

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
AUDIT COMMITTEE

OPEN SESSION

Monday, April 18, 2016

1:47 p.m.

Legal Services Corporation
3333 K Street, N.W., 3rd Floor
F. William McCalpin Conference Center
Washington, D.C. 20007

COMMITTEE MEMBERS PRESENT:

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

OTHER BOARD MEMBERS PRESENT:

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

STAFF AND PUBLIC PRESENT:

James J. Sandman, President
Ronald S. Flagg, Vice President for Legal Affairs,
General Counsel, and Corporate Secretary
Lynn Jennings, Vice President for Grants Management
Rebecca Fertig Cohen, Chief of Staff
Mayealie Adams, Special Assistant to the President
for the Board
Zoe Osterman, Project Manager, Executive Office
Wendy Rhein, Chief Development Officer
David L. Richardson, Comptroller and Treasurer,
Office of Financial and Administrative Services
Carol A. Bergman, Director, Office of Government
Relations and Public Affairs
Lora M. Rath, Director, Office of Compliance
and Enforcement
Janet LaBella, Director, Office of Program
Performance
Traci Higgins, Director, Office of Human Resources
Peter Campbell, Chief Information Officer
Stefanie Davis, Assistant General Counsel, Office
of Legal Affairs
Mark Freedman, Senior Assistant General Counsel,
Office of Legal Affairs
Helen Guyton, Assistant General Counsel, Office of
Legal Affairs
Davis Jenkins, Graduate Fellow, Office of Legal
Affairs
Jean Fischman, Graduate Fellow, Office of Legal Affairs
Jeffrey E. Schanz, Inspector General
Laurie Tarantowicz, Assistant Inspector General and
Legal Counsel
John Seeba, Assistant Inspector General for Audit
Daniel O'Rourke, Assistant Inspector General for
Investigations
David Maddox, Assistant Inspector General for
Management and Evaluation
Magali Khalkho, Director of Management Operations,
Office of the Inspector General
Roxanne Caruso, Director of Audit Operations, Office
of the Inspector General
Calvin Harris, Deputy Director, Office of Compliance
and Enforcement
Megan Lacchini, Deputy Director, Office of Compliance
and Enforcement

STAFF AND PUBLIC PRESENT (Continued):

Nancy Glickman, Program Counsel, Office of Compliance and Enforcement

Julia Kramer, Program Counsel, Office of Compliance and Enforcement

Bertrand Thomas, Program Counsel, Office of Compliance and Enforcement

David de la Tour, Program Counsel, Office of Compliance and Enforcement

Craig Pearson, Fiscal Compliance Analyst, Office of Compliance and Enforcement

John Eidleman, Senior Program Counsel, Office of Program Performance

Ronké Hughes, Program Counsel, Office of Program Performance

Evora Thomas, Program Counsel, Office of Program Performance

Mary Wyckoff, Program Counsel, Office of Program Performance

Daniel Temme, Office of Compliance and Enforcement

Katherine Ward, Executive Assistant, Office of Legal Affairs

Antwanette Nivens, Office of Data Governance and Analysis

Eric Jones, Network Engineer, Office of Data Governance and Analysis

Herbert S. Garten, Non-Director Member, Institutional Advancement Committee

Frank B. Strickland, Non-Director Member, Institutional Advancement Committee

Don Saunders, National Legal Aid and Defenders Association (NLADA)

Robin C. Murphy, NLADA

Terry Brooks, American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

Beverly Groudine, ABA SCLAID

April Faith-Slaker, ABA

C O N T E N T S

OPEN SESSION	PAGE
1. Approval of agenda	6
2. Approval of minutes of the Committee's January 29, 2016 meeting	10
3. Approval of minutes of the Combined Finance and Audit Committees' January 29, 2016 meeting	10
4. Briefing by Office of Inspector General Jeffrey Schanz, Inspector General	11
5. Management update regarding risk management Ron Flagg, General Counsel	15
6. Briefing about referrals by the Office of Inspector General to the Office of Compliance and Enforcement, including matters from the annual Independent Public Accountants' audits of grantees	16
 Lora M. Rath, Director, Office of Compliance and Enforcement	
7. Report on the implementation of the auditor's recommendation regarding inventory management	34
 David Richardson, Treasurer/Comptroller	
8. Briefing about LSC's oversight of grantees' services to groups	36
 Ron Flagg, General Counsel Janet LaBella, Director, Office of Program Performance Lora M. Rath, Director, Office of Compliance and Enforcement	

C O N T E N T S

	PAGE
OPEN SESSION (Continued)	
9. Consider and act on other business	82
10. Consider and act on motion to adjourn the open session meeting and proceed to a closed session	82

CLOSED SESSION

1. Approval of minutes of the Committee's
Closed Session meeting of January 29, 2016
2. Briefing by Office of Compliance and
Enforcement on active enforcement matter(s)
and followup on open investigation
referrals from the Office of Inspector
General

Lora M. Rath, Director, Office of
Compliance and Enforcement
3. Report on the integrity of electronic data

Peter Campbell, Chief Information
Officer
4. Consider and act on motion to adjourn
the meeting

Motions: Pages 6, 19, 10 and 81

1 PROCEEDINGS

2 (1:47 p.m.)

3 CHAIRMAN MADDOX: All right. We're going to
4 go ahead and get started with the Audit Committee
5 meeting. I think that it's past time. It's 1:47. I
6 note the presence of a quorum, so I will call the
7 meeting to order.

8 Is there a motion to approve the agenda?

9 MOTION

10 MR. KORRELL: So moved.

11 CHAIRMAN MADDOX: Second?

12 PROFESSOR VALENCIA-WEBER: Second.

13 CHAIRMAN MADDOX: All in favor?

14 (A chorus of ayes.)

15 CHAIRMAN MADDOX: I guess before I go any
16 farther, do we have David Hoffman or Paul Snyder on the
17 line?

18 MR. SNYDER: Hello?

19 CHAIRMAN MADDOX: Is that Paul?

20 MR. SNYDER: Yes. This is Paul. You're
21 cutting in and out, so --

22 CHAIRMAN MADDOX: I'm cutting in and out. Not

1 sure what to do about that. Is that any better, Paul?

2 MR. SNYDER: Now it's a little bit better,
3 yes. But just before, I could get about every other
4 word.

5 CHAIRMAN MADDOX: Okay. Let us know if that
6 continues to be a problem, and welcome to the meeting.

7 MR. SNYDER: Now it's not working again. I'll
8 try calling back in and see if that helps.

9 CHAIRMAN MADDOX: Okay. We'll wait a few
10 minutes.

11 (Pause)

12 MR. HOFFMAN: Hi, it's David Hoffman.

13 CHAIRMAN MADDOX: Welcome, David. We had
14 started a moment ago, and Paul is calling back in
15 because of a problem with the connection.

16 Paul, is that you?

17 MR. SNYDER: Hello?

18 MR. LEVI: Can you hear us? David?

19 MR. SNYDER: John, I just heard the last word
20 of what you said. Something about "us."

21 MR. LEVI: I said, "Can you hear us?"

22 MR. SNYDER: No. It's just cutting in and

1 out.

2 CHAIRMAN MADDOX: David, are you able to hear
3 us without any problem?

4 MR. HOFFMAN: I can hear both you and John.
5 it's very faint, but I can hear you.

6 MR. LEVI: Well, let's -- why don't you both
7 hang up and we're going to reopen the line. We got to
8 get a different line. We're sorry.

9 MR. HOFFMAN: Okay. No problem calling back
10 in.

11 MR. LEVI: If you'll dial it back in. And how
12 long? Give us a couple minutes. Two minutes. Thank
13 you.

14 (Pause)

15 CHAIRMAN MADDOX: Welcome back, David.

16 MR. HOFFMAN: That's actually better, Vic.
17 It's a bit louder.

18 CHAIRMAN MADDOX: Good. Paul, are you there?
19 Paul?

20 MR. SNYDER: Hello?

21 CHAIRMAN MADDOX: Can you hear us now, Paul?

22 MR. SNYDER: Yes. I can hear you. It's very

1 faint, but I can hear you.

2 MR. LEVI: Well, that's an improvement.

3 MR. SNYDER: David, are you there?

4 MR. HOFFMAN: I'm here. Hi, Paul.

5 MR. SNYDER: I hear you loud and clear, but
6 I'm for whatever reason struggling with them.

7 MR. HOFFMAN: Yeah. It sounds like, Vic, it
8 may be a distance from the microphone thing, is what it
9 sounds like. But I was able to hear what you said.

10 CHAIRMAN MADDOX: I'm going to be a rock and
11 roll singer if I get any closer.

12 MR. SNYDER: There you are.

13 (Laughter.)

14 CHAIRMAN MADDOX: All right. Well, everybody
15 else will have to put up with it.

16 DEAN MINOW: You are a rock and roll singer.

17 CHAIRMAN MADDOX: All right. Well, welcome
18 again to the start of the Audit Committee meeting. I
19 notice that the entire committee is present.

20 The first order on our agenda was the approval
21 of the agenda, and that occurred momentarily ago.

22 Second item is the approval of the minutes of

1 the committee's January 28, 2016 meeting. Is there a
2 motion?

3 M O T I O N

4 PROFESSOR VALENCIA-WEBER: I move to approve.

5 CHAIRMAN MADDOX: And a second?

6 MR. KORRELL: Second.

7 CHAIRMAN MADDOX: All in favor?

8 (A chorus of ayes.)

9 CHAIRMAN MADDOX: So approved.

10 Number 4 is a briefing -- I'm sorry, approval
11 of the minutes of the combined Finance and Audit
12 Committee meeting of January 29. Is there a motion?

