

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

AD HOC STRUCTURE COMMITTEE ON GOVERNANCE

Friday, March 17, 1995

9:13 a.m.

The Legal Services Corporation
BOARDROOM, 11th Floor
750 First Street, N.E.
Washington, D.C. 20002

COMMITTEE MEMBERS PRESENT:

Nancy H. Rogers, Chairperson
Thomas F. Smegal, Jr.
Alexander Forger
Edouard Quatrevaux
Douglas Eakeley (ex officio)

BOARD MEMBERS PRESENT:

Hulett ("Bucky") Askew
John G. Brooks
Edna Fairbanks-Williams
F. William McCalpin
Maria L. Mercado

STAFF PRESENT:

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

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CHAIRPERSON ROGERS: Good morning. Happy St. Patrick's Day. We have been requested to speak up and into the mikes. The amp is out. But if we speak up and into the mikes, at least a transcript can be made. Just plain speak up is the request from our reporter.

Let me just summarize where we were at the end of the last meeting, and then I think I'll ask for a motion for the approval of the minutes of the last meeting and then look at today's agenda.

At the last meeting, we had not only the committee members, including several members of the Board and Alex Forger and Ed Quatrevaux, but also other members of the Board. I think in total, there were six Board members at the last committee meeting. And we talked about the committee structure.

And it's my recollection that we came to a couple of conclusions; one, that we would like to see the Audit and Appropriations Committee renamed the Finance Committee; the second was that it was our understanding -- and I don't think this would take any committee action or Board action -- that policies that related to grantee audits would be in the

1 CHAIRPERSON ROGERS: Motion passes. Let's begin
2 with the first item, which is the Board's relationship with
3 the Corporation's Inspector General. And the Inspector
4 General has asked that his colleague -- Renee, if you would
5 come forward -- so she could participate when needed as part
6 of this discussion.

7 I wonder if everyone received the memorandum that
8 Ed sent to each of us. It's dated Monday of this week. Yes
9 all around.

10 Ed, do you have any comments on that before we go
11 forward?

12 MR. QUATREVAUX: No, I don't. I think it's pretty
13 self-explanatory, but I would be happy to discuss any part of
14 it.

15 CHAIRPERSON ROGERS: Maria Luisa?

16 MS. MERCADO: Yes. I wasn't real clear in that the
17 attachments that you had to it, you know, what the IG could
18 do or couldn't do -- I was just trying to clarify for myself.
19 One of the, I guess, responsibilities that we had sort of
20 discussed the IG's office doing is to do some of these audit
21 reviews from the grantees and so forth.

22 And in looking at them -- I don't have the document

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1 with me, but in looking in the IG Act, it talks about the IG
2 not taking over any programmatic or management
3 responsibilities from the entity. And I wasn't sure whether
4 that then would be allowed or not allowed. I wasn't real
5 clear on that.

6 I understand as far as the investigative part and
7 auditing to make sure that those are done correctly. But to
8 actually do the function, is that in violation of the
9 Inspector General's Act, or am I misreading that?

10 MR. ASKEW: I don't believe it is. I don't believe
11 that the audit function is a program operating function of
12 the Corporation. The Corporation wasn't established for the
13 purpose of doing audits.

14 Everywhere else in the IG community, audits of
15 grantees are performed by the Office of Inspector General in
16 a completely independent fashion. They publish their own
17 guidelines, audit guides and things like that. It's on a
18 separate track, though, from program management. The results
19 are fed to program management for their use, but that's the
20 setup in the rest of the community.

21 MS. MERCADO: I was just trying to -- because I
22 don't know that the rest of the community has a similar

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1 aspect of their program as we do in OPEAR, where part of our
2 responsibility for monitoring and evaluating also deals with
3 the audit.

4 And so in this case, when we're talking in
5 specifics about financial and audit which the Inspector
6 General is also responsible for the general overview and
7 oversight of that, I just wasn't sure -- it didn't seem to be
8 very clear to me that there was a definite "yes" or "no" in
9 how we arrived at the IG then taking over that function.

10 And so I just needed to have that explained to me,
11 because it was not real clear from looking at the documents
12 that, in fact, we had the authority to do that. And I don't
13 know whether -- maybe Bucky's committee discussed this.

14 MS. SZYBALA: These documents didn't relate to that
15 question. That is a separate question. And what we have and
16 what we can give you is a long draft memo. It's in draft
17 because it was never turned final because we gave it to
18 management in draft, and it started our conversations with
19 management, I think, early in the summer.

20 But it was prepared for the September Board meeting
21 in which this was on the agenda. And what was decided in-
22 house was that we would work it out with management without

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1 bothering the Board. But I can share that draft with you,
2 which relates to precisely the question you're talking about.

3 MS. MERCADO: That would be helpful. And again, I
4 haven't attended all of Bucky's committees, so it may have
5 been that you guys discussed this, and maybe I just didn't
6 catch that.

7 MR. EAKELEY: No. But if I might, the Legal
8 Services Corporation has a statutory obligation to conduct
9 audits or have audits conducted of its grantees. I think
10 that the Inspector General's Act was -- there's at least a
11 zone of ambiguity that is created by the superimposition of
12 the Inspector General's Act and its extension to the Legal
13 Services Corporation.

14 There's no harmonization by the legislation. It's
15 really, I think, in part up to the Board and the Inspector
16 General to decide on how this ought to work out. Clearly,
17 the Inspector General is responsible for the Corporation's --
18 for policing the Corporation.

19 And to the extent to which we can work out a way by
20 which an audit function can be conducted by the Inspector
21 General of our grantees, so that it's not duplicated or
22 replicated, but we have an office performing a function which

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1 we have a comparative advantage in doing, then I think that
2 we're ahead of the game.

3 I don't think any final decisions have been made,
4 but I think there's a great deal of willingness to discuss
5 and compare notes and reconcile. But it's a reconciliation
6 process as much as anything, I think. At least that's my
7 view of it.

8 MR. QUATREVAUX: I think it's helpful -- and I
9 guess I'm not here yet -- I think it's helpful to understand
10 that one of the purposes of the IG Act was to consolidate all
11 audit and investigative functions under the same independent
12 provisional movement.

13 Without going into all of the history, Congress
14 apparently arrived at the conclusion after several decades of
15 attempting to get the executive agencies to do a better job
16 of auditing and investigating, that they couldn't leave it to
17 them. And that was the impetus for the IG Act.

18 MR. EAKELEY: But I think the interesting legal
19 question is whether the Corporation can discharge or perform
20 its auditing responsibilities through its Inspector General.
21 Because the statute that Bill has out right there says that
22 the LSC must audit grantees or engage others to perform those

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1 audits.

