, only slightly, makes the committee
17 meetings easier to handle. I would not contemplate that it
18 would change what's closed and what's open to any significant
19 degree.

20 The third and last significant change is in 6.09.
21 Actually, you have to take into consideration the amendment
22 of 6.01, as well. 6.01 lists the officers of the

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 corporation, and it lists among the officers the controller.
2 6.09 spells out the duties of the controller. The intent --
3 the thrust of the amendment is to eliminate the controller as
4 an officer of the corporation. That's the 6.01.

5 Then, we delete the old 6.09 in its entirety,
6 referring to the controller, and substitute the new section,
7 which you see there and which -- I have handwritten the title
8 of the other section; it will be called "Other Officers."
9 And it spells out the ability, in conformity with the
10 statute, of the Board's -- the Board's ability to name other
11 officers.

12 The chair of the Ops and Regs Committee advised us
13 yesterday that she had recently had occasion, on behalf of a
14 client, to research the issue of whether a controller is
15 normally considered as an officer of a corporation, and her
16 conclusion was that, in law, it is not usually considered an
17 officer of the corporation.

18 Furthermore, in history, usually if not always, the
19 treasurer and the controller have been the same person. In
20 any event, there was a general feeling that the controller
21 ought to be under the egis and direction of the treasurer.

22 And finally, when question was raised about

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 spelling out, or where would you delegate and allocate the
2 duties spelled out for the controller in old 6.09, the answer
3 was that, to the extent that they are not already subsumed in
4 the office of treasurer, when the Board -- the Board can
5 either, under the treasurer's section sub (e), allocate those
6 by resolution to the treasurer, or, should we decided to
7 appoint an assistant treasurer, we would in that appointment,
8 allocate those duties, so that that would be taken care of in
9 that way.

10 Those are, in my judgment, the three significant
11 changes in the 21 that are in this document, which was
12 approved by the Operations Committee yesterday.

13 CHAIRMAN EAKELEY: My -- what, Tom?

14 MS. FAIRBANKS-WILLIAMS: I have an add on to what
15 you just -- what's the problem that's being fixed in this
16 third change, Bill?

17 MR. McCALPIN: The controller change?

18 MS. FAIRBANKS-WILLIAMS: Yes.

19 MR. McCALPIN: Well, one, the problem is that,
20 although the statue authorizes us to appoint other officers,
21 we had no provision in the bylaws respecting the appointment
22 of other officers and how that would be done and under what

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803
WASHINGTON, D.C. 20006

(202) 296-2929

1 circumstances, so that, first off, we set out to remedy that
2 omission.

3 Then, having looked at the controller one, it was
4 concluded that that's not an appropriate office anyway, and
5 so, the new 6.09 simply replaced the old one instead of being
6 added to it.

7 CHAIRMAN EAKELEY: This is what I would like to
8 suggest: There's a lot of excellent work in this, but I
9 don't think any of us have had a chance to see the revisions
10 that were worked up and approved yesterday. I'm a little
11 concerned with appearing to rush a decision that deliberately
12 takes out of the Sunshine Act coverage, at least partially,
13 the Ops and Regs, Audit and Appropriations, and Provisions
14 Committee deliberations.

15 I know that it's covered by Section -- or
16 regulation 16.22, but I think that that policy decision,
17 which is driven in part by the Wilkinson decision, which is
18 an interlocutory decision not reduced to an order, which we
19 may decide to appeal, I don't think should rush us along in
20 approving something that we can review in the next month and
21 then come back and decide upon at our next meeting.

22 And indeed, what I would request and propose, if we

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 could, would be to integrate these latter revisions into the
2 June 9 revisions, and append, just at the back, the text of
3 the regulations to which reference is made in the bylaws,
4 especially 16.22, in particular, but if there are any other
5 regulations that are called out in the bylaw provisions --
6 no, you don't think there are any?

7 MR. McCALPIN: There are references to other
8 sections, but I think they are all other sections of the
9 bylaws.

10 CHAIRMAN EAKELEY: Okay, I'm just talking about
11 substantive provisions of relevant regulations that we may
12 want to look at. I'd also -- have management and the IG had
13 a chance to look at these?

14 MR. McCALPIN: Management participated yesterday,
15 fully, and, as a matter of fact, they were discussed with
16 general counsel's office during the week in a couple of
17 telephone conferences.