13 M O T I O N

14 PROFESSOR VALENCIA-WEBER: I move.

15 CHAIRMAN MADDOX: Gloria. And a second?

16 MR. KORRELL: Second.

17 CHAIRMAN MADDOX: Thank you, Harry. All in
18 favor?

19 (A chorus of ayes.)

20 CHAIRMAN MADDOX: And opposed, no.

21 (No response.)

22 CHAIRMAN MADDOX: The minutes are approved.

1 And now we'll have a briefing by the Office of
2 Inspector General, and I recognize the Inspector
3 General, Jeffrey Schanz.

4 MR. SCHANZ: Thank you, Mr. Chairman. For the
5 board, welcome to D.C. This is about the finest
6 weather we've ever had in my 31 years here. So your
7 choices have been excellent.

8 I do have a lot to report on, but most of it
9 comes under, I believe, the tutelage or the aegis of
10 the board meeting. So I'm going to hold that off and
11 whet your appetite on the things I've been doing -- GAO
12 OIG coordination, attendance at the Office of General
13 Ethics, a lot of things that the board will do. I'll
14 try to restrict this just to the audit.

15 And we've been productive, as always. We're
16 doing very well, and you will be involved in that
17 action because you will approve the letter to the
18 Congress for our next SAR, which ended March 31st.

19 With that said, it came up a little bit
20 earlier -- there's Jim -- he and I meet biweekly, and I
21 entire him to my office because I have power bars and
22 energy bars and things like that. But we actually do

1 -- on some of the topics we were discussing earlier
2 today, we have deep and I think very fruitful
3 discussions on OCE, OPP, what problem grantees there
4 are out there that would benefit from an IG outlook.

5 And that's part of what you don't see, but we
6 meet. And my counterparts also, my AIGA, which is not
7 here at the table right now, but you know John Seeba,
8 and Dan O'Rourke meet with Lynn Jennings and her staff
9 on a biweekly basis also.

10 So while it's not codified in statute
11 anywhere, I think that's a good part of the three Cs
12 that I utilize to be able to know what each side of the
13 house is doing. And I don't mean politically because I
14 don't know what each side of the House is doing
15 politically, but I do what we're doing here at LSC.

16 With that said, we are involved with Congress,
17 a couple of things that they've been asking for. And
18 we can report on that, but we'll do that at the full
19 board meeting so I don't have to repeat myself.

20 As of right now, what I did send around -- and
21 Julie, I tried to make this clearer -- Julie and I were
22 talking and I said, well, I'm trying to make our

1 website more clear for you. And I said, if you look at
2 my resume for the last 43 years, you won't see IT
3 anywhere on my resume unless it means "it."

4 (Laughter.)

5 MR. SCHANZ: So that's my weak link. And
6 there behind you is a weak link. So I wanted to just
7 point out a couple things on the website because I know
8 you anxiously go to it every time I send a report. And
9 what we've done with our reports is I've continued to
10 give you a narrative, a quick summary, and then what I
11 consider the most important thing about the report.

12 Now, we've issued recently -- you'll see the
13 1605. We issued Rhode Island Legal Services, and just
14 before that we issued Ohio State Legal Services
15 Association. And you were all involved in getting out
16 the audit of the corporation, the corporate audit. We
17 talked about the last time; we had the corporate
18 auditors on the line. That has since been issued. And
19 then you can continue on.

20 And then something I was going to say as we
21 were talking a little bit about what OCE was doing, I
22 just wanted to let the board know -- I'll presage the

1 board and tell the audit committee -- is in the eight
2 years I've been the IG, my twin goals for my internal
3 office were professionalism and productivity. So I've
4 got thousands of them. I've got the three Cs. I've
5 got the two Ps. And I can apply those to a lot of
6 different things.

7 But I did want to bring your attention to the
8 website. I try to keep that -- well, Dave Maddox, the
9 assistant inspector general for management and
10 evaluation, keeps this current. But as we issue
11 things, this is the best place you can find them. And
12 yes, Father Pius, you're still on the quick links.

13 You can see CIGIE, and I'll talk about that
14 more to the board because that is demanding a lot more
15 of my time than LSC. LSC is doing the right things at
16 the right time. So my time there has been shifted over
17 to CIGIE.

18 But we're doing well as an organization. I
19 want the audit committee to know what we're doing. And
20 you can see or call me at any point in time. And with
21 that, that concludes my preliminary report. And I'll
22 have a whole lot for the board for you to look forward

1 to.

2 CHAIRMAN MADDOX: Thank you, Jeff.

3 Any questions for the Inspector General?

4 (No response.)

5 CHAIRMAN MADDOX: Seeing none, thank you very
6 much.

7 MR. SCHANZ: Thank you.

8 CHAIRMAN MADDOX: The next item on our agenda
9 is the briefing -- a presentation of the risk matrix, I
10 believe, from the General Counsel, Ron Flagg. Welcome,
11 Ron.

12 MR. FLAGG: Thank you, Mr. Chairman. I will
13 be brief. The hopefully now familiar risk matrix is at
14 pages 153 through 165 of the board book. I don't have
15 anything in particular to highlight other than the fact
16 that you will see, both on the matrix and during the
17 course of these meetings, that you and other committees
18 are receiving quite a few reports this go-around
19 because we're in Washington.

20 And we have Traci and Carlos and Peter
21 Campbell here onsite, and it makes sense, I think, to
22 take advantage of that. So we're getting a slightly

1 higher than average proportion of our risk-related
2 reports to the various committees.

3 And with that, I'm happy to answer any
4 questions.

5 CHAIRMAN MADDOX: Are there any questions for
6 Ron?

7 (No response.)

8 CHAIRMAN MADDOX: If not, thank you for that
9 presentation, Ron.

10 The next item on our agenda is the briefing
11 about referrals of the Office of Inspector General to
12 OCE. And I see and recognize the director of the
13 office, Lora Rath.

14 MS. RATH: Good afternoon.

15 CHAIRMAN MADDOX: Welcome.

16 MS. RATH: Thank you. Thank you for the
17 opportunity to once again update the committee on OCE's
18 activities during the last quarter.

19 Before I go to exactly what we've done since
20 we last spoke in January, I wanted to update you on a
21 question that both the chair and Julie raised regarding
22 state supplemental insurance payments. If you

1 remember, we had two referrals from the OIG that
2 grantees had not properly allocated as derivative
3 income reimbursements they received from the state
4 supplemental security income area.

5 I wanted to let you know that I investigated
6 and I found out that federal law allows that states
7 that are providing interim assistance to applicants for
8 SSI, it allows them to require the applicants to sign a
9 paper saying that once their application for SSI is
10 approved, that the retroactive payment check would be
11 sent to the state so that the state could recoup any
12 money that they had paid in interim assistance.

13 That's what this was. Several states, because
14 they find it helpful to get the applicants off of
15 interim assistance, they will pay a flat fee based
16 either on whether the application was approved before
17 or after a hearing to help the applicant be successful.

18 So none of the money comes out of the payments
19 that the now-successful SSI applicant would receive,
20 but it's money from the state. So I just wanted to
21 update you to you look that it's not coming out of the
22 retroactive payment.

1 All right. Now, in turning to our activities
2 over the last quarter, in your open board book starting
3 on page 167 I have my standard memo talking about the
4 number of activities that were open and referred.
5 You'll note, as you remember, there were no pending
6 referrals at the end of December 31 of 2015.

7 One referral was made this past March 23rd.
8 Again, it's derivative income related to attorneys'
9 fees. We have received the backup information from the
10 OIG and are reviewing that. My initial contact with
11 the program, they have said that they already
12 reallocated the funds for 2015, and they are waiting
13 for me to let them know how much they need to
14 reallocate for 2015 and how to restate that money in
15 their audited financial statements. So I assume that
16 this will be resolved by the next time we meet in July.

17 Following that memo, the chart on page 169
18 just has the same information in chart form. The chart
19 that begins on page 170 is the status of referrals from
20 the independent public auditor. Items in red are
21 updates since we met in January.

22 We've managed to close out -- last time there

1 were 18 grantees who had referrals pending. We're now
2 down to 15. We are actively pursuing each of these
3 referrals, oftentimes working with the Office of
4 Program Performance to provide technical assistance.

5 In other ones, we have left the findings open
6 pending an onsite review by the Office of Compliance
7 and Enforcement and/or receipt of the program's audited
8 financial statements for 2015 so that we can see if the
9 actions the recipient said they were going to take were
10 actually effective in curing the deficiencies.

11 Unless anybody has questions on either of
12 those charts, that's about all I had for the committee
13 at this point.

14 CHAIRMAN MADDOX: Gloria?

15 MR. HOFFMAN: This is David Hoffman. I have a
16 question, Vic.

17 CHAIRMAN MADDOX: Just a moment, David.
18 Gloria was about to ask.

19 MR. HOFFMAN: Oh, sure. Go ahead, Gloria. Of
20 course.

21 PROFESSOR VALENCIA-WEBER: Okay. On page 177
22 under the Philadelphia Legal Assistance, it cites,

1 "Citizen attestations were not included in the sample
2 case files." I've been asked by New Mexico as well as
3 an organization that deals with immigrants about the
4 citizenship attestation process.

5 Is there a prescribed form that either your
6 office or an LSC office has on the intake when a person
7 calls that immediately has to answer, first, the
8 citizen or non-citizen status of the person calling?

9 MS. RATH: That is part of initial screening
10 for eligibility at any time, whether it's a telephone,
11 whether it's an intake on paper, or through an online
12 system. That is one of the requirements that needs to
13 be asked and answered before a program can make a
14 determination as to whether somebody is eligible for
15 services.