2 MR. MCCALPIN: 1209(c)(1).

3 MR. QUATREVAUX: And that was written in 1977.

4 MR. EAKELEY: Yes, but I don't think you can say --
5 you could argue, but I don't think you can sustain a winnable
6 argument that the IG Act implicitly amended that very
7 explicit provision.

8 MS. SZYBALA: I think I'll give the memo that we
9 have to the whole Board, and we'll see if it solves any of
10 your problems. Quite frankly, a program operating
11 responsibility is operating the program. The program is the
12 provision of legal services to the poor. And it's operating
13 that program to get grants to grantees. That is the program
14 operating responsibility of LSC.

15 Everything else is kind of add-on, this kind of
16 what you generally have to do to manage an agency.
17 Everywhere in the federal government that there are grants or
18 there are contracts, there are legal requirements to audit.
19 This is really no different than exists in programs of the
20 Department of Justice and grants out of the Department of
21 Education. There are audit requirements all over the federal
22 statutes.

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1 Those are not the program operating
2 responsibilities of those agencies, except for something like
3 the defense contract audit agencies, whose audit functions
4 were specifically in the IG Act not transferred to the OIG
5 because they are the OIG of the Department of Defense. That
6 is a program operating responsibility of the audit agency.

7 CHAIRPERSON ROGERS: Maria Luisa?

8 MS. MERCADO: Yes. On page 8 of your attachment to
9 the memos that Inspector General Quatrevaux submitted to us,
10 in implementing guidance it talks about, "As a general rule,
11 entity auditing investigative functions should be carried out
12 by the Office of the Inspector General. Exceptions to this
13 rule include audits and investigations that are part of the
14 operating programs."

15 And it talks about investigations conducted in
16 support of a regulatory function, so that because, again,
17 Legal Services has a specific monitoring and evaluating in
18 doing audits of its grantees as part of its programmatic
19 function -- and that's why it was not very clear to me
20 whether that was one of the exceptions or whether, in fact,
21 it was something that we were just extending as far as the
22 Inspector General's auditing ability or whether it was a

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1 programmatic. I don't know that it's real clear.

2 MS. SZYBALA: I don't know that it's real clear,
3 either, but by example, it is no different than what exists
4 all over the federal government. Audits are required.
5 Audits are a normal part -- auditing your grantees is a
6 normal part of appropriate management of grants.

7 MS. MERCADO: And I don't think we're disagreeing
8 on that point. I think it's the point about where an entity
9 like Legal Services is required to do audits --

10 MS. SZYBALA: What I'm saying is, whether that's
11 programmatic or not, they're required to do audits. Every
12 time the federal government puts out a grant, an audit is
13 required. Every time it puts out a contract of any size, an
14 audit is more or less required.

15 And I need the auditors here to tell me what the
16 current thresholds are for required government audits. But
17 that exists all over the federal government.

18 MR. EAKELEY: Alex reminds me that there really
19 isn't any basic disagreement between Corporation management
20 and OIG on this issue. Or am I mistaken?

21 MR. QUATREVAUX: I don't think we're there yet. We
22 have just been discussing it for nine months, but I don't

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1 think we're there yet.

2 MR. FORGER: What's separating us, Ed?

3 MR. QUATREVAUX: What's separating us is, I think,
4 revealed by discussions we have been having over a draft
5 reprogramming letter. We quote in the opening paragraph of
6 it that the IG Act's responsibility gives the IG the
7 responsibility -- and we quote -- to provide policy direction
8 for conducting Superfunds on some investigations.

9 But then, when we get into what's transferred, the
10 language is very narrow. And we attempt to limit it to just
11 looking at the audit reports, as opposed to providing policy
12 guidance and setting the policy for audits for the
13 Corporation. I think there's a big difference, and we have
14 gotten back together in the process of discussing this for
15 some time.

16 MR. MCCALPIN: Let me ask --

17 MR. FORGER: Can Martha say a word as a follow-up
18 there, Madam Chair?

19 MS. BERGMARK: Just so the Board understands, I
20 think, the progression of the negotiations between the
21 Inspector General Office and Corporation management about
22 this, let me just lay that out.

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1 We are in the process and have been in the process
2 of negotiating a transfer of some portions of the function of
3 review of program audits to the Inspector General. And this
4 is tied up with, as well, the move to government auditing
5 standards, which we were also in the process of preparing for
6 and doing the background work for.

7 We have gone back and forth on whether
8 reprogramming notice is required or necessary or prudent, in
9 terms of transferring this responsibility. Inasmuch as there
10 is not a transfer of resources or personnel involved, it is
11 -- what now happens is both management and the Inspector
12 General get copies of every local program audit that comes
13 in.

14 And rather than have a duplicative review of those
15 audits, what we're negotiating is who has the initial
16 responsibility for reviewing those audits and then
17 transferring the information to the other one. And we're in
18 the process of making a transfer from having the
19 Corporation's management staff be the first ones to review
20 that and prepare -- enter information into a database about
21 it and transferring that to the Inspector General staff.

22 And we're planning to do that. What has emerged

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1 -- and we're literally in the process of transfer of memos on
2 it right now, this week. We had done a draft. Renee has
3 done another draft. We have submitted back some revisions.
4 And I haven't yet seen -- that's where we are. We may need
5 to be back before the Board.

6 If there really is some fundamental difference in
7 how we say this or what we come out with, it may be something
8 that the Board needs to look at. We were certainly hoping
9 that it really wasn't, that there was not a policy difference
10 between us on this question. So that's where we are. That's
11 the current state of events on it.

12 As I understand it, we drafted something that just
13 talked about the transfer of the review of the audit
14 responsibility itself. It did not get into a switch to
15 government auditing standards. It did not even refer to
16 that.

17 As I understand it, the thought was, "Well, let's
18 describe all of it. Let's see if we have a disagreement or
19 not on the entire statement of it." And so we have now
20 prepared that entire statement, and that's what's back and
21 forth right now in terms of the draft.

22 CHAIRPERSON ROGERS: I wonder if we can postpone

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1 decision on this issue that relates to the IG, the issue of
2 audits and move on to the larger issue of the relationship
3 between the IG and the Board and administration.

4 Bill, did you want to -- go ahead, if you have
5 something.

6 MR. McCALPIN: I just wanted to say that as I
7 listen to the conversation, I'm not sure I'm understanding
8 it. Because the word "audit" encompasses several different
9 concepts. They talk in terms of financial audits. And I
10 gather that most of the conversation that has gone on so far
11 has dealt with financial audits.