18 CHAIRMAN EAKELEY: Who?

19 MR. McCALPIN: General counsel.

20 CHAIRMAN EAKELEY: I think it's worthwhile letting
21 everyone see a rewritten draft so that we can all feel
22 comfortable about the changes being recommended, and bring it

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 back to the table for the next board meeting for approval.
2 Is that -- everyone -- is that acceptable to everyone, if
3 you'll -- with your forbearance, Bill?

4 MR. McCALPIN: Barely.

5 (Laughter)

6 CHAIRMAN EAKELEY: Well, I'm glad I asked.

7 (Laughter)

8 CHAIRMAN EAKELEY: All right, then, why don't we
9 take these recommendations under advisement, ask Victor to
10 make the necessary incorporation changes so that we have one
11 document, and ask Pat Beatty to circulate to the Board, with
12 an explanation that these are -- or maybe, Victor, you could
13 write it -- revisions approved by the Operations and
14 Regulations Committee, which will be considered at the next
15 Board meeting.

16 Is that it for Ops and Regs, Bill?

17 MR. McCALPIN: I believe that concludes the report.

18 CHAIRMAN EAKELEY: Bucky, we don't have an agenda
19 item for your committee. Is that deliberate?

20 MR. ASKEW: I noticed that. I thought with the
21 change in the bylaws, perhaps I wouldn't be reporting in the
22 Sunshine. Would you like me to report, anyway?

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 CHAIRMAN EAKELEY: I guess I'll have to entertain a
2 motion to amend the agenda yet again to include a report from
3 the Provisions Committee.

4 MR. McCALPIN: Maybe we just don't need to hear
5 from them.

6 CHAIRMAN EAKELEY: I think he wants to say
7 something. Could I get a motion to amend the agenda?

8 M O T I O N

9 MR. BROOKS: So move.

10 MS. WATLINGTON: Second.

11 CHAIRMAN EAKELEY: All those in favor?

12 (Chorus of ayes.)

13 CHAIRMAN EAKELEY: All right, Bucky.

14 PRESENTATION OF THE PROVISIONS COMMITTEE

15 MR. ASKEW: This is page 37 of the Board book, is
16 the agenda for the Provisions Committee meeting which was
17 held yesterday afternoon, and no action items coming out of
18 our committee, so -- many of you were there, except the
19 members of the Operations and Regulations Committee, so I'll
20 give you a very, very brief report on the work of the
21 Provisions Committee.

22 We heard a presentation from the Farmers Legal

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 Action Group headquartered in Minnesota, which is a non-LSC
2 funded entity that operates like a backup center, serving the
3 needs of poor farmers in the United States. An interesting
4 presentation -- there is material on the table about some of
5 the work that they do.

6 Secondly, Martha and John Tull reported to us on
7 the status of the reorganization of OPEAR and OPS. Martha
8 was appearing in Alex's absence, and we had a lengthy
9 discussion of those recommendations.

10 Alex, in fact, has suggested a change in the
11 original recommendation that came to us from John at the June
12 meeting about the reorganization, and his recommendation
13 being that we not merge the two divisions into one, but that
14 we maintain two separate divisions, OPEAR and OPS. But, the
15 functions that those two divisions would be performing would
16 be quite different than the old organization of OPEAR and
17 OPS. And, that didn't call for action by the committee; we
18 were hearing, basically, a report, so that is moving forward,
19 as Alex recommended.

20 Secondly, we heard from them about the status of
21 the program officer concept. And that is still as proposed
22 by John in June, but I think his message to us was that they

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 are moving slowly but apace to implement that, and probably
2 will be looking to hiring four to six program officers over
3 the short-term.

4 We heard from the Delivery Working Group on support
5 about issues related to program improvement, and De Miller
6 reported to us about the work going on there. They have a
7 very ambitious and thoughtful agenda for what they're doing.
8 They just had a two-day meeting last week to get their work
9 started.

10 They were told by our chair, and I think they
11 understood, that we're on a short time frame with some of
12 these issues, and looking to hear from them in the fall on a
13 number of their recommendations to us as we go forward
14 looking at delivery issues for the future.