16 PROFESSOR VALENCIA-WEBER: Okay. That I
17 completely understand. That attestation has to be made
18 before a decision can be made about what kind of
19 service, if any, the grantee organization will provide.

20 What is of concern here is that we have a
21 number of organizations that provide services to
22 immigrants, some of them legal permanent residents,

1 some of them who have been referred because they
2 qualify under VAWA, which does allow the non-documented
3 abused spouse, female spouse, to apply under VAWA for
4 legal help. And it's allowed by our rules as well.

5 MS. RATH: Yes.

6 PROFESSOR VALENCIA-WEBER: So what happens as
7 a recurring instance here is that even if the referring
8 agency first checks completely for a bona fide VAWA
9 claim and then says that they do not have lawyers to
10 help the person on the legal part -- they will help for
11 shelter and other kinds of things -- refer them to our
12 grantee, and it seems that as soon as the intake
13 starts, the first question is about citizenship status.

14 And at that point, a number of these women
15 fleeing domestic violence turn and leave. They're
16 really afraid of answering that kind of question,
17 especially if they are, under the VAWA, the
18 undocumented abused partner.

19 I'm asking the order in which the attestation
20 questions must come. Is that prescribed?

21 MS. RATH: No. We don't indicate when in the
22 process it should be asked, just that it needs to be

1 documented at some point. We can talk about this
2 offline. But it might be a matter of another agency
3 has already screened and has documentation, however
4 they've signed off on it, to say that it is something
5 who's eligible under VAWA, maybe it's a matter of
6 transferring that information to our grantee at the
7 same time rather than double-asking the question. But
8 that's just off the top of my head. We can think of
9 some other ways.

10 PROFESSOR VALENCIA-WEBER: Okay. So the
11 attestation clearly has to occur before a decision can
12 be made about what service, if any, will be rendered.
13 But it does not have to be the opening question?

14 MS. RATH: Correct. Correct. We have never
15 prescribed the particular order.

16 PROFESSOR VALENCIA-WEBER: Thank you.

17 MS. REISKIN: Just a followup to that. Is
18 there a specific form that they use, or does everyone
19 have their own?

20 MS. RATH: For the actual citizenship
21 attestation?

22 MS. REISKIN: Yes.

1 MS. RATH: The CSR handbook does have a
2 prescribed sentence about how it should read, and that
3 was put into place because several programs had had
4 things where they could check off either "I'm a citizen
5 or a non-citizen." And we wanted to preclude and just
6 have it say, "I am a citizen of the United States," and
7 sign and date. So there is a format that's strongly
8 recommended if not required.

9 MS. REISKIN: And in Colorado, we have a state
10 law. Could a program use their state form or no?
11 Because our state law, I think, does what you just said
12 shouldn't be done, like the yes and no.

13 MS. RATH: As long as in the file there is an
14 accurate attestation that we can review when we're
15 onsite so that we know that the screening question was
16 asked and answered and is in the file. I don't see a
17 reason why it could not be on a different form.

18 MS. REISKIN: Thanks.

19 MS. RATH: Did we want to go back to Mr.
20 Hoffman?

21 CHAIRMAN MADDOX: David, do you have a
22 question?

1 MR. HOFFMAN: Yes. Thanks. Thanks again for
2 the update through this chart, which I think OCE is
3 doing a great job and it's very helpful for us. I know
4 this is a very mature form and process now, which is, I
5 think, helpful to us.

6 My followup question is, my impression is that
7 the referrals can be split into two categories, and
8 sometimes a referral contains both. One relates to
9 controls and the other relates to questioned costs.

10 So in reading this, it's clear that sometimes
11 you're working on issues that the IG has pointed out
12 that just relate to internal controls and not relating
13 to a specific dollar amount. And sometimes there is a
14 specific dollar amount of questioned cost.

15 I want to ask about the questioned cost
16 amount. I assume that those are tracked both on a
17 referral-by-referral basis and probably overall, maybe
18 on an annual basis.

19 And I'm interested in being briefed on and
20 having the audit committee briefed on a regular basis
21 on how much the IG has identified in questioned costs,
22 and then the status of those questioned costs, either

1 because of what OCE has determined or what the response
2 has been and what management has determined.

3 And this question is not to suggest that there
4 needs to be some questioned costs in order for the
5 referral to be important or for what the IG did in its
6 work to be important. The IG's work and OCE's work may
7 be very important just in identifying internal controls
8 deficiencies.

9 But to the extent that the referral does
10 identify specific questioned costs, it would be nice in
11 this chart or something else that's alongside it, in
12 whatever way seems efficient and easy for you to put
13 together and to brief us on, I think it would be nice
14 to see here were the questioned costs for this specific
15 grantee, and here's where it stands now in terms of the
16 dollar amount. We agree, or we knocked it down, or
17 here's what was agreed upon by the grantee, or here's
18 what LSC management decided. And then there could be a
19 total on a quarterly or annual basis about what was
20 identified by the IG in terms of questioned costs and
21 what OCE determined.

22 I know we've had this discussion before, and I

1 think this chart is fantastic. I think it doesn't make
2 it easy to see the development of the questioned costs
3 part of this. And even though that's just one element,
4 I think that would be good for the committee to be able
5 to have visibility into and then to be able to have a
6 discussion about at these committee meetings, if
7 necessary.

8 And again, I'm very mindful of making -- I
9 only want to make suggestions that don't create
10 significant burdens on you and your staff because
11 there's so much good work that everyone's doing. What
12 is your reaction to that? Is that something that would
13 be feasible going forward, including for the next
14 meeting next quarter?

15 MS. RATH: So you're referring to the second
16 chart, so the referrals from the independent public
17 auditors? That chart you would like a questioned cost
18 breakdown? Am I correct?

19 MR. HOFFMAN: I'm looking at the chart from
20 pages 169 to 178.

21 MS. RATH: Okay. So that is that chart.

22 MR. HOFFMAN: And I think that's the only

1 chart -- I mean, that's the only -- unless I'm missing
2 something, that is the only chart. Right?

3 MS. RATH: Well, okay. So it's two separate
4 charts. There's one standalone chart on page 169,
5 which is the audit referrals from the selected --
6 reports on selected review of internal controls, the
7 reports issued by the audit division.

8 And for that one, that's where we primarily
9 get our questioned cost referrals from. And not in
10 this cover memo but in previous cover memos, when there
11 has been a collection or a recoupment begun, the last
12 page in the memo has had a breakdown of the amount that
13 was referred by the OIG, how much that was for
14 unallowable costs, what the OCE or the LSC management
15 determination was, and then the percentage.

16 I can pull you what I did for the end of last
17 year and send that to you directly to see whether
18 that's sufficient, or if you would like a different
19 kind of breakdown we can talk, and maybe Paul can help
20 me figure out what would be more visual for you and for
21 the committee. But we were giving that in part of the
22 memo form previously.

1 MR. HOFFMAN: Okay. I see. Yes. So if page
2 169 is the only page that reflects referrals that
3 contain questioned costs, as you say, it only contains
4 one and that's one that was sent to you last month, I
5 do think it would be helpful as we're meeting quarterly
6 to see recent history.

7 If the answer is, well, those are recently
8 closed referrals, the second chart beginning on 170
9 looks like it's both open and recently closed?

10 MS. RATH: Yes.

11 MR. HOFFMAN: So I guess that was maybe the
12 basis for my conclusion -- confusion. If the referrals
13 from the IG that contained questioned costs, in order
14 to get a handle on what's the recent history of those,
15 it needs to include either recently closed ones or some
16 sort of chart that shows the dollar amount.

17 I think that would be good for us to see
18 because I now see that the only information we have is
19 just this one referral from last month regarding the
20 grantee listed here.

21 So again, just something that's easy to do.
22 But I think that should be part of the conversation.

1 And the only way to make it part of the conversation, I
2 think, is to give us some visibility into recent
3 history regarding IG referrals, regarding questioned
4 costs, and then how they've been handled.

5 MS. RATH: Yes. I can do that.

6 MR. SNYDER: And I think, David, if Lora sends
7 you what we had been doing, I think the thing we have
8 here is that we're starting the year off and we haven't
9 got notices out. But to look at the fourth quarter
10 last year where it did the summary for the year, what
11 was referred, what was adjusted, what notice was put
12 out, and what was collected, I think it would be
13 helpful. But we'll see if that addresses your
14 thoughts.

15 MS. RATH: Yes. So I'll send that to you, Mr.

16 --

17 MR. SNYDER: So Lora, you'll send that to
18 David?

19 MS. RATH: Yes. I'll send that to you, David.

20 MR. SNYDER: And then we just follow up and
21 see if there's something we need to modify to that.

22 MR. HOFFMAN: Yes. I think, looking at --

1 again, since you're tracking it, I assume it would be
2 really -- I assume; you correct me if I'm wrong -- any
3 work to create this. But I think, looking back at the
4 last year would be helpful, if that's something that's
5 feasible to put in front of us.

6 MS. RATH: No problem. I can get that to you
7 by the end of the day or by the end of tomorrow, and
8 then we can talk about whether you'd like it in a
9 different format going forward.

10 MR. HOFFMAN: Thank you.

11 CHAIRMAN MADDOX: Will you share that with the
12 whole committee?

13 MS. RATH: I can do that, yes.

14 CHAIRMAN MADDOX: Martha?

15 DEAN MINOW: This is a very general question.

16 But as you look at the very detailed analysis
17 following page 169, how much do you think it would help
18 grantees if they had more room to have on their boards
19 people who have financial and accounting training?