12 There are also performance audits. And I -- when I
13 hear the word "audit," I'm not sure whether we're talking
14 about one or both of those concepts. It does seem to me that
15 we're very different.

16 MS. BERGMARK: We're talking about financial
17 audits. The entire conversation we have just had has been
18 about financial audits.

19 MS. SZYBALA: And there's no question that
20 evaluating individual LSC grantees is a program operating
21 responsibility of LSC. All the IG would do is a program-wide
22 kind of thing like evaluating LSC's monitoring performance,

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1 its own function, not the function of individual grantees.

2 MR. McCALPIN: Okay.

3 CHAIRPERSON ROGERS: We have some discussion from
4 last meeting. We have before us the IG's proposal, which is,
5 I think, that the IG should continue to report to the Board.

6 Comments, discussion?

7 MR. McCALPIN: I understood that was required, that
8 there wasn't really much discretion about that, that the
9 Board is the head of the agency, and the law says that the IG
10 reports to the head of the agency. So I wouldn't have
11 thought there was much question about that.

12 MR. FORGER: Doesn't OMB designate who the head of
13 the agency is?

14 MR. McCALPIN: And they did.

15 MR. QUATREVAUX: Compensation with GAO.

16 MR. FORGER: It isn't once designated, never to be
17 changed again.

18 MR. McCALPIN: I'm just thinking in terms of the
19 President.

20 MR. FORGER: Yes.

21 MR. QUATREVAUX: I don't think there's any reason
22 to believe that it will ever be changed again as long as we

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1 have the current form of organization.

2 MR. EAKELEY: I think the Sunshine in Government
3 point continues to create difficulties for communication
4 between the Inspector General and the agency head that does
5 not apparently exist with any other agency except for one.

6 And I thought that one of the practical ways that
7 we had dealt or tried to deal with that without violating the
8 spirit of the Act was to have an OIG liaison; although in our
9 further discussions, it seemed a little bit more appropriate
10 to designate the Vice Chair or Chair of the Board as having
11 responsibility for ongoing dialogue in between Board
12 meetings.

13 And I don't know whether that needs to be written
14 into stone or tablets or bylaws or whatever, but I think that
15 that's where we were tending in our discussions of the
16 practical difficulties that are created by reporting to an
17 agency head which is hydra-headed.

18 MR. QUATREVAUX: I agree. As the memo pointed out,
19 the IG Act gives the head the requirement or responsibility
20 to provide ready access, prompt access to the Inspector
21 General. And having a liaison allows the Board to satisfy
22 that responsibility in that manner.

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1 CHAIRPERSON ROGERS: Any further discussion?

2 MR. MCCALPIN: I want to say that I was very happy
3 to see the comment by the Inspector General that he had
4 adopted for his department the personnel policies of the
5 organization. And I think that should smooth one area of
6 potential problem. I was happy to see that. I was not aware
7 of that previously.

8 CHAIRPERSON ROGERS: Anything further?

9 MR. FORGER: On which question, Madam Chair?

10 CHAIRPERSON ROGERS: The relationship between the
11 IG and administration and Board.

12 MR. FORGER: You have gone beyond reporting to the
13 head? I think that one of the reasons I had suggested there
14 be a review of the relationship in respect to personnel and
15 other matters, that obviously, management has no oversight
16 responsibility of the IG, his staff, salaries, assignments,
17 furloughs, promotions and the like.

18 But it just seemed to me that since the IG office
19 is a part of this Corporation -- whether or not one thinks
20 that makes sense or not, that's the reality -- there ought to
21 be some oversight on the part of the head.

22 MR. EAKELEY: Yes. I agree. And I think we have

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1 not done as well as we should do on that. And I think this
2 is a learning curve that's still being approached. I think
3 that part of it has been the Board Chair's inability to get
4 closer to this in the past.

5 I think part of it has just been other priorities
6 of the Corporation, Board, and management getting in the way
7 of the type of, hopefully, better coordinated relationship.
8 But ultimately, if management and the IG are reporting to the
9 Board as agency head, it's going to be up to the agency head
10 to make sure that we have consistent policies with respect to
11 personnel or other areas of operations and that those
12 policies are being carried out.

13 MR. FORGER: For example, on the salary, the IG
14 says that he is buying to our personnel policies. There's a
15 process for nonIG people for salary increases and sign-offs
16 and all of that which isn't used, I guess, in the IG's area,
17 although maybe Mr. Quatrevaux performs in his jurisdiction
18 what I perform on the nonIG personnel side, reviewing
19 appraisals and giving approvals for increases and the like.

20 And I'm not advocating to have that, but I think
21 just as I believe the Board and maybe Ops and Regs should
22 have oversight of personnel in the Corporation, maybe

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1 excluding the IG, somebody ought to perform the same function
2 on the other side.

3 MR. EAKELEY: I agree with that. And I think the
4 Inspector General would, too. It has been an operative
5 assumption that has not been articulated, nor have we
6 assigned responsibility within the Board to -- I guess we had
7 an Audit and Appropriations Committee oversight or reporting
8 relationship with a member of that committee being
9 responsible for oversight.

10 But again, we fell short of our aspirations in
11 terms of the type of working relationship that ought to be
12 there and that hasn't been, through no fault of anyone's.
13 But I think it's constructive even to articulate expectations
14 of ways to improve on these relationships.

15 One of the things I thought about in terms of a
16 formal assignment of that type of relationship to the Vice
17 Chair is that I have an almost daily dialogue with Alex. And
18 I'm kept abreast of everything that's going on. But I don't
19 have the capacity, much as I would like to, to have the same
20 ongoing dialogue with Ed, so that we go through and check
21 things.

22 And if there are issues that come up that are

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1 anticipated -- or if they're not anticipated, we have them
2 dealt with. I don't mean that you have to have a daily
3 discussion, but I do think it is worthwhile -- but I think
4 rather than deal with it in a committee, really, to formalize
5 the relationship so that the Vice Chair is responsible for
6 that makes a lot of sense to me. I'm just wondering as I
7 look at the Vice Chair what she thinks about that.

8 CHAIRPERSON ROGERS: Well, I also am recalling from
9 the last meeting that one of the things said was that it
10 would not be useful to have one member of the Board have that
11 liaison, unless there was a reporting function, so that the
12 Board itself had some involvement in supervising.

13 MR. EAKELEY: But there are a lot of things that
14 are of the oversight, just "How are things going? What are
15 you doing on the personnel side?" or at least to have someone
16 to come to to report that "We have done our semiannual
17 personnel review," or, "We have decided to approach it this
18 way," or, "Here are some options we're considering."