15 We also heard about the outcome of the law school
16 clinic grant program. Seventeen grants were made. There is
17 material on the table listing those grants. It was, I think,
18 a successful process that was -- the staff engaged in to
19 solicit those proposals, review those proposals using peer
20 reviewers from outside the corporation, ultimately producing
21 a set of recommendations to Alex for grants which have now
22 been signed and are on their way.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 And also, the National Service Grant award was --
2 you had heard in June that it looked very favorable. In
3 fact, I think we knew then that it was going to be made but
4 it couldn't be announced publicly. It was announced after
5 our meeting in June. The grant was \$950,000 to a coalition
6 of the Legal Services Corporation, NLADA and NAPIL. Is that
7 right, John?

8 So, we did get a grant from the new National
9 Service Corporation, and \$750,000 of that is for grants and
10 \$200,000 is for an education program.

11 MR. McCALPIN: Will that be administered through
12 the corporation or one of the other co-grantees?

13 MR. ASKEW: Through the corporation. That also was
14 a model of working with other entities to do things to expand
15 our services, so that was a very good outcome. That was the
16 business that we conducted, we finished early for a change.

17 MR. McCALPIN: I suppose that necessarily means
18 that this will have to be included in our financial
19 statements from now on. Is that right? If it's administered
20 through us?

21 MR. ASKEW: I would assume so, although I will
22 leave that up to others, the experts on -- to give me a final

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 answer on that, but I would assume so, yes.

2 MS. BERGMARK: Not unlike the veterans pro bono
3 project.

4 MR. ASKEW: In the absence of a chair --

5 MR. McCALPIN: Or a vice chair.

6 MR. ASKEW: Or a vice chair --

7 MR. BROOKS: You have the floor, Bucky.

8 MR. ASKEW: Well, I'd like to tell you about my
9 family, actually, while --

10 (Laughter)

11 MR. ^{Quatrevaux} ASKEW: Where's the agenda for this meeting?

12 Inspector general's report? If I may be so bold as to move
13 the agenda along. I know your time is short, so I'll keep
14 this brief. At the August Audit and Appropriations Committee
15 meeting, we will make a presentation of our audit of revenue.

16 We are prepared to issue the final report, send it
17 to you, and give you an opportunity to look at the managing
18 responses to the findings to see that it meets with your
19 satisfaction, and we will then issue the report. I want to
20 take just a minute to speak to one bill that was introduced
21 last week in Congress, which I sent you a memo and -- as an
22 enclosure in OMB mail, I said -- to amend the Inspector

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 General Act.

2 And I want to mention it to you, because I think it
3 reflects a high level of frustration on the Government
4 Oversight Committee. It aims to clarify the original intent
5 of law and to close loopholes that have been discovered over
6 time. It targets two classes of people: IGs who are too
7 cozy with management, in their view; and entity officials.

8 With respect to the first, it does things like
9 eliminate -- prohibit performance awards, sets terms on --
10 all current IGs, their terms would expire 180 days after
11 passage of the Act. I expect to oppose that provisions.

12 With regard to the entity officials, you and every
13 entity designate a Farrell entity to replace an IG would be
14 limited to a list of candidates maintained by the IG counsels
15 You couldn't select from outside that group.

16 It would eliminate general supervision of the IG by
17 the entity, and simply require the IG to report periodically.
18 It would expand the prohibition on interference with IG
19 audits and investigations by the entity head in two ways: to
20 all activities -- all OIG activities, and to all officials
21 and employees.

22 With regard to failure to provide information or

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 unreasonable delay, the language of the Act requires the IG
2 to expeditiously and simultaneously report that judgment to
3 the president and to the chairs of six congressional
4 committees. It does have a provision whereby the IG could
5 delay for five days.

6 It also greatly limits IGs' discretion in
7 reporting, essentially mandating reporting all. The last
8 piece of it -- it won't affect us as long as we're here, or
9 as long as I'm here, I should say. It has to do with what is
10 referred to as deputation of law enforcement authority, which
11 is defined as making arrests, executing search warrants, and
12 carrying firearms, which is pretty standard practice.

13 In a few OIGs, these are done by deputation from
14 the Attorney General, and there is an established process for
15 that. Because there have been complaints about unreasonable
16 delay in making that deputation, the Act changes the
17 requirement; essentially, it's automatic approval unless the
18 Attorney General declines within 10 days, and in certain
19 situations 3 days. So I think it makes it almost automatic.

20 It is my own judgment that we have no need of that
21 kind of authority in this entity in the environment in which
22 we operate. I -- we have available for you the complete

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 bills, the section by section analysis as well as the
2 introductory remarks. We'll make it available to anyone who
3 desires a copy, and I urge you to look at it from your own
4 selfish perspective, and you may very well wish to comment on
5 some of these provisions. That's all I have, Mr. Chairman.