20 MS. RATH: I think it would be very helpful.
21 It's one of the best practices that's listed in the
22 accounting guide. But I think the more access that the

1 boards have to fiscal experts, the better it is for
2 them, the more they can hold the management accountable
3 and know what they're looking for.

4 DEAN MINOW: Well, and it came up in the ops
5 and regs meeting, these limitations about who can serve
6 because of the formula based on eligibility, members
7 and then lawyers, and I just -- we've talked about this
8 before, but it seems to me really worth raising. I
9 don't know if this requires a statutory change --

10 MS. RATH: Yes.

11 DEAN MINOW: -- which it does. But with whom
12 could we possibly point to -- this is a small fix. It
13 could allow real improvement and save a lot of people a
14 lot of time and headaches.

15 MS. RATH: And, I'm sorry, you're very
16 correct. We do often recommend that they have -- much
17 like we have Paul and David available to this
18 committee, that if possible, they have a non-board
19 member help them out. But if we could change the rules
20 otherwise so that would be more mandatory, that would
21 be lovely, too. But we do make that recommendation.

22 CHAIRMAN MADDOX: That's an excellent idea,

1 Martha. Maybe we can get Carol to give us some advice
2 on how to pursue that, although I know there's a
3 reluctance to touch the LSC Act by some.

4 DEAN MINOW: Far be it from me to suggest any
5 legislative action ever. But maybe, given what Lora
6 just said, there's a way that we can put more oomph
7 behind the suggestion of non-board member affiliates,
8 and show people how you do that, and how you recruit
9 them, and what their role is. Because we don't have to
10 change the statute to have that happen.

11 CHAIRMAN MADDOX: They have to get John Levi
12 on their board.

13 (Laughter.)

14 CHAIRMAN MADDOX: All right.

15 MR. LEVI: Then can do better than that.

16 CHAIRMAN MADDOX: Are there any other
17 questions for Lora?

18 (No response.)

19 CHAIRMAN MADDOX: If not, thank you very much,
20 Lora.

21 MS. RATH: Thank you.

22 CHAIRMAN MADDOX: The next item on our agenda

1 is the report on the implementation of the auditor's
2 recommendation regarding inventory management. And
3 Treasurer/Comptroller David Richardson, welcome.

4 MR. RICHARDSON: Thank you, sir, and good
5 afternoon, everyone. Since we last met and got the
6 auditor's recommendation, we actually met with the OIG
7 staff last Wednesday and they have presented a policy
8 of inventory management which we're going to adopt.

9 It's a matter of looking at the inventory
10 periodically through the year, reconciling any
11 particular new purchases of inventory and assets.
12 Mainly what we were looking at here was computer
13 assets. And once they're purchased and tagged and
14 brought into the inventory, we would get together and
15 have like a paper inventory to reconcile the records to
16 make sure that everything is straight and that we have
17 accounted for everything.

18 We will also at year-end present to them the
19 final inventory so that they have another opportunity
20 to look at it and identify any particular items that
21 may not have been included or, as we found this
22 particular time, a few things that had been donated and

1 not yet accounted for in the system.

2 So we're making strides toward correcting that
3 deficiency, and we'll put it in place. Actually, we
4 had our first kickoff meeting last Wednesday, as I
5 said, and then we'll do it again in June, to reconcile
6 what we received last week, and have a paper inventory
7 of those items so that we can move forward in the
8 future in unison.

9 CHAIRMAN MADDOX: David, how many hours of
10 work annually do you imagine this new process is going
11 to take?

12 MR. RICHARDSON: It won't take long.

13 CHAIRMAN MADDOX: So it's not a major
14 imposition?

15 MR. RICHARDSON: It is not. It's something
16 that we started putting in place last year with a paper
17 inventory. We do a physical inventory once a year, and
18 this will just give us an opportunity to make sure that
19 the OIG records and management records match -- half a
20 day, I would think, at max.

21 CHAIRMAN MADDOX: Okay. Any questions? David
22 or Paul?

1 MR. SNYDER: No questions. Thank you.

2 (No response.)

3 CHAIRMAN MADDOX: If not, thank you, Paul.
4 Thank you, Mr. Richardson.

5 The next item on our agenda is the briefing
6 about LSC's oversight of grantees' services to groups.

7 And we have Ron Flagg, Lora Rath, Janet LaBella. It
8 looks like Lynn's staying out of the line of fire.

9 (Laughter.)

10 MS. JENNINGS: If I need to chime in, I will.

11 CHAIRMAN MADDOX: Welcome to you all.

12 MR. FLAGG: Thank you.

13 CHAIRMAN MADDOX: At the last meeting, I took
14 essentially all of your time as a panel. So I'm not
15 going to do that today, and I'm going to turn it over
16 to you now. Thank you.

17 MR. FLAGG: Thank you. Just as a quick
18 statement to put this in context, questions about LSC's
19 oversight of group eligibility representation initially
20 arose back in October as a result of the reprinting of
21 a 2011 article by the executive director of Legal
22 Services of Northern California.

1 Following the October meeting, Jim asked
2 OCE/OPP to put together a briefing regarding LSC's
3 oversight of group eligibility representation. Jim
4 also asked the Office of Legal Affairs to prepare a
5 memorandum addressing whether or not either the
6 preparation of the article or the activities described
7 in the article violated LSC's regulations.

8 At the January meeting in Charleston, we
9 shared a draft of the memorandum prepared by the Office
10 of Legal Affairs, and Janet and Lora briefly presented
11 our briefing. That yielded further questions both at
12 the meeting and followup questions and comments after
13 the meeting, and Jim asked us to address those followup
14 questions and comments, which we have done, or are
15 trying to do.

16 The revised memorandum is on pages 184 to 196
17 of your board book. The memorandum, prepared and
18 shared with the committee as part of this meeting, is
19 at pages 180 through 182 of the board book.

20 Lora and Janet have actually prepared a
21 PowerPoint presentation which covers much of the same
22 ground as this written memorandum but goes beyond that

1 to answer some further questions that have come up
2 recently.

3 So I'm going to turn it over to them. Their
4 PowerPoint will address generally our oversight of
5 group eligibility representation, the data we have
6 regarding that representation across all of our
7 grantees, and because again this topic came up in
8 connection with this 2011 MIEJ article, data about the
9 group representation undertaken by Legal Services of
10 Northern color.

11 MS. RATH: Thank you, Ron. So yes, I'm going
12 to briefly go over the regulatory requirements and what
13 OCE does onsite to review group eligibility
14 representation by LSC grantees.

15 Since 1976, the LSC regulations have allowed
16 representation using LSC funds under certain specified
17 circumstances. Those circumstances are outlined in
18 1611.6, which sets out the requirements that must be
19 satisfied in order for a group to be eligible for
20 LSC-funded legal assistance.

21 1611.6(a), the first requirement, says that
22 the group must show that it lacks and has no practical

1 means of obtaining funds to retain private counsel. In
2 order to do that, the recipient should be looking at
3 things such as the income, whether they have donations,
4 whether they have grants coming down the pike, what
5 assets they have, and what obligations they have.

6 If the applicant is able to demonstrate that
7 they have no means or no practical means, then they've
8 fulfilled the first requirement and move on to the
9 second requirement.

10 The second requirement looks at the type of
11 group that's seeking representation. 1611.6(a)(1)
12 allows for LSC-funded representation of a group that
13 consists primarily of individuals who would be
14 financially eligible for LSC-funded assistance.

15 In those instances, the recipient would be
16 looking at the group to see whether the socioeconomic
17 characteristics of the people in the group would most
18 likely fit that of a financial eligible person. They
19 can do screening or just look at the overall type of
20 people that are in the group.

21 The second type of possible group is a group
22 that has as its principal activity the delivery of some

1 type of service to persons who would be eligible for
2 LSC-funded assistance. That's the first element of
3 this one. And then they also have to look at whether
4 the Legal Assistance being sought relates to that
5 activity, to the principal activity. It can't be a
6 secondary -- like a tort or something.

7 Yes, Father Pius?

8 FATHER PIUS: Just to point out, that one's a
9 later addition. So 74 goes back to (a)(1) but not
10 necessarily to (a)(2). And OIG was originally opposed
11 to (a)(2). Does the OIG maintain its opposition to
12 including that, or does it no longer have an opinion?

13 MR. FLAGG: I don't believe the IG has opined
14 on that.

15 FATHER PIUS: It did originally when it was
16 added, and they were against it.

17 MR. FLAGG: I understand. The board itself
18 has gone -- this issue has --

19 FATHER PIUS: Yes. The management's gone back
20 and forth. The board's gone back and forth.

21 MR. FLAGG: Yes. So I --

22 FATHER PIUS: But the OIG has been pretty

1 consistent negative.

2 MR. FLAGG: The IG certainly can speak for
3 himself. But I'd be surprised if the present IG has
4 taken a view of that because the issue has not come up
5 in 15 years. And unless the IG is looking for things
6 to opine on that are not before him, I don't think this
7 IG has reviewed the issue.

8 CHAIRMAN MADDOX: Lora, let me just -- I said
9 I wouldn't interrupt, but --

10 (Laughter.)

11 FATHER PIUS: It was a lie.

12 CHAIRMAN MADDOX: Well, you started it.

13 (Laughter.)

14 CHAIRMAN MADDOX: So the second, after the
15 "or," a group may be eligible if it provides services.
16 And those services need not be legal services. Right?

17 MS. RATH: Correct.

18 CHAIRMAN MADDOX: And then the group is
19 looking to the LSC grantee for legal services.

20 MS. RATH: Correct. The -- go ahead.

21 CHAIRMAN MADDOX: So that the individuals who
22 are ultimately the beneficiary of the services are not

1 getting legal services from LSC. They're getting
2 whatever the grantee decides its mission is.