19 There are daily issues that don't necessarily rise
20 to a Board level but nevertheless ought to be reported to a
21 person on the Board so that a decision can be made, to the
22 extent to which the Board should be involved. And I think

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1 that that's the kind of intermediate, informal discussion
2 type of dialogue that I was talking about.

3 CHAIRPERSON ROGERS: Maria Luisa?

4 MS. MERCADO: Yes. On page 6 and 7 of the
5 attachment that Inspector General Quatrevaux submitted to us,
6 it elaborates somewhat about the responsibility of the entity
7 head that it has on the IG regarding any budget or any
8 execution decision that are done by the Inspector General
9 that, in fact, that's not a duty that can be delegated to an
10 officer or employee of the entity, that the whole entity is
11 the one that does that.

12 And again, this is looking at your documents. It's
13 not our documents. It's the Inspector General's documents.
14 And trying to figure out how can we best do this, to carry
15 out our functions and our mandates, both under our LSC Act
16 and the Inspector General Act -- because ultimately, if the
17 Board of Directors is the entity head, we are responsible for
18 the Inspector General.

19 I mean, I don't know where this discussion will be.
20 We always assume that we are going to have the best
21 compliance with the Inspector General's Act and that work
22 will be carried out accordingly.

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1 Let's assume the worst scenario, that it wasn't.
2 How is the entity head going to have that kind of evaluation?
3 I mean, how does that happen? And does that happen pursuant
4 to Sunshine Act requirements, or does that happen in the
5 executive sessions? We're always assuming that we have the
6 best of all possible worlds, that everyone is doing their job
7 correctly and that everyone is being an advocate of trying to
8 prepare a budget for us that is livable and within the
9 mandates.

10 How do we review that in a way -- and who is it who
11 does that? Who has that responsibility? Looking at their
12 documents, the entity head is responsible for looking at
13 budget proposals, looking at any raises, looking at any
14 quality functions of the IG. It's in here. I don't know
15 that we're necessarily doing that.

16 But we have just said the Inspector General is
17 responsible for that shop, and he takes care of it, and we
18 assume that he's doing that. But what kind of a reporting
19 system is there to the entity head to make sure that, in
20 fact, that is the case? Because we also have to be
21 responsible for that pool of money, as well.

22 MS. SZYBALA: You've said a lot in there, and I

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1 don't know if I'll remember it all to respond to it all. But
2 first of all, this document that you're referring to, this is
3 a document by OMB to you as the head of any entity which has
4 an IG who was added in the '88 amendments, as well as to the
5 IGs themselves. So it's not ours. We have given you this
6 document several times before, including right when you came
7 to the Board.

8 One thing this document makes clear in terms of
9 reporting and supervision is that what they're talking about
10 is general supervision, not micromanagement. The IG Act
11 doesn't allow you to micromanage. So in terms of knowing
12 what's going on day to day, a liaison's fine.

13 In terms of knowing what's going on, what the big
14 things are, what the big problems are, what the big
15 recommendations are, that's all in full reports to the Board.
16 Often in open session -- sometimes, I imagine they might be
17 in closed, but I don't really know why -- certainly budget
18 and that kind of thing, when it doesn't involve discussions
19 of particular activities he wants to engage in, will be an
20 open session full report to the Board.

21 I think between the full reports to the Board and
22 the ongoing written documents you get from the IG and a close

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1 relationship on day-to-day activities with the liaison, the
2 Board has plenty of information on which to base their
3 assessment, no different, really, than the information they
4 have from the president, who reports at both full meetings in
5 both open and closed session and has in between contacts with
6 the Board and provides written materials to the Board, so the
7 Board can see how the field is doing and how the Corporation
8 is doing and make their judgements.

9 I don't think there's any problem here from a
10 general supervision way of looking at it, in terms of not
11 knowing enough about what's going on in the IG. There's
12 nothing there that's secret from the Board. And nothing
13 would be, except an investigation of problems on the Board.
14 That's the only thing I can think of that would ever be a
15 secret from the Board.

16 So anything the Board wants to know, the Board can
17 know. And it would be reported in one of those manners, open
18 session, closed session, just IG briefings, paper, liaison
19 discussions. I mean, there's plenty of communication.

20 CHAIRPERSON ROGERS: Let me try this out and see if
21 this is how the committee feels. Is there a consensus that
22 we continue with the arrangement in which the IG reports to

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1 the Board as head and that reports are periodically sent or
2 given orally to the Board as a whole and that intermittently,
3 the Chair is saying he would designate the Vice Chair to be
4 in more frequent contact than has been the case and to look
5 particularly at the kinds of decisions that he as Chair goes
6 over with the president of the Corporation every few days,
7 intermittent kinds of decisions with respect to personnel and
8 redistributions and so forth? What's your reaction to that?

9 (No response.)

10 CHAIRPERSON ROGERS: We can wait a minute.

11 Tom, welcome.

12 MR. FORGER: I thought that was sort of the
13 emerging consensus here.

14 MR. EAKELEY: I think the Board can do a better job
15 articulating policy or can do a better job in articulating
16 policy to be conscious that policy for the organization may
17 entail policy for management and the Office of the Inspector
18 General.

19 And I think that reflects an improvement in how we
20 function as an organization. But I don't think we need to do
21 major surgery on the relationship with the structure in order
22 to get some of the improvements I think we all aspire to

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1 accomplish.

2 MS. MERCADO: Madam Chair? No. And the only
3 reason I'm asking these questions is that when I got all of
4 these documents, then I started worrying that maybe we were
5 doing something that was not within the Inspector General's
6 Act.

7 It's not meant in the sense that things should be
8 revamped or redone, just what is the smoothest way of
9 functioning, making sure that we as the entity head are still
10 responsible and know what's going on and yet are able to have
11 a better sense of how we can make Inspector General's duties
12 and obligations and our responsibilities and obligations able
13 to work better.

14 And so how that works out -- and I think that the
15 fact that according to your memo, too, some of the Board of
16 Directors organizations had designated the chairman of the
17 Board as the person that they did liaison with -- and I think
18 that because Doug gets fairly busy, that would sort of be
19 difficult.

20 And as far as having the Vice Chair, I think that's
21 perfectly logical, as long as the Board has the ongoing
22 reporting that we have had from you already.

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1 MR. EAKELEY: But here's an example of a role for a
2 liaison. It's not a formal reporting requirement, but
3 nevertheless, in certain areas, the Inspector General has
4 complete discretion. And those are the areas of
5 investigation of potential fraud or abuse.