6 CHAIRMAN EAKELEY: Any questions for Mr.
7 Quatrevaux?

8 MS. FAIRBANKS-WILLIAMS: I'd definitely like a
9 copy.

10 MR. McCALPIN: I think I would too.

11 MR. QUATREVAUX: We'll send them to everyone.

12 MR. McCALPIN: Why don't you circulate it to the
13 whole Board?

14 MR. QUATREVAUX: Sure, we'd be happy to. That
15 concludes my report.

16 MR. ASKEW: In the late 70s when we used to do
17 expansion through the south, we were required to hold these
18 community meetings. And usually, the question was, "Why are
19 you giving this grant to Martha Bergmark rather than giving
20 it to the Haddiesburg Bar Association? We get beaten up
21 terribly, so Guy Lescault and I had a two-hour speech on the
22 history of legal services that would bore people to tears and

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 make them leave us alone. I am prepared to give my two-hour
2 speech on the history of legal services until Doug walked
3 back into the room. Now it's his meeting.

4 (Laughter)

5 CHAIRMAN EAKELEY: I won't even ask what I missed.

6 (Laughter)

7 MR. BROOKS: No, I think we've had a good example
8 of de facto chairmanship.

9 (Laughter)

10 MR. McCALPIN: Having moved past item 20 on the
11 agenda now, I would remind you that you asked to be reminded
12 of the discontinuance of the presidential search committee --

13 CHAIRMAN EAKELEY: Yes. Thank you very much.

14 M O T I O N

15 MR. McCALPIN: I move that the committee, having
16 discharged its responsibility, be disbanded.

17 CHAIRMAN EAKELEY: Is there any discussion?

18 (No response.)

19 CHAIRMAN EAKELEY: All those in favor?

20 (Chorus of ayes.)

21 CHAIRMAN EAKELEY: Opposed?

22 (No response.)

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 CHAIRMAN EAKELEY: The ayes have it. Thank you.
2 Yes, actually. Yes, indeed, with thanks for both the search
3 committee and the advisory committee, and the chair, who
4 really just did a wonderful job all the way through in
5 developing the concept and then, the candidates, and then the
6 president.

7 MS. WATLINGTON: Bill does need to be commended of
8 all the paperwork and the time, and the way he moved that,
9 and the work he did extra on that search committee. That
10 was -- absolutely made it easier for other members.

11 CHAIRMAN EAKELEY: Yes. And it's hard to quarrel
12 with the result.

13 (Laughter)

14 MR. FORGER: Premature --

15 (Laughter)

16 CHAIRMAN EAKELEY: I have three different agendas
17 in front of me with different numbers, but I think the next
18 item on the agenda is the inspector general's report.

19 (Laughter)

20 MR. McCALPIN: We did that.

21 CHAIRMAN EAKELEY: Gee, I'll leave the room more
22 often.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 (Laughter)

2 CHAIRMAN EAKELEY: Now, we agreed to defer to
3 consider at the next one the consideration of the
4 organizational responsibility for oversight of the grantee
5 financial reports, and again, I'd encourage Ed and Bucky and
6 Maria Luisa to consult on that and bring something
7 collectively to the Board in our September meeting.

8 Does that bring us all to the same agenda item,
9 public comment?

10 I don't want to pause too much longer, but we're
11 open for public comment.

12 (No response.)

13 CHAIRMAN EAKELEY: That's wonderful. That -- did
14 that -- not that I --

15 (Laughter)

16 CHAIRMAN EAKELEY: That's the wrong body language.
17 You always want public comment. Consider and act on other
18 business?

19 (No response.)

20 CHAIRMAN EAKELEY: All right. Motion to adjourn?

21 M O T I O N

22 MS. WATLINGTON: So moved.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929

1 MS. FAIRBANKS-WILLIAMS: Second.

2 CHAIRMAN EAKELEY: Debate?

3 (Laughter)

4 CHAIRMAN EAKELEY: Until September with the Audit
5 and Appropriations Committee in the interim. All those in
6 favor of adjourning?

7 (Chorus of ayes.)

8 CHAIRMAN EAKELEY: Thank you. We stand adjourned.
9 Have a good balance of the summer, everyone.

10 (Whereupon, at 12:45 p.m., the meeting was
11 adjourned.)

12

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929