3 MS. RATH: Not necessarily. They could be
4 getting legal services. If it's something along the
5 lines of a tenant association representing a group of
6 tenants, then all of the people in the group are
7 getting legal services representation.

8 CHAIRMAN MADDOX: Right. But need not be.
9 Right? It can be anything. See, that's my concern.
10 That really goes to my concern all along.

11 MR. FLAGG: If you could please let the
12 briefing continue because there is screening activity
13 by the grantee beyond these statutes, and Lora was
14 about to get to that. And it may not fully address
15 your concerns, but it is relevant, I think, to those
16 concerns. And we welcome questions, but if you could
17 just let Lora continue, I think it would be helpful.

18 MS. RATH: Thank you, Ron. So if both
19 requirements have been satisfied, then if the services
20 being sought are within the recipient's priorities --
21 and that's a key thing; it has to be within the
22 recipient's priorities -- then the recipient may accept

1 the group for LSC-funded representation.

2 And 1620, that's the part that sets out that
3 the recipient needs to set specific priorities about
4 what types of cases and matters that the staff can
5 devote its time to. So it's not just that they meet
6 1611.6 and they can be accepted. It also has to meet
7 the requirements of 1620. And of course, if it doesn't
8 meet the requirements of 1620, then they can use
9 non-LSC funds to represent.

10 MR. FLAGG: And Lora, this would be true as to
11 representation of individuals?

12 MS. RATH: Yes.

13 MR. FLAGG: So if an individual comes in and
14 says, I have a widget problem, can you help me with my
15 widget problem, I take it that a grantee would
16 typically, in addition to financial eligibility,
17 citizenship eligibility, consider whether or not widget
18 problems are within its priorities.

19 MS. RATH: Exactly. And that is a required
20 element for something to be an acceptable case for LSC
21 purposes.

22 So part of OCE's onsite review process in the

1 work plan, we review and assess each recipient's Part
2 1611 policy to make sure that it contains all of the
3 required elements. If it's missing anything, we talk
4 to the executive director and we implement required
5 corrective actions to get the policy into compliance
6 with the regulation.

7 Onsite we conduct interviews of intake staff,
8 anyone involved in the intake process, to make sure
9 that they understand LSC's Part 1611 requirements. We
10 question them about the implementation of the
11 recipient's own policy to make sure that it's being
12 implemented as designed.

13 And we also question staff regarding their
14 procedures for screening and determining eligibility,
15 and also their documentation of that eligibility,
16 because that's particularly important when we go onsite
17 and do case review, to make sure that the documentation
18 is there.

19 If the recipient has a group eligibility
20 screening form, we will review and assess that and make
21 suggestions. It is not a requirement that a program
22 have a group eligibility screening form, but we find it

1 to be a best practice because in most instances,
2 recipients are not doing a great amount of screening
3 for group eligibility. So if they have a form in place
4 that helps, it makes it much easier.

5 MR. FLAGG: I just want to clarify the record.
6 You said they don't do a lot of eligibility screening
7 for groups. Is that because they don't encounter many
8 instances in which groups seek their services?

9 MS. RATH: Yes. That has been OCE's
10 experience during the onsite review process.

11 DEAN MINOW: When you say "many," can you give
12 us some sense of numbers? Percentage?

13 MR. FLAGG: It's coming up.

14 (Laughter.)

15 MS. RATH: I'm going to leave that to OPP and
16 to Janet.

17 While we're onsite we also conduct mock
18 application interviews, where we pretend that we're the
19 applicant and give different answers to see how the
20 recipient changes his or her questioning. And then if
21 the program did represent any clients, any group
22 clients, we will review a representative sample to look

1 for that documentary evidence that I just spoke of a
2 moment ago. So that's what we do onsite.

3 Now I'm going to turn it over to Janet to talk
4 about the numbers that Martha was asking about.

5 MS. LABELLA: So we've pulled together the
6 numbers reflecting group representation. And the chart
7 that you see up there looks at those numbers from 2011
8 to 2015. And you can see that in terms of the
9 percentage of group cases as of all cases, the high was
10 in 2014, when it was 0.071 percent, and the low was in
11 2013, when it was 0.064 percent.

12 The middle column is the total number of cases
13 that were closed that were reportable to LSC, and the
14 column on the left shows the actual number of cases on
15 behalf of groups that were closed. And again, the high
16 in terms of raw numbers was 583 in 2011, and the low is
17 485. So you have a range of between the high 400s and
18 800s -- I mean, I'm sorry, 500s -- and you're comparing
19 that to total number of cases closed in the 700,000 and
20 800,000 range.

21 MR. FLAGG: So just to underscore, that's a
22 range between 6/100ths of 1 percent to 7/100ths of 1

1 percent.

2 MS. LABELLA: So there aren't very many of
3 them, to sum it up.

4 So up here you have the 12 grantees who have
5 had the highest level of group representation, again in
6 the period of 2011 to 2015. And you'll see again the
7 raw number of cases closed in the far left column, the
8 total number of cases that particular grantee closed,
9 and the percentage of group cases of the total. And
10 the five-year trend I absolutely love. They're very
11 cute. Those are spark lines, and it shows the trend
12 over that five-year period of their group cases.

13 Since there had been an interest in Legal
14 Services of Northern California, you'll see that they
15 place 12th. So they're the last one on the chart.

16 MR. FLAGG: And again, that 45, that's over a
17 five-year period?

18 MS. LABELLA: Correct. That's the total over
19 the period of time from 2011 to 2015.

20 Gloria?

21 PROFESSOR VALENCIA-WEBER: When you finish
22 this part, could I speak to this part?

1 MS. LABELLA: Or you could ask now.

2 MR. FLAGG: I think --

3 CHAIRMAN MADDOX: Actually, look. I'm running
4 the meeting. So let's go ahead and make the
5 presentation and then we'll go back to regular order.

6 MR. FLAGG: Thank you.

7 MS. LABELLA: So here's just some examples the
8 groups that our grantees have represented. They
9 represent Indian tribes, tenant organizations, other
10 nonprofit organizations, usually that are engaged in
11 homeless assistance, low-income housing development,
12 low-income health assistance.

13 And the typical case types are code
14 development for tribes, tribal jurisdictional issues,
15 Native allotments, lease negotiations, a lot of
16 transactional work, which includes incorporation,
17 bylaws, and obtaining tax-exempt status, and also
18 things such as contract disputes.

19 Now, since there was a special interest in
20 Legal Services of Northern California, we did put
21 together a couple slides regarding the scope of their
22 legal work. And there had also been some questions

1 about the closing codes and what they represent.

2 So the blue line at the top is the total cases
3 closed, and this is over the period from 2009 to 2015.

4 And the red line underneath that are cases that were
5 closed with the provision of counsel and advice. And
6 for LSC wonks, that is closing code A.

7 The green line is closing code B, which is
8 limited action. Now, that generally consists of
9 something more than advice. It can be writing a letter
10 on the client's behalf. It can be going to a meeting.

11 It can be the preparation of some documents. But it
12 is referred to as limited action rather than extended
13 representation. And the line at the bottom for
14 Northern California is the extended cases
15 representation, which can again involve anything from
16 negotiated settlements to court action.

17 Now, what you can barely see at the very
18 bottom is number of groups served for each of those
19 years. And again, if you look at the top at the blue
20 line, you see, for example, in 2009 they closed 15,314
21 cases, of which six were group cases. And you can
22 follow that along. The year that had the highest

1 number of group cases was 2010, when they closed 14.

2 And that was out of 15,160 cases.

3 Now, Legal Services of Northern California, as
4 you can see by this slide, closes more cases than the
5 national median for total cases closed. The dotted
6 line is the national median, and the solid line in blue
7 are the numbers of total cases closed by Northern
8 California over the period 2010 to 2014. We don't have
9 the medians for 2015; that's how come we cut it off at
10 2014. And then the orange lines at the bottom, again
11 the solid line are extended cases closed per 10,000
12 poverty population by LSNC, and the dotted line is the
13 national median.

14 Now, there had been a question about the
15 closed cases in 2015 closed by Legal Services of
16 Northern California. And this is just a summary of the
17 cases that were closed, the nine cases, in 2015. As
18 you can see, the bulk of them involved low-income
19 housing and homelessness.

20 There were two involving low-income health
21 assistance, and two also involving low-income student
22 education. And a couple of these were pro bono, so

1 they're not all handled by staff. Some of them were
2 handled by pro bono.

3 Now, we collect information with the grantee
4 activity reports that show the cases that are pending
5 at the end of the year. So going into 2016, these were
6 the cases that were open on behalf of groups by
7 Northern California. They follow the same pattern and
8 trend.

9 The greatest number are with low-income
10 housing and homelessness. You have some low-income
11 health assistance. Education. Employment. There was
12 one group of veterans with PTSD issues, and another one
13 that was generally for not-for-profit assistance.

14 So that's how the numbers wrap up. So I'm
15 happy to take any questions.

16 CHAIRMAN MADDOX: Yes. Let me just ask a
17 question first, then you, Gloria.

18 Janet, of the 67, .067 percentage of cases,
19 for instance, in your chart, of the 45 cases that LSNC
20 did, what percentage of their total attorney time did
21 that represent?

22 MS. LABELLA: We do not have that data. I

1 mean, they keep time records for their advocates, and
2 when OCE goes out -- and Lora can explain to you how
3 they review those. But we do not collect that
4 information, either.