6 In other areas, where there are opportunities for
7 improving the efficiency or effectiveness of the
8 Corporation's operations, a study of those areas sometimes
9 interferes with the priority of management's operations or
10 concerns. And so we sometimes get clashes between the
11 offices.

12 And it seems to me that without compromising the
13 integrity or independence of the Inspector General, enhancing
14 the liaison can mean enhanced coordination in a way that
15 accomplishes both the Board's goals of making sure that the
16 Corporation is managed appropriately and that we have the
17 best input that we can from the Inspector General, so that
18 there's a little bit more of a reduction in some of the
19 institutional clashes that seem to occur from time to time.

20 CHAIRPERSON ROGERS: Anything more on the --

21 MR. FORGER: Yes.

22 CHAIRPERSON ROGERS: Yes.

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1 MR. FORGER: Can I just get down to the minutiae?
2 I don't think that we'll have any problems in working out
3 areas of responsibility and who does audits and who refers to
4 what at what time. But I would expect the Board as we get
5 further organized to expect of me the accountability for this
6 office and for the personnel here and for performance for
7 evaluation for salary structure, for job descriptions, and
8 for productivity.

9 All that I know with the Inspector General is a
10 budget is agreed to. And even that is sort of a conflict.
11 But a budget is agreed to, out of the need. What happens
12 thereafter if we have a rescission, for example? Can I ask
13 the IG to give up one person or three people? What do they
14 do? What is their level of activity? How will that affect
15 his ability to perform his task?

16 What are the assignments he has made within? How
17 is he judging productivity and assignments to his priority
18 issues? I mean, all of that, the Inspector General would
19 likely tell me, is not something that I should be concerned
20 about. But I think somebody ought to be concerned. Even the
21 Inspector General should be accountable, as the rest of us.

22 So I was only looking for the method without

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1 getting into micromanaging the Inspector General's Office
2 whereby the Board would expect of him the same they expect of
3 me.

4 MR. EAKELEY: Exactly. I think the Board depends
5 on both of you to help us exercise our responsibilities. And
6 that, in part, is an accountability function. But it has
7 never shied away from that, either. And I think it's just a
8 question of doing what we say we should be doing.

9 MR. FORGER: If I need a rescission to allocate
10 some reduction, I guess I could make an assessment that maybe
11 the Inspector General's Office should be reduced by \$63,000.
12 And then, I'm not sure where that would be resolved.
13 Probably at the Board level.

14 MR. QUATREVAUX: Absolutely.

15 MR. FORGER: Then, is it up to you to decide where
16 that's coming from and how you're generating it, or does the
17 Board care? Does it have a right to know?

18 MR. QUATREVAUX: Well, the Board certainly has a
19 right to know how I'm spending the money, absolutely. Your
20 whole framework, as I understand, you're given a challenge
21 with respect to rescission, but that challenge comes from the
22 Board, because the rescission comes to the Board for

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1 decision. So what the OIG should contribute to it is a
2 matter between the OIG and the Board.

3 MR. EAKELEY: But I would expect some
4 recommendations to flow from management that might say that
5 "We think that this is what should come out of our office."
6 And obviously, the balance is from somewhere else.

7 MR. QUATREVAUX: It's a zero sum.

8 MR. EAKELEY: Well, zero sum or could be just an
9 opportunity for better collegiality and working it out
10 together in a way that seems fair and effective for the
11 organization, with the Board as the arbitrator and ultimate
12 decision maker of where those cuts have to come.

13 CHAIRPERSON ROGERS: John?

14 MR. BROOKS: I was about to say what Doug has
15 really just said, that I think the Board should encourage
16 communication between the president and the IG to coordinate
17 and integrate and smooth out the personnel relationships and
18 so on.

19 I was encouraged by Martha's comments about the
20 interchange of memoranda with Renee, which indicates that
21 there is that going on.

22 And I'm sure there is more than may appear on the

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1 surface as we're discussing here, although I must say I was a
2 little concerned that the discussion between Martha and Renee
3 had to be by memorandum, which seemed to me possibly more
4 formality involved than ought to be necessary.

5 So I think, in a nutshell, what I'm saying is that
6 we should encourage communication between the president and
7 the IG, so that the only real problems as they occur, if,
8 indeed, they do occur, come to the Board.

9 CHAIRPERSON ROGERS: Let's, if it's all right with
10 you, take the third item on the agenda a little bit out of
11 order. Is that all right with everyone, the issues related
12 to Board meetings, including interim decision making as part
13 of that?

14 MS. MERCADO: Item 5?

15 CHAIRPERSON ROGERS: I guess it's item 5, yes. I
16 can't count. Is that all right?

17 MS. MERCADO: Yes.

18 CHAIRPERSON ROGERS: I assume we have a fair number
19 of decisions we may have to make in the next few months
20 quickly and that is one of them, where to cut if we are going
21 to have to cut. And this committee has already by consensus
22 eliminated an Executive Committee as a way to make that

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1 decision.

2 And I wonder if we could talk about other ways in
3 which we could make decisions. I think the Board has
4 deferred or given the Chair authority to make decisions that
5 relate to appropriations, but I'm not sure that rescission
6 falls into that category.

7 So the floor is open for suggestions about how we
8 might make decisions that need to be made quickly in between
9 Board meetings.

10 MR. EAKELEY: Well, we have a bylaw change, if
11 implemented, which will permit us to convene by telephone
12 conference call subject to complying also with the Sunshine
13 in Government Act.

14 And assuming we can get a quorum -- we have gotten
15 a notice requirement, but I think that there's that added
16 capacity that we will have with the bylaw changes. You've got
17 the delegation -- the ability of the Board to delegate and to
18 ratify actions taken.

19 MR. MCCALPIN: We already have a delegation in
20 place.

21 MR. EAKELEY: We do.

22 MR. FORGER: But that delegation speaks in terms of

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1 implementing policy that has been adopted by the Board. And
2 as we move into the murky future, there may be issues as to
3 which the Board has not adopted a particular policy.

4 And it seems to me there may be decisions that are
5 outside any judgement that has been made by the Board with
6 respect to how they would treat a particular circumstance
7 that really requires Board action.

8 It would be of such significance to the corporate
9 activity that I think it really has to be a Board decision,
10 more specifically, I suppose, as we face some rescission as
11 we face suggestions of significantly reduced funding for the
12 Corporation, there may be some major judgements that this
13 Corporation has to make.

14 And while I don't imagine they'll have to be made
15 overnight or on a three-day time frame, we may be called upon
16 to give some direction or influence in a narrow range of
17 direction in which Congress is heading.

