

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

OPEN SESSION

Saturday, April 6, 2002

9:15 a.m.

Potomac III Room
The Melrose Hotel
2430 Pennsylvania Avenue, N.W.
Washington, D.C.

BOARD MEMBERS PRESENT:

Douglas S. Eakeley, Chairman
LaVeeda Morgan Battle
John N. Erlenborn
Hewlett H. Askew
Edna Fairbanks-Williams
F. William McCalpin
Maria Luisa Mercado
Thomas F. Smegal, Jr.
Ernestine P. Watlington

STAFF AND PUBLIC PRESENT:

Victor M. Fortuno, Vice President for Legal Affairs,

General Counsel & Corporate Secretary
Mauricio Vivero, Vice President for Government
Relations & Public Affairs
Randi Youells, Vice President for Programs

STAFF AND PUBLIC PRESENT (con'd):

Leonard Koczur, Acting Inspector General

Laurie Tarantowicz, Assistant Inspector General and
Legal Counsel

Michael Genz, Director, Office of Program Performance

Alice Dickerson, Director, Office of Human Resources

Leslie Q. Russell, Director, Office of Information
Technology

David L. Richardson, Acting Vice President for
Administration, Treasurer, and Comptroller

Catherine Sulzer, Deputy Director, Office of Government
Relations and Public Affairs

David Maddox, Assistant Inspector General for Resource
Management

John Idleman, Deputy Director for Programs

Eric Kleimand, LSC Press Secretary

Frank Strickland

Patricia de Marcos

Robert D. Gross, Senior Program Counsel, Office of
Program Performance

Patricia Hanrahan, Special Assistant to the Vice
President for Programs

Julie Clark, Vice President for Government Relations,
National Legal Aid and Defenders Association

Don Saunders, Director for Civil Legal Services,
National Legal Aid and Defenders Association

Elizabeth Arledge, National Legal Aid and Defenders
Association

Linda Perle, Senior Attorney, Center for Law and Social
Policy

Julie Strandlie, American Bar Association

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P R O C E E D I N G S

CHAIRMAN EAKELEY: Let us gradually come to order. Let me call the meeting to order. Good morning, everyone, on this glorious spring morning with cherry blossoms out again.

A PARTICIPANT: The temperature has gotten into the 40s, Mr. President.

CHAIRMAN EAKELEY: It was warm when I went for my walk this morning at dawn, but I had an overcoat on, though.

All right. You all have the agenda that was distributed with the board materials? Is there a motion to approve the agenda as circulated?

M O T I O N

MR. SMEGAL: So move.

CHAIRMAN EAKELEY: Is there a second?

MS. BATTLE: Second.

CHAIRMAN EAKELEY: All those in favor?

(A chorus of ayes.)

CHAIRMAN EAKELEY: Any opposed?

(No response.)

CHAIRMAN EAKELEY: The agenda is approved.

We also circulated the minutes of the board's meeting of January 19, 2002. Are there any suggested corrections or alterations to be made?

(No response.)

CHAIRMAN EAKELEY: Hearing none, is there a motion to approve the minutes of the board's meeting of January 19, 2002?

M O T I O N

MS. BATTLE: So move.

MR. SMEGAL: Second.

CHAIRMAN EAKELEY: All those in favor?

(A chorus of ayes.)

CHAIRMAN EAKELEY: All those opposed?

(No response.)

CHAIRMAN EAKELEY: The ayes have it. The minutes are approved.

You also had circulated the minutes of the board's executive session of January 19, 2002. Again, any changes or corrections to be made?

(No response.)

CHAIRMAN EAKELEY:

Hearing none, is there a motion to approve the minutes of the executive session? M O T I O N

MR. SMEGAL: So moved.

CHAIRMAN EAKELEY: Second?

MS. WATLINGTON: Second.

CHAIRMAN EAKELEY: All those in favor?

(A chorus of ayes.)

CHAIRMAN EAKELEY: Opposed?

(No response.)

CHAIRMAN EAKELEY: The ayes have it. The minutes are approved.