5 MR. FLAGG: Could you go back to that --
6 actually, go to the last chart for a second, or the
7 second-to-last chart. No, no, one more down. No, no,
8 no, toward the end, the second-to-the-last chart.
9 Sorry. Yes.

10 MS. LABELLA: Oh, okay.

11 MR. FLAGG: Yes. And Vic, this does not
12 answer directly, with hard data, your question. But I
13 do think it addresses it to an extent. This is not
14 general policy work. This is responding to a subpoena.
15 It's doing 501(c)(3) applications. It's doing
16 incorporating documents. The limited action
17 transactional assistance is almost certainly either a
18 501(c)(3) application or incorporation documents.
19 These are not time-intensive activities.

20 So we're talking about a total of nine cases,
21 most of which -- negotiating a contract -- most of
22 which are not time-intensive. Again, we'd all in a

1 perfect world like to have whatever data we could get.

2 But this at least is --

3 CHAIRMAN MADDOX: Thank you, Ron. Can we go
4 back to the last chart with the four lines?

5 MS. LABELLA: This one?

6 CHAIRMAN MADDOX: No. The one with the four
7 lines, the colored lines.

8 MS. LABELLA: Oh, the trend line. This one?

9 CHAIRMAN MADDOX: No. The next one. This
10 one. So what's going on at LSNC? In 2015, it only
11 closed 3600 limited action cases, which is down from
12 over 6,000 just four years earlier. Now, why did they
13 close so few even limited action cases?

14 And doesn't this go into the concern that was
15 raised by the LSC review team in 2010, where they
16 specifically said they were concerned that individual
17 clients were not getting representation? I mean,
18 that's almost a quote.

19 MR. FLAGG: No. That's not a direct quote.
20 What they expressed a question about -- they expressed
21 a question. They asked the program to consider whether
22 or not the proportion of limited representation work,

1 which I think would include both counsel and advice and
2 limited action cases versus extended cases closed.

3 They asked a question about whether that ratio
4 was optimal to serve the overwhelming needs of the
5 population in Northern California. And that's a
6 question that OPP, I'm sure, asks virtually every
7 program, and could ask no matter what the ratio was
8 because that's a fundamental tradeoff between --

9 CHAIRMAN MADDOX: Well, Ron --

10 MR. FLAGG: Just let me finish -- between
11 extended representation and limited representation. I
12 asked the committee, and I know Vic has read it, to
13 read the program's response to LSC's request that the
14 program consider that issue.

15 Every member of the board, and I invite any
16 member of the public because it's published on our
17 website, the November 2, 2010 letter from Gary Smith to
18 Chuck Greenfield, which addresses in detail the
19 rationale, the strategic rationale, for Legal Services
20 of Northern California's emphasis on limited service
21 cases versus extended cases. And --

22 CHAIRMAN MADDOX: Ron, that's the memo that I

1 circulated to the board last week and recommended
2 everyone read it --

3 MR. FLAGG: I'm glad you did.

4 CHAIRMAN MADDOX: -- because I believed it to
5 be a powerful defense of the LSNC approach. And it was
6 extremely well-considered and drafted. And as I said
7 then in my memo last week, I wish I had seen that
8 letter in 2010 because it really would have informed a
9 lot of what we do as a board.

10 I mean, one of the elements of that letter is
11 Gary Smith's disagreement with the way LSC measures
12 outcomes and the inability of statistical measures of
13 cases closed to accurately provide data on that.
14 That's one of my concerns as well because personally, I
15 don't think the statistics on the number of group cases
16 closed or open provides any meaningful information
17 about the extent to which the grantee is providing
18 group representation or is devoting its resources to
19 group cases as opposed to the representation of
20 individuals.

21 Just one more thing, Martha, and then I'll
22 pass it on. I want to mention that in the 2010 PQR

1 report headed up by Chuck Greenfield, it says this:
2 "In response to the draft report, the program" --
3 that's Gary Smith -- "points out that reliance on case
4 service report data alone does not adequately reflect
5 the breadth and impact of LSNC's advocacy efforts, nor
6 the success of that advocacy." And then it cites to
7 the letter that you just mentioned.

8 LSC agrees that the CSR numbers alone do not
9 adequately tell the story of the program's advocacy
10 efforts. "However, the team is concern about how the
11 low-income population obtains representation in court
12 or before agencies as necessary in cases such as
13 nonfailure to pay rent, public housing evictions,
14 predatory lending, or foreclosure cases. We recognize
15 that LSNC does represent some clients in these areas."

16 So the recommendation that followed in the
17 report was: "Although clinics and pro bono (sic)
18 packets provide a valuable service to clients who would
19 not otherwise be assisted, every effort should be made
20 to identify those cases where more extended services
21 would be appropriate." And I just think that that's
22 what LSC's mission is I think Father Pius has

1 articulated that in his letters.

2 And I have a fundamental disagreement with
3 allowing grantees to apparently not only decide not to
4 provide extended representation, but also, according to
5 OPP's own statistics, to cut in half the number of
6 people served even through limited representation.

7 Martha?

8 DEAN MINOW: Well, first I want to thank Vic
9 for raising this issue in the first place, for
10 continuing the discussion, and also for circulating
11 that response, which I had not seen and also found
12 very, very helpful.

13 I could use some help, though, here
14 distinguishing, unless I'm getting something wrong.
15 The choice between extended versus limited
16 representation is one choice. The selection of group
17 clients as opposed to individuals is another choice. I
18 don't want to conflate them, and so I'd like to
19 understand the relationship between them.

20 My understanding, if I'm correct, is that the
21 limited resources are leading many grantees to choose
22 to use limited representation just for individuals --

1 let's leave aside groups -- because there are just not
2 enough resources.

3 I can say, as the -- none of the clinics at my
4 law school receive any federal funding, but we have 29
5 clinics. We are doing exactly the same thing. We just
6 don't have enough money. The numbers of cases in the
7 housing court have so escalated, and in the family
8 courts, that what we end up doing is doing clinics that
9 equip pro se litigants to go represent themselves. And
10 we help them beforehand and we debrief them afterwards,
11 but we just don't have enough. And this is students.
12 So I'm just assuming that that's right. But if I'm
13 wrong, I really would be helped.

14 At the same time, there is this very specific
15 question. When it comes to appearances in court and in
16 agencies, does limited representation mean never
17 appearing in court or agencies? I would be helped to
18 understand that. And if that's the case or not the
19 case, what is the response about assistance when people
20 actually are facing a government action?

21 MS. LABELLA: All right. Perhaps I can
22 clarify here. The extended representation, which is

1 the purple line at the lower end of the chart, that is
2 when there is extended representation such as
3 negotiating settlements, going to court, representing
4 someone in an administrative agency case. Those are
5 the cases that we refer to as extended representation.

6 Now, the counsel and advice and the limited
7 action, the red and the green, together are limited
8 services. So those together are limited services, and
9 all the other closing codes -- where you're actually
10 representing someone in court, at an administrative
11 agency, negotiating a settlement -- those are the
12 extended service codes.

13 Now, the group cases can receive either
14 limited or extended service. And in fact, for Legal
15 Services of Northern California, the vast bulk of them
16 were limited services. It could be advice. It could
17 be brief assistance with some of the documents. So
18 these were generally cases that would not have been
19 closed as extended services cases. I believe that only
20 one of them involved litigation.

21 So there is a real difference. You can have a
22 group case which gets advice, and you can have an

1 individual case which is a court case. And the first
2 is limited service, and the second is extended.

3 MR. FLAGG: If I could just add, Vic read
4 recommendation 3.9.1, which, I'll repeat, says,
5 "Although clinics and pro se packets provide a valuable
6 service to clients who would not otherwise be assisted,
7 every effort should be made to identify those cases
8 where more extended services would be appropriate."

9 This has nothing to do with group
10 representation, to answer Martha's question. This is
11 about the fundamental choice, strategic choice, between
12 doing extended services and limited services, more
13 limited services. And it's a Hobson's choice.

14 You can serve more people if you provide
15 limited services and fewer people if you provide
16 extended services. Obviously, on average, one would
17 hope that you would accomplish more in an individual
18 case providing extended services.

19 But you can't, given our current budget
20 constraints, do both. And every single executive
21 director in America faces that choice. It has nothing
22 to do with group representation. It has to do with

1 limited resources and a choice between limited services
2 and extended.

3 Between 2010 and 2015, you will see, as Janet
4 described, one category of limited services went down
5 -- that's the green line -- and one category of limited
6 services, the counsel and advice statistic, went up.
7 So it was not a cut. It was a different mix of limited
8 services, with a heavier emphasis on counsel and advice
9 and fewer limited action.

10 But whether that is right or wrong is not a
11 judgment that can be made based on this chart or
12 sitting here in Washington. You'd have to go on the
13 ground and understand what the legal needs in Northern
14 California were and what the program's strategic
15 alternatives were to face those realities.

16 CHAIRMAN MADDOX: Gloria and then Harry and
17 Jim.

18 PROFESSOR VALENCIA-WEBER: Janet, could you
19 run back to the slide that has the most closed cases
20 with group clients, 2011 to 2015? That lists the
21 grantees?

22 MS. LABELLA: This one?

1 PROFESSOR VALENCIA-WEBER: Yes. I think we
2 need to have some historical and legal insights into
3 this chart. I'm going to point out to you four
4 grantees who are caught in the crazy quilt history and
5 current law situation of tribes in this country,
6 particularly California Indian Legal Services, Alaska
7 Legal Services, Legal Aid Services of Oregon, and Legal
8 Services of Northern California.

9 In the California instance, you have at this
10 point over 100 tribes who, in the failed work that the
11 government promised after the gold rush and the Indian
12 lands were overrun, taken, there was failure in
13 Congress to give them proper government status. And
14 it's only in the late 20th century and current century
15 that these tribes are getting formal recognition as
16 governments.