18 And I think from that perspective, the best thing
19 we can do from the management's point of view is try to keep
20 on top of all possibilities and alternative courses of action
21 that the Board might want to consider, leaving to that
22 decision day when it comes the judgement of the Board as to

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1 how it would want management to respond.

2 And I'm sure there's some fine tuning that can go
3 on within already adopted policy, such as on rescission. I
4 mean, if we're talking about how you reallocate a very modest
5 amount, how you return 5 million or 15 million.

6 But if there were implemented by Congress the
7 Kasich proposal that we have read this morning to phase out
8 Legal Services Corporation over 5 years, leaving us only 400
9 million to achieve that, to the extent we were forced to that
10 position and had to make a judgement and were given the
11 opportunity of having a voice as to how that remaining 400
12 million would be spread out, I guess we would want to do
13 something.

14 CHAIRPERSON ROGERS: How soon could we have
15 meetings by phone?

16 MR. McCALPIN: I'm sorry?

17 CHAIRPERSON ROGERS: How quickly will our new
18 bylaws go into effect to permit us to have phone --

19 MR. McCALPIN: Assuming that they will be adopted
20 this afternoon and the requisite notice given to the Congress
21 -- what is it, 15 days -- 15 days, I would assume that in 2
22 weeks' time plus, they will be in effect.

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1 MR. EAKELEY: What's the notice requirement on the
2 Sunshine in Government Act?

3 MR. McCALPIN: Well, it's somewhat flexible. I
4 think that the bylaws talk in terms of seven-day notice,
5 unless the business of the Corporation would not permit that.
6 And I think that will satisfy any requirement.

7 CHAIRPERSON ROGERS: I wonder if -- this is just a
8 suggestion -- if we wouldn't want to simply schedule a series
9 of those telephone conference calls. They could be
10 cancelled, I assume. Even if you've noticed it, you could
11 cancel a meeting. That way, we would have them on our
12 calendars.

13 MR. FORGER: We can schedule one every day for the
14 next four months.

15 CHAIRPERSON ROGERS: I wasn't going to that
16 extreme, Alex.

17 MR. FORGER: I think you have to give notice to
18 cancel.

19 MR. McCALPIN: My recollection is -- I'm sorry I
20 don't have it in front of me. I believe we have two
21 delegating resolutions in effect. And one of them relates
22 specifically to funding. And I would think -- I may be wrong

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1 about this, but that's my recollection. I would think that
2 that one is sufficient to permit any decisions related to
3 rescission without any further action by the Board.

4 The other one relates more to reauthorization type
5 issues. And that's the one that talks in terms of "pursuant
6 to policies established by the Board." I may be wrong about
7 this, but that's my general recollection of what is in place.
8 And I would think that on the rescission type thing, there is
9 delegated authority already to the Chair and the Chair of
10 Audit Appropriations.

11 MR. EAKELEY: I'm a little reluctant to go to an
12 executive committee, because it really does take control over
13 policy away from the full Board. And the full Board is our
14 greatest strength, I think. But I do think that my sense of
15 it -- and it's a relatively untutored sense.

16 But nevertheless, my sense of it is that we should
17 have sufficient time for management to identify policy
18 options confronting us, either by virtue of a rescission bill
19 or other proposed legislation, so that we could shoot it out
20 to the Board and have a telephone conference call to develop
21 the consensus of the Board, hopefully, as to which policy
22 options it would be the will of the Board to pursue.

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1 We have the fall back if we need it, which is the
2 broad delegation to the Board Chair. But my intention would
3 be whenever possible to make sure that I didn't have to
4 resort to that and that if we have a bylaw amendment that
5 permits us to confer in between meetings by telephone
6 conference call, that we make ample use of it.

7 Alex just handed me the delegation that we adopted
8 on December 12. The resolution says, "The Board Chair or his
9 or her designee is hereby authorized to communicate such
10 views or positions as may be deemed necessary or useful
11 regarding appropriations and other legislative measures
12 consistent with any applicable Board positions."

13 I would hope and it would be my expectation that we
14 would have the opportunity to develop Board positions. But
15 this is the fall back that we have in place at the moment.

16 Alex, do you feel strongly that we need more than
17 the bylaw amendments and this delegation at this point?

18 MR. FORGER: No. And I think maybe tomorrow, we
19 might want to develop some, perhaps a Board position with
20 respect to the two rescission bills that are out there. At
21 least we should discuss those so the Board is aware of those.

22 But beyond that, there's nothing we can really

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1 anticipate as to what Board positions would be. And I think
2 it would be sufficient for us to have the telephone
3 conference that would be permitted by the bylaws.

4 CHAIRPERSON ROGERS: I would still really like to
5 have some tentative dates set, even if we don't notice them.
6 Because it's difficult without keeping time on a calendar to
7 be responsive to a call, "We're going to meet by telephone in
8 72 hours."

9 If we could do that, Mr. Chair, set some tentative
10 times that we would try to keep free.

11 MR. EAKELEY: Okay. Why don't we just take a look
12 at what's coming up for the next couple of months, take a
13 look at our agenda, and then we'll do that tomorrow, perhaps.

14 CHAIRPERSON ROGERS: There was a further item, I
15 guess, raised for the committee by committee member Alex
16 Forger last time that we talk about policies that relate to
17 where we meet and how often we meet. And we have another 20
18 minutes, so we might do that.

19 MR. FORGER: May I address that a moment?

20 CHAIRPERSON ROGERS: Yes.

21 MR. FORGER: Madam Chair, certainly as the
22 rescission activity occurs on the Hill and as we look to

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1 areas in which we can reduce our expenditures, one of those
2 areas internally in management and administration, it is to
3 try to contain our costs and produce as much savings in that
4 category as we can without affecting our ability to perform
5 our basic mission.

6 And particularly the monitoring and oversight, we
7 think, is a place that we want to preserve at all costs. So
8 management believes that it would be important for the Board
9 to reconsider -- and this isn't general policy, but certainly
10 as it relates to this year, Madam Chair -- the decisions
11 heretofore made with respect to holding Board meetings
12 outside of Washington.

13 As we try to estimate what the cost of that would
14 be, probably, it's neutral with respect to Board travel,
15 unless we went to Gnome, Alaska, or something, a far, distant
16 spot. But the difference is staff travel. And that is
17 estimated, depending upon where the meeting might be,
18 somewhere between 10 or 12 or \$13,000 a meeting.

19 And we will, I think, be recommending to the Board
20 that we may have the May and July meetings here in
21 Washington, rather than in Columbus and Denver, and perhaps
22 look beyond that into the fall, as well.