And we launch into item 5, chairman's report. I don't really have much of a report, but what I will hope to have for circulation to the board in a week or so is somewhat of a retrospective that Don has done for us, just going back through the minutes of various meetings starting with our swearing in on November 8, 1993, and working forward from there -- each budget mark and resolution.

And what comes across most extraordinarily

is the intensity of the regulatory work as we anticipate the restrictions that hit and the new competitive grant-making before they're signed into law, put this entire regulatory apparatus into motion so that the restrictions can be implemented; develop a strategy for successfully defending the restrictions in Hawaii and in New York; and then moving into the competitive bid system; and then moving from there into state planning.

I was also reminded, I forgot that we were meeting every two weeks for the first three months and then every month after that, with telephonic conference calls in between. But the prodigious amount of work that the Operations and Regulations Committee did, in particular, LaVeeda, was quite extraordinary, and obviously a great deal of staff support was needed as well. And, of course, as well we had a one-third reduction in staff imposed right at the moment when the maximum amount of regulatory activity was required.

So anyway, I hope you'll enjoy reading it. I'll get it out. I wanted to tinker with it a little bit. But it just sort of provides some moment for

reflection in these our hopefully waning days.

I also just wanted to mention briefly -- actually, pick up from where LaVeeda left off yesterday sitting in for John Broderick as chair of the Ops and Regs Committee how much John remains in our thoughts and prayers and hearts. And we wish him well.

I was hoping for an update today on his recovery but didn't get one, but I'm assuming that that continues apace. And I hope he will be with us before we are disbanded.

Finally, on my report, you'll recall now three or four years the board decided, even though we're not required to follow the GPRA or the Results Act, that we wanted to come into compliance as we could.

We adopted a strategic plan. We adopted a performance review program for the inspector general and the president tied to annual performance plans submitted by the president and the inspector general, which themselves were to be tied to the strategic plan.

We sort of got off track a little bit after our Strategic Directions document was approved in January

of 2000, but we continued with the annual performance reviews of the president and the inspector general.

Then we deferred taking any serious action for Mr. Erlenborn after he came in as president in July of last year. But John has taken it upon himself to provide a performance plan, which I will circulate to the board. But I just wanted to commend John for his diligence and continued leadership in this transitional period. And I think you'll enjoy reading it as well.

I do think we have an unfinished piece of business in updating the strategic plan, but I think that that's an appropriate exercise for the next board, and indeed, it could be a very worthwhile one for them.

Tom?

MR. SMEGAL: While you're on that subject, Doug, I think we might go back and approve the minutes of the Annual Performance Review Committee, item 4.

CHAIRMAN EAKELEY: Thank you, Tom.

MR. SMEGAL: I don't know what --

CHAIRMAN EAKELEY: I was just sort of racing through that so much, I did not do open session matter

item 4, approval of minutes of the executive session of the Annual Performance Review Committee meeting of January 18th.

M O T I O N

MS. BATTLE: I'll so move.

MR. SMEGAL: And I'll second.

CHAIRMAN EAKELEY: Any changes? Discussion?

All those in favor?

(A chorus of ayes.)

CHAIRMAN EAKELEY: Opposed?

(No response.)

CHAIRMAN EAKELEY: Now, that interrupted me just when I got to my last point in my report, which is really to recognize, commend, and thank Tom Smegal for his leadership in the Friends of Legal Services for really doing a truly brilliant job in finding what we hope will be a new and permanent and visible home for the Legal Services Corporation at a reduced cost, which is just a wonderful combination. And Tom, thank you for that.

MR. SMEGAL: You're welcome.

CHAIRMAN EAKELEY: All right. That concludes my report. Let's turn to the vice chair and ask for her report.

MS. BATTLE: I have just a real brief report following up on some of the discussion that we've had at this meeting about diversity in my capacity as a member of the Council on Race and Ethnic Justice with the American Bar Association.

We held a second national conference on race in Baltimore about three weeks ago, and assembled Supreme Court justices, law professors, and students and lawyers together to talk about issues of race in our justice system generally.