17 And additional, in the 21st century, making
18 the crazy quilt crazier, Congress delegated to the
19 states like California what's called Public Law 280,
20 which gave to the states the power to enforce criminal
21 and civil law.

22 The states were disappointed because it's a

1 nonfunded mandate, and so what's happened is in
2 California you have a whole set of legal problems. In
3 other states, like the one I'm from and most of the
4 Western states, the tribes, when they have to have
5 felony prosecutions, criminal prosecutions, the federal
6 government, federal attorney, has the duty to
7 investigate and prosecute.

8 California, in those tribes, they do not have
9 access to state or federal law enforcement. Likewise,
10 they have had damage to any civil jurisdiction. And
11 that's why, as Janet points out, the tribes' disputes
12 involve helping the tribes develop in the 21st century
13 now, as its permissible, their codes and to
14 establishing their tribal courts.

15 And then the second thing she pointed out is
16 the jurisdictional fights. There are constant
17 jurisdictional fights in California because of not only
18 the failure of criminal prosecutions to protect them,
19 but fights over who's going to have the judicial power
20 to determine what happens to children under the Indian
21 Child Welfare Act, which preempts entirely state
22 systems. But you have state agencies that still go in

1 and take children wrongfully under that -- not
2 permitted by that law.

3 So what you have now is tribes fighting for
4 their children, to keep their children from being
5 removed or adopted out. And they are in fact
6 representing the tribal members and families who have
7 probably the lowest income in this country.

8 Now, you have a lot of small tribes in
9 California fighting this, and they are not tribes with
10 natural resources -- oil and gas is in some of the
11 Western states. They are not tribes that are large
12 enough nor economically able enough to have gambling
13 casinos and resorts, like the ones we saw when we went
14 to the Tulalip home country. These are tribes with
15 minimal assets, which would easily meet the criteria of
16 this that has been recited here.

17 Then additionally, you have in Alaska probably
18 the greatest number of tribes and villages, very small,
19 rurally isolated. And until recently, given a Supreme
20 Court decision called Venetie, the only tribe -- there
21 was only one tribe in Alaska that was federally
22 recognized as a government, which means you're having

1 the same kinds of struggles in Alaska over jurisdiction
2 and who decides, who's going to decide the case on
3 child placement either for foster care or long-term
4 termination of parental rights, put the Native American
5 child up for adoption, generally to a non-Indian set of
6 parents. I think Alaska must have close to 300 little,
7 small rural, isolated tribes. And that is what's
8 generating this.

9 Additionally, there were several allotment and
10 post-allotment termination acts that affected tribes in
11 Oregon. And only in the 20th century, late 20th
12 century and now, are those tribes having their
13 sovereignty restored, which is going to happen.

14 Sometimes there are local governments, county
15 governments, and state governments that oppose the
16 recognition and reestablishment of the tribes as a
17 sovereign in its nation-to-nation relationship with the
18 federal government, and they do not want to give up
19 what they think is the controlling power, taxation
20 power, and most of all, impact on what the states say
21 is bad economic effect for them if newly acquired lands
22 go into trust and are exempt from state taxation.

1 I have boiled down for you as concisely as I
2 can what is happening in those areas. The Legal
3 Services of Northern California, for instance, had an
4 amazing case that given it's a P.L. 280 state, several
5 tribes said, we're having violent crimes on our
6 reservation. We cannot get the state police, the state
7 prosecution, to come in and protect us. We cannot get
8 the federal government because the state has been
9 delegated the authority. There is no investment in
10 protecting our lives.

11 They went to federal court and sued to try to
12 get, from the federal government, money to establish
13 their own police force and to establish their own
14 courts to prosecute at least the misdemeanor crimes and
15 to get money to operate these under clearly established
16 federal program that funds tribal police, tribal
17 prosecutors, and tribal courts, but not in P.L. 280
18 states.

19 And Legal Services of Northern California took
20 that all the way to the Ninth Circuit, which finally
21 ruled against the tribe because it was not within the
22 text nor the purpose of the fund statute and program

1 they were trying to get the money from. And I have no
2 problem with that, reading what the statute provided.

3 This just gives you a picture, though. These
4 are the groups, if you want to call them groups. But
5 they are not voluntary groups. They are people who
6 have genetic connection, with membership requirements,
7 and are struggling governments caught in the result of
8 really faulty 19th and 20th century legislation.

9 And they are unique groups, if you want to
10 call them that, but they are totally within the
11 demographic and the geographical area of these
12 grantees. And they are appropriately responding to the
13 poverty level population that they are bound to serve.

14 CHAIRMAN MADDOX: Thank you, Gloria.

15 Harry, do you have anything?

16 MR. KORRELL: Yes. And Gloria's explanation
17 actually helps answer some of my concern. But I feel a
18 little bit like the law student that came into class
19 and had read the wrong case.

20 (Laughter.)

21 MR. KORRELL: I listen to Ron's strong defense
22 of picking limited service cases of extended service

1 cases when that seems to be the appropriate assessment
2 made by that grantee in that jurisdiction. But I don't
3 think that's what started this conversation.

4 What started the conversation was what's the
5 gentleman's name -- Smith -- who writes this article --
6 Gary Smith -- who doesn't say -- his article wasn't a
7 defense of their selection of limited service versus
8 extended service cases and why that's the right
9 balance.

10 His article was in defense of basically, it
11 felt, thumbing your nose at LSC's approach to providing
12 legal aid to individual poor people, and instead
13 putting his resources into advocacy groups that would
14 lobby for change in legislation. And he came up with
15 examples of it.

16 And I have not seen anybody defend that as the
17 right result. Martha said there's a couple of
18 distinctions. There's individual cases -- I'm sorry.
19 There's extended service and limited service,
20 individual/group. I don't think we've been taking
21 issue with that. The issue is, is Gary -- and then the
22 numbers that you put up don't seem to match what Gary

1 Smith said he was doing with his resources, which is --

2 MR. FLAGG: Could I address that, please?

3 MR. KORRELL: Yes.

4 MR. FLAGG: Because you're right. The reason
5 we got into this limited service versus extended
6 service -- which was not the topic of the Gary Smith
7 article; I agree with you for the most part that that
8 was not the focus, and that was certainly not the
9 initial focus of concern of this committee -- is
10 because the 2010 OPP report was used as evidence that
11 this group representation was somehow causing Legal
12 Services of Northern California not to represent
13 individuals. And that is not the case.

14 It's not the case for two reasons. One, the
15 2010 report was focused on this dichotomy, as Martha
16 pointed out, between limited and extended, which is a
17 different debate. And so we illuminated that debate to
18 the extent somebody wanted to have that illuminated.

19 I agree with you, Harry, and I agree with Vic
20 that if you read the face of the article, it sounded as
21 if, at least potentially -- and there's no data; you
22 can't -- it's impressionistic -- that they're spending

1 a lot of time on group representation. And the
2 committee raised concern about that.

3 We've conducted an inquiry into that and
4 provided you the data that we have. I think the data
5 show conclusively that the rhetoric in the article is
6 not borne out by the data. We've talked to Gary Smith.
7 There's not stealth group activity going on here.
8 They're representing ten groups, nine groups, eight
9 groups, depending on the year, doing things like
10 501(c)(3). They do do --

11 MR. KORRELL: That does make for very boring
12 articles. Right? No one's going to write and they're
13 going to say -- and so the stuff he calls out is
14 changing policy. And that's what gets us a little
15 concerned.

16 MR. FLAGG: And they do, in representing --
17 again, putting the group issue to one side -- their
18 general model, and it's outlined in this November 2010
19 article which Vic helpfully circulated -- I'm sorry,
20 2010 response.

21 Their general approach is to serve as many
22 individuals as they possibly can by limited

1 representation, which on the chart was both limited
2 representation and advice and counsel, and then, very
3 selectively and strategically, taking on extended
4 representation cases because those take a lot of
5 resources.

6 And they pick the cases which they think will
7 have the biggest impact. It could be a case for an
8 individual which will establish a point of law that
9 will be helpful to other individuals. It could be a
10 case for an individual dealing with an administrative
11 rule, the change or legality of which will affect
12 others.

13 That's what they, not surprisingly, bragged
14 about. And if I were in their shoes, I would likewise.

15 If you have a case in which, on behalf of an
16 individual, you succeeded in persuading an
17 administrator to change their rules, I'd probably talk
18 about that case as opposed to some other case where I
19 got a \$100 rent rebate, even though that would be a
20 very important case to a family who wanted and needed
21 that rebate. As between the two, you'd probably talk
22 about the case that had the greater impact.

1 So I do think the article raised questions.
2 We've tried to answer those questions. And that's
3 where we stand.

4 CHAIRMAN MADDUX: Gloria.

5 PROFESSOR VALENCIA-WEBER: I would second what
6 you said, Ron, by pointing out that because of the
7 Alaska cases, the state of Alaska has finally changed
8 its both process and policy about removing Indian
9 children from Alaska Native homes and not assumed that
10 it can, without question, remove the child and make the
11 determination.

12 They are collaborating with those small tribes
13 that have managed to set up the tribal courts, and
14 Social Services to serve children. And so I don't
15 think that would have happened but with the Alaska
16 persistence in serving that population.

17 CHAIRMAN MADDUX: Father Pius?

18 FATHER PIUS: Thank you very much. I just
19 want to first just thank Ron and the staff for the work
20 they've done on this. I've obviously brought my
21 concerns up, and I'm very edified to see that they were
22 taken seriously, and they incorporated it into the memo

1 and I think have made the memo clearer, from my point
2 of view. It made me more comfortable about the issue.