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1 But that is -- maybe that's in part policy. It
2 certainly is in part the economics of today would dictate
3 that. And I would suppose as a matter of Board policy that
4 we are likely to face more constraint in our resources going
5 forward and, therefore, perhaps, suggest for consideration to
6 the Board a policy that causes us to stay in Washington
7 unless there is an unusual opportunity or circumstance that
8 would clearly benefit the Board and the Corporation were it
9 to meet at some other place.

10 I realize up to this point, we have considered it
11 very important to be able to go out and visit in the field
12 and see programs in operation and talk to people who are
13 functioning in our behalf. We may want to forego that,
14 unless there is some compelling reason for us to make an
15 inspection of some activity or operation.

16 CHAIRPERSON ROGERS: So the suggestion, I guess, in
17 terms of policy from the committee, is that in light of the
18 financial problems, that the Board, for this year, at least,
19 adopt a policy of meeting in Washington unless the
20 circumstance clearly indicate that the Corporation would be
21 benefitted by meeting elsewhere.

22 Any discussion?

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1 MR. EAKELEY: I'm torn. I'm looking at Phyllis
2 Holmen and just thinking of our trip to Atlanta, which was so
3 productive, I thought.

4 And I think it's important for us as a Board to get
5 around the country, meet not only Legal Services providers in
6 different parts of the country, but understand a little bit
7 better and a little more firsthand the different facets of
8 poverty and different poverty populations and to use those
9 meetings as points of congregation as we did both in Atlanta
10 but also most recently in Boston, where we can gather with
11 the local Bar associations and hopefully reinforce the
12 message that access to justice is vitally important to this
13 country.

14 So while I am painfully aware of the need to
15 anticipate the Board contributing to a reduction in its
16 current budget as part of a rescission adjustment, I think
17 there are strong policy reasons why we should not abandon the
18 desirability of moving around.

19 Perhaps we do it in a way that does not involve
20 transportation of staff, or perhaps we just adopt a policy
21 encouraging more Board members to go to more regional
22 conferences. There's a rural advocacy conference coming up,

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1 second annual one that I've written to everyone about.

2 But there are benefits to the meetings elsewhere
3 that we have gained. And it's hard to know how we would --
4 we would be foregoing something of considerable value, I
5 think, if we were to deal with this by adoption of a policy
6 that went beyond the immediate fiscal constraints we are
7 confined to. That wasn't terribly articulate, I'm afraid.

8 CHAIRPERSON ROGERS: It was very articulate.

9 Maria Luisa?

10 MS. MERCADO: Yes. I don't know whether Mr.
11 Richardson's here or not. I wasn't really clear, and maybe
12 Mr. Singen might be able to point this out. I thought that
13 in the budget that we had for this year for the Board of
14 Directors, we assumed that we were going to be meeting
15 monthly, as we did last year and that we budgeted in that
16 accord.

17 However, when we started at the beginning of this
18 year, we decided that the Board would meet every other month,
19 with committees meeting as they needed to, which to me would
20 represent a cost savings of at least, it would seem, half of
21 our meeting times of the full Board. And I know there are
22 several months that there's no committee meetings at all.

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1 And I don't know whether we are taking that into
2 account, but that is the cost savings that the Board is
3 giving back to LSC management.

4 MR. EAKELEY: I think there's a short-term policy
5 issue, which is what do we do about our meetings in Ohio and
6 Colorado this fiscal year, when we know we will have a
7 rescission, or we are likely to have a rescission. And the
8 two on the table are 5.8, 15, and possibly 20.8 if they're
9 cumulative, because they're in different bills.

10 So I think that in terms of adjusting to the fiscal
11 realities and political necessities this year, it may well be
12 necessary and desirable to reschedule our meetings for
13 Washington. I think that adopting a policy that extends
14 beyond that and says something less appreciative of the
15 values of meeting elsewhere might not be advisable.

16 CHAIRPERSON ROGERS: Tom?

17 MR. SMEGAL: Well, I travel the furthest to get to
18 Washington, and certainly going to Ohio and Colorado is much
19 more attractive to me. And for that reason, if no other, I
20 would be opposed to voting for what I understand the motion
21 to be.

22 But the other reality is, we're talking, if Alex's

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1 numbers are correct -- and I'll accept them for the moment
2 -- that to take the staff to a meeting is a \$10,000 expense
3 two times a year, as I now hear it. That's one-tenth of 1
4 percent of our \$10 million budget, or at least something like
5 that.

6 And I think the value of the outreach that we have
7 in those particular opportunities greatly outweighs the minor
8 -- in a sense of our overall budget, the minor expense of
9 transporting the staff to a meeting outside of Washington. I
10 would be against it.

11 I would be against a policy of maybe -- as Maria
12 Luisa has just pointed out, there may be a circumstance in
13 which we'll want to be in Washington for other reasons. But
14 overall, Nancy, I would not be in favor of that.

15 MR. FORGER: Could I just address the appropriation
16 hearing point of view of that, Tom? I think we would be in a
17 more persuasive position as we fight for every dollar that we
18 can preserve for the delivery of legal services to be able to
19 demonstrate that we have given up some benefit -- not
20 personal benefit, but some benefit to the Corporation that is
21 being assessed against other aspects of the Corporation.

22 For example, in the House rescission, the full

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1 burden of that falls on the noncore, so called, items, which
2 represents at least a point of view of the Appropriations
3 Subcommittee that certain aspects ought to be retained to the
4 extent they can, and others ought to, notwithstanding, for
5 example, support national support as a matter of great
6 benefit to the field.

7 But nonetheless, the Appropriations Subcommittee
8 thought that was a place where there should be a roll-back.
9 And I think it would be better not to be in a posture of
10 saying that we're still going to meet in Denver in July
11 because of the benefit that will be derived from seeing
12 programs out there.

13 I think what you say is very rational, but I think
14 the appearance frequently could be more persuasive in the
15 Congressional context than that rational argument.

16 MS. MERCADO: But again, I think that in making
17 that argument, I think that this Board has been very
18 cognizant of the financial strain which the Corporation is
19 under and that in light of that, even though we appropriated
20 for us to meet monthly, we decided to meet only every other
21 month to save some money. So that's a positive on our side,
22 I think, in looking at --

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1 MR. FORGER: It's a good first step.

2 MS. MERCADO: It's a good first step of fiscal
3 restraint. And then, in addition, having the committees --
4 you know, there are several months, from looking at our
5 schedules, that the committees have tried to work it out
6 where it would meet simultaneously with the Board meeting,
7 rather than meeting in between, if that was not necessary.

8 So we have cut even some more additional meetings
9 from that than we had last year. So I think that those are
10 all steps that show us to be trying to run this as
11 efficiently as we can and as fiscally under restraint as
12 possible.