It was an extraordinary conference. It was very well attended. And we were urged on, as we were after the first conference that we did about two years ago, to do it again because it has the unique feature of allowing students to have the opportunity to speak one-on-one with Supreme Court justices about the issues of equality in justice in our justice system now, and to encourage them to look to provide leadership in the

future in our justice system.

And I think that that's a nice piece to getting into the pipeline people who can begin to hold leadership positions within our justice system.

CHAIRMAN EAKELEY: Okay. Thank you. Moving around the table, Mr. Askew?

MR. ASKEW: In that vein, I'll tell you just a brief thing. In January, the conference of chief justices and the law school deans met together for two days for the first time ever, arranged by the National Center for State Courts. And I was invited there to be on a panel about the bar exam, having nothing to do with legal services.

But the interesting part of it was, they asked a Supreme Court justice and a law school dean to make the closing plenary remarks, and they tried to have some controversy, so they invited Tom Zlaket from Arizona to speak, and Gene Nichol, who's the dean at the University of North Carolina School of Law, to speak. And they were intended to be thought-provoking and controversial.

Gene Nichol spoke entirely about access to justice and how the profession is failing to meet the needs of low income people, and how the law schools are failing, how the court system is failing.

And Nancy Rogers, our fellow board member, was on a panel to respond to the remarks made by the two presenters, and the panel was asked by a person from the floor, "How are we going to know if we are responding to these challenges?" And Nancy ended up being the person who spoke, and of course Nancy spoke, "If we do better at providing access to justice, we'll know that we're responding to the crisis in the profession."

So it was really a very wonderful event, totally unplanned, and I was there just to experience it. But it really was very nice.

CHAIRMAN EAKELEY: I wonder whether the remarks of the presenters and the responses will be published, and whether we can circulate them if we can obtain them.

MR. ASKEW: I asked -- my chief was very taken with -- Nick Nichol is his nickname, his remarks.

So I asked him to provide me with a copy. So I have his speech, and I provided it to NLADA, and they've now invited him to be the keynote speaker at the Access to Justice conference based on the speech he gave there.

CHAIRMAN EAKELEY: Great.

MR. ASKEW: But I will send his speech to Mauricio, maybe, and let Mauricio do with it and circulate it from there.

CHAIRMAN EAKELEY: Excellent.

Edna?

MS. FAIRBANKS-WILLIAMS: Well, before I said I was unhappy because they weren't going fast enough on my access to justice. But they are finally doing what I want them to do. They're going county by county, with the low income census and the number of cases in each county, so that by the end of the summer, I hope I'll have another map of Vermont that has the low income people as well as the cases in each county, so that I know whether they're working where they're supposed to be or not. So I'm quite happy.

CHAIRMAN EAKELEY: Great. Great.

Ernestine?

MS. WATLINGTON: First of all, I want to let everyone be aware that I had a serious bout of illness there with my legs. I was hospitalized from February 11th until March 22nd, getting myself to my strength to where I could get around. So I'm very grateful that I am back to where I was.

And, you know, it was a long struggle, but it in no way lessened my interest in the Client-Centered Justice Community Conference for clients that we had -- you know, that Edna and I had been very instrumental in starting back in our earlier time on the board, and following through.

And I hear that they are following through and there's another one. Now, I know that I won't be able to go, but I still think that Edna or one of us should be at one of those training conferences because the Corporation should still have quite -- much more input into what they've started and seeing how it's still there, whether we are around or not, especially something we wanted to make sure that the clients are being

serviced properly.

So that's my report, and I hope that, you know, it's followed through. I think I've always said at every meeting that I've been able to do so because I am very committed on that -- that training and that type of involvement.

CHAIRMAN EAKELEY: Yes. That's for sure. Well, we'll see what we can do. But I think that it sort of wouldn't be a complete conference without you being there or Edna.

MS. WATLINGTON: Or Edna. You know, I mean, one of the clients should be there, I mean, especially from the Legal Services board because we are the ones really that forced it to happen, really, through the directors and the programs and the support of the board.