3 I certainly don't want to target Gary. In my
4 mind, I'm not here to target Gary. I certainly think
5 the article was imprudently written. I trust by now
6 Gary realizes it's imprudently written, and imprudently
7 written not just because of this board but because it
8 makes our job harder when it deals with our funding
9 people. And I hope the field and the legal services
10 community understands that articles with that tone make
11 our job more difficult.

12 On the substantive issue, I guess my point is
13 twofold. First is the idea of helping groups that are
14 not made of client-eligible people has been
15 controversial in the history of the corporation. At
16 one time management was opposed to it. At one time
17 this board was opposed to it. OIG, as far as I know,
18 has never been in favor of it, although they may be
19 now.

20 And there's good reasons for it, because
21 representing groups not made of eligible clients takes
22 us away from the focus of what LSC should do, and that

1 it's appropriate for us to scrutinize those very
2 clearly.

3 And so I'm very happy with the presentation
4 about the way in which we scrutinized those. We do
5 require grantees that provide representation to groups
6 to collect information to make sure that they are in
7 compliance. And I trust that we're making sure that
8 those who do group representations are in fact
9 collecting that information, and that we're verifying
10 that to the extent that we can on those things.

11 And it's certainly something for us to
12 consider as a board, whether or not we want that kind
13 of group representation to continue. That has not
14 always been part of group representation that's been
15 permitted by LSC rules, and it's certainly something
16 that could be reconsidered.

17 I'm comforted by the fact that it's such a
18 small proportion, and that where we do see a large
19 proportion -- for example, with the Indian Legal
20 Services in California -- there's a good reason for it,
21 and it's because it's tribal representation. And that
22 makes a lot of sense, and I certainly wouldn't want to

1 put those kinds of limits in place.

2 And the other issue that I raise and I've
3 raised before, and I think at this time we just maybe
4 disagree about the phrasing of it, is what's the
5 primary focus of LSC or the LSC funds? From my point
6 of view, and I think we probably all would agree to it
7 in some form or another, is that the primary purpose is
8 to provide legal services to individuals.

9 I think the data that we've seen shows that
10 that's exactly what we do, right, that the primary
11 purpose of the funds is in fact to help individuals. I
12 think it's the assumption of the law, and I know you've
13 read it to say that the law requires that, and I'm
14 certainly respectful of that.

15 But I'm just as confident that if we had a
16 grantee that said to us, we're spending 50 percent of
17 our money on group representation, we'd say, let's take
18 a serious look at that, and that we would be concerned
19 by that. So I'm comfortable that if that ever
20 happened, that would be a point of concern for us even
21 if we're not willing to put that in a rule.

22 So those are the issues that I wanted to

1 raise. I think we understood what the issues are, and
2 I'm very grateful for the way OLA has responded to some
3 of these concerns. And I think the opinion that has
4 come out I'm very appreciative of, and I think it
5 really clarifies the issue and provides a lot of
6 comfort to me. So thank you for this presentation, and
7 to Ron for the work you've done.

8 MR. FLAGG: Thank you.

9 CHAIRMAN MADDOX: I'll just add two things.
10 One is, I agree that the funds should be primarily for
11 individuals. And I'm concerned -- and this is part of
12 the reason why I've stayed on this -- I'm concerned
13 that the legal opinion that we have now as part of our
14 records explicitly says that our regulations don't
15 require any percentage of funds to be dedicated to
16 individuals.

17 FATHER PIUS: Well, in a certain way, that is
18 true. Our regulations don't have that, and the law
19 doesn't require any percentage amount. I think we both
20 agree that the assumption is, and the direction from
21 Congress is --

22 CHAIRMAN MADDOX: Well, you and I agree. But

1 --

2 FATHER PIUS: And then the fact of the matter
3 is -- I'm comforted by the fact of the matter is that
4 we don't, that if we had percentages that were high
5 percentages, I might be more concerned about putting
6 this in the regulation. But I think, at least right
7 now, practically speaking, de facto rather than de
8 jure, that we're representing individuals.

9 CHAIRMAN MADDOX: Sure. The other thing I'll
10 just finish with is to echo your point, Father Pius.
11 And I believe this is part of our job as a board, is to
12 be sure that we don't have circumstances where LSC
13 funds are jeopardized, the funding grant to LSC itself,
14 is jeopardized by activities that, whether rightly or
15 wrongly, are perceived by the political branch as egg
16 in political advocacy.

17 And truthfully, I sit on the audit committee
18 and on the board, and I read these articles, and I am
19 not convinced, as I read them -- now, as I spent six
20 months getting more information, I have a greater level
21 of comfort. But as I read them, I'm not convinced that
22 they can't be read by others as signaling that there's

1 a risk to LSC and its funding for that kind of
2 activity.

3 In 1996, LSC's funds were cut, what, by nearly
4 half after a decade or so, I guess, of activity that
5 was perceived as being more -- yes, in the realm of
6 public policy advocacy.

7 And I'll just end with this. If you look at
8 the 2015 review that LSC did of the LSNC group, there
9 are a variety of accomplishments noted in there that
10 appear to be group representation and are plainly in
11 the realm of public policy advocacy. One which was
12 highlighted was the expansion of eligibility for
13 unemployment benefits.

14 Now, that doesn't represent the low-income
15 community as a community. It may have ancillary
16 benefits, but it is certainly public policy advocacy.
17 And I don't see how that particular case is consistent
18 with the representation of an individual.

19 And I'll finally say that whether it's group
20 representation or whether it's extended versus limited
21 service cases, I think that the Act that we operate
22 under is dedicated to the proposition that individuals

1 are entitled to access to justice, which means legal
2 counsel.

3 So I appreciate the discussion. I appreciate
4 the panel's presentation. Ron, I appreciate your
5 vigorous defense of the affirmative side of the case,
6 if you will, and everyone's patience.

7 Gloria, is there anything else?

8 PROFESSOR VALENCIA-WEBER: No.

9 CHAIRMAN MADDOX: And then, Janet, if you've
10 got a comment?

11 PROFESSOR VALENCIA-WEBER: I also appreciate
12 the hard work and the very thoughtful way that you
13 presented the information. I wanted to let you know
14 that in Indian Country, the work of LSC and its
15 important role is really greatly appreciated. I mean,
16 we are, not just nationally, but the largest funder of
17 legal services for Native Americans in this country.
18 There simply is no other.

19 And in the case of OILS, Oklahoma Indian Legal
20 Services, they fought for years to try to, on
21 individual cases, challenge state judges who were
22 improperly removing children, putting them into

1 adoption away from their own families.

2 And that series of cases, as well as helping a
3 nonprofit of the Native American social workers group
4 or association -- it's a 501(c)(3) -- and tribes that
5 were then also working on this legislature, the statute
6 was changed to reflect what is the proper
7 interpretation and to undo what was an overreach and an
8 investigation of language that was not in the federal
9 statute.

10 And OILS, through its history, has developed
11 what is now the best Indian Child Welfare Act manual
12 for lawyers. It is an incredible manual.

13 CHAIRMAN MADDOX: Gloria, I'm being told that
14 we need to move on. And I don't think anybody's
15 questioning the value of that representation.

16 PROFESSOR VALENCIA-WEBER: And so I'm just
17 telling you that it is appreciated in that world in
18 ways that perhaps it may not be in others. And when
19 that statute was changed, there was a ceremony put on
20 by the tribes at OILS' office to thank them, with all
21 of the traditional ways of saying thank you.

22 CHAIRMAN MADDOX: Thank you, Gloria.

1 Janet, did you have something?

2 MS. LABELLA: Yes. Just one very quick point
3 for clarification, that Legal Services of Northern
4 California does not use LSC funds for its
5 representation of groups. So I just thought, in case
6 there was any confusion about that, it states
7 affirmatively that it uses non-LSC funds for that
8 representation.

9 CHAIRMAN MADDOX: Oh, that's an important
10 point.

11 (Laughter.)

12 CHAIRMAN MADDOX: Thank you for that
13 clarification. Let me just say, finally, to the extent
14 that there's any misunderstanding on the record, I
15 don't have any disagreement with the quality of the
16 representation or the management of LSNC.

17 Again, I think it's clear, if you read their
18 2010 letter, it's highly competent management. We may
19 just have some differences of views on policy and
20 whatnot. And I don't want Gary Smith or anybody out
21 there to think that I'm picking on them.

22 And thank you again for that clarification,

1 Janet. That's remarkable.

2 (Laughter.)

3 CHAIRMAN MADDOX: Anything else?

4 MR. FLAGG: I'd like to thank the committee
5 for giving us the opportunity to illuminate these
6 issues. I do think we have advanced the ball in terms
7 of illuminating what the facts actually are. Thank
8 you.

9 CHAIRMAN MADDOX: Okay. Thank you, Ron.

10 I think the next item -- is there any public
11 comment? Anyone on the phone who would like to comment
12 or anyone in the room who would like to comment?

13 (No response.)

14 CHAIRMAN MADDOX: Is there any other business?

15 (No response.)

16 CHAIRMAN MADDOX: If not, I would entertain a
17 motion to go into closed session.

18 M O T I O N

19 MR. KORRELL: So moved.

20 CHAIRMAN MADDOX: Second?

21 MR. HOFFMAN: Second.

22

1 MR. LEVI: It's okay for you to comment on
2 what a scintillating it's been thus far. We do need to
3 have phone in.

4 CHAIRMAN MADDOX: Thank you all.

5 (Whereupon, at 3:23 p.m., the committee was
6 adjourned to closed session.)

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