13 And, in fact, I think out of the whole set of
14 meetings for the whole year, we only had two, three, that
15 were possibly going to be out of Washington, D.C. Everything
16 else was going to be in Washington, D.C. And I didn't see
17 how that seemed to be an overly reckless -- but I understand
18 the political aspects you're talking about.

19 MR. EAKELEY: We were criticized last year -- we
20 got criticism from our friends last year about meeting out of
21 town. I don't think our perception of the value of off site
22 meetings is shared by everyone on the Hill. And there is an

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1 appearance issue and the timing issue that coincide here, I
2 think.

3 CHAIRPERSON ROGERS: There's another possibility, I
4 suppose, and that is to meet every three months instead of
5 every two months.

6 MR. EAKELEY: I think the Board still has a few
7 things to do, and I think that we should continue meeting and
8 functioning. I'm willing to forego the meeting in Columbus
9 in part, also, because we're going to be right in the middle
10 of the appropriations process.

11 MS. MERCADO: We're going to be in the middle of
12 appropriations.

13 MR. EAKELEY: And I think that to some, it may look
14 as if we're not being as cost-conscious as we might be to
15 schedule a meeting in July in Colorado. But I'm trying to
16 make the distinction between a longer-term policy binding on
17 us in future or different times and one that's dictated by
18 the momentary necessities that we could find.

19 MS. MERCADO: And what we did last year, Madam
20 Chair -- during the appropriation process, I think that there
21 were a couple that we had scheduled to be out of town. And
22 we ended up doing them in town just because our necessity of

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1 being here to deal with the issues at hand was much more
2 compelling.

3 CHAIRPERSON ROGERS: Ed?

4 MR. QUATREVAUX: Just a thought, that rather than
5 trying to establish some permanent policy, you look only to
6 the end of the fiscal year. Because who knows what the next
7 will bring in the way of the wherewithal that will shape that
8 decision.

9 And I think the point Alex makes, particularly with
10 respect to the May meeting because of the timing, appearances
11 do count very much. That's not to say that perhaps July is
12 past the period of sensitivity. But that's just the point,
13 that there's really no need to go beyond the fiscal year. So
14 what you're really talking about are these two meetings.
15 Thank you.

16 CHAIRPERSON ROGERS: Do we have a recommendation
17 from the committee to the Board that we hold the next two
18 meetings in Washington?

19 M O T I O N

20 MR. FORGER: So moved, Madam Chair.

21 MR. QUATREVAUX: Second.

22 CHAIRPERSON ROGERS: Okay. I think we have

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1 actually just four of us on the committee here. All those in
2 favor?

3 (Chorus of ayes.)

4 CHAIRPERSON ROGERS: Opposed?

5 MR. SMEGAL: No.

6 MR. EAKELEY: This is a voice out of the past.

7 MR. SMEGAL: It's a voice out of the West.

8 CHAIRPERSON ROGERS: The motion carries as a
9 recommendation to the Board.

10 MR. FORGER: And as a sequel, may I at least
11 address for beyond the current time whether or not one adopts
12 a policy as to out of town meetings and their frequency? I
13 think it would be useful for someone to develop a rationale
14 and criteria that should be met on a Board meeting outside of
15 Washington.

16 And maybe that's not terribly realistic, but I
17 think we ought to have a set of guidelines as to what it is
18 we're seeking to achieve when we recommend or select a site
19 outside of Washington and what the benefit is that should be
20 derived from such a meeting.

21 CHAIRPERSON ROGERS: I wonder if we as a committee
22 would like to ask the staff to draft a policy like that.

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1 MR. FORGER: I would be in favor of asking the
2 staff to do that.

3 CHAIRPERSON ROGERS: All right.

4 MR. EAKELEY: I would be in favor of your favor.

5 CHAIRPERSON ROGERS: I think we have very little
6 left on our agenda as a committee. We have this item,
7 "Board's relationship with Corporation management." We
8 talked about that some last time.

9 I think the view of the committee then was that it
10 was evolving to a more comfortable state than it had been in
11 the past, that the practice of committees meeting with staff,
12 that that decision would be Alex's to make, whether he would
13 prefer to go himself and be a representative at the committee
14 meeting or whether he would designate staff to work with
15 committees on particular things, but that committee members
16 and committee Chairs wouldn't work directly with staff unless
17 Alex had designated a particular staff person to work with
18 the committee.

19 Is there anything further on that on this issue of
20 Board and management relationship?

21 MR. FORGER: Madam Chair, I think it would be
22 important to try to regularize a process whereby management

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1 would report on a periodic basis, once a year, twice a year,
2 whether it be to the Ops and Regulations or the full Board,
3 with respect to personnel policies and issues and developing
4 procedures that should be in place, sort of a general
5 overview of what's happening here with 100 people or however
6 many are in place and cause us at least to make a
7 presentation as to policies, procedures, personnel, and all
8 aspects that relate to the functioning of the Corporation.

9 CHAIRPERSON ROGERS: I think last time, the Chair
10 of Ops and Regs said that she saw that as the Ops part of her
11 title and would think that that committee would look forward
12 to working with you on that policy.

13 As far as I can tell from our agenda, the only
14 thing that we still have as an Ad Hoc Committee to do is to
15 look at the draft policy that the staff is going to prepare
16 on out of town meetings. And we might even be able to do
17 that without a formal meeting.

18 MR. EAKELEY: I think you could even just recommend
19 that the staff develop it and leave that as the action of the
20 committee and expect that that staff report come back to the
21 full Board.

22 CHAIRPERSON ROGERS: I wonder if there's a motion

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1 from a member of the committee to report back to the Board
2 that we believe we have completed our assignment from the
3 Board and view ourselves as no longer being in business.

4 M O T I O N

5 MR. EAKELEY: I didn't realize this was a self-
6 extinguishing committee, although I'll make that motion.

7 CHAIRPERSON ROGERS: It has been so moved. Is
8 there a second?

9 MR. QUATREVAUX: Second.

10 CHAIRPERSON ROGERS: All in favor?

11 MR. QUATREVAUX: Second.

12 CHAIRPERSON ROGERS: I will report back to the full
13 Board that we believe we have done the job that we were
14 given.

15 Is there a motion to adjourn?

16 M O T I O N

17 MR. SMEGAL: So moved.

18 CHAIRPERSON ROGERS: All in favor?

19 (Chorus of ayes.)

20 (Whereupon, at 10:25 a.m., the meeting of the Ad
21 Hoc Committee was adjourned.)

22 * * * * *

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