Because it's something that should be, and we wanted to leave it that -- we wanted the Corporation to be more involved with what -- in assisting clients because they didn't have that national voice in having -- and that's what came out of that first one in Detroit that time, was ways that clients could have a -- and do

things, communicating without, you know, having that national voice, say, like the national -- you know that's coming back, so we've got to work on other resources or ways to address that issue.

CHAIRMAN EAKELEY: Agreed. Agreed.

Bill McCalpin?

MR. McCALPIN: Well, one of the unanticipated and unforeseen effects of the January 31st letter to the state of Missouri, which was discussed yesterday, was the occasion to bring together, really for the first time, the providers of legal services to the whole state of Missouri and the funders of health services in 85 counties and the city of St. Louis.

It began with a recognition that both professional services are serving essentially the same population, and that there is no bright line between the health needs and the legal needs of those unserved and underserved people.

Some astonishing things are being done in the provision of health services, much through electronic means. And, of course, we are developing the able to do

the same for legal needs.

We have convened a small group to sit down and explore the ways in which these two professions can work together to bring their services to the people of the state of Missouri. It's an interesting and exciting prospect, and a natural extension of what we've been doing here for many years.

And in some respects, we are ahead of the medical profession, and in some other highly technical respects, we are behind. I have heard, for instance, of how the TV can focus in on a person's hand and a dermatologist sitting at the other end can identify the difficulty and prescribe the remedy.

We have some interesting people who are very knowledgeable and highly motivated working at this, and I expect that we will bring these two professions together delivering their professional services to the underprivileged in the state of Missouri very quickly.

CHAIRMAN EAKELEY: Those lessons should be replicable elsewhere, too.

MR. McCALPIN: I hope so. It's astonishing

how the same population is served by both professions in the same way.

CHAIRMAN EAKELEY: Maria Luisa?

MS. MERCADO: Yes. I guess the -- sort of a different turn to dealing with our client community in legal services is that in our own local level, one of the problems that we have are poor clients who, in reality, can't have full access to justice because of language barriers.

And one of the innovative programs that we're doing locally through the local bar association and the pro bono committee, with help of Legal Services and United Way and hopefully through bar members as well, is to provide a fund for low income clients, which includes legal services clients and civil clients, to provide translation services for contested hearings or trials so that they can actually have access to justice.

Because unfortunately, in states in areas where you have populations that cannot communicate, even though you might have someone that may be able to represent them, if they're not able to put their story

forth before a court or an administrative officer, you know, the access to justice is meaningless, actually.

But that was done primarily through the efforts of our bar association and the legal services programs there. And I hope that other states and other areas will look at some of the creative ways of working jointly, both with the private bar and Legal Aid and other agencies, to provide those kind of services for their clients.

And especially I think we heard one of the presenters yesterday in Minnesota that had all these different communities. But I know, particularly in the Southwest, that it's a huge program.

CHAIRMAN EAKELEY: Something that we all so frequently overlook, but you're there every day dealing with it.

MS. MERCADO: But it's also something that, on a national level, when we're looking at our budgetary aspect, that one of the things is our legal services clients that have language problems. Because none of the programs really have -- unless they're aggressive enough

to hire somebody in that staff.

But, you know, if you're the bilingual lawyer you can't be translating for your client in hearings or in trials. So it still doesn't help. And most programs don't have enough funding to provide a full-time translator in the languages that they have for those clients.

But I think that as a legal services community, especially nationally, that part of -- whether it's through PAI or it's through some other partnership with the bar and other associations, that we could also set aside some of those funds for translation services for our legal services clients in civil matters.

CHAIRMAN EAKELEY: Right.

Tom Smegal?

MR. SMEGAL: Thank you. Since our last meeting, I attended the midwinter midyear meeting of the bar association at the invitation of President-Elect A.P. Carlton, who has organized a committee to try to redefine the American Bar Association's definitions of access to justice.

There are a lot of committees in the ABA that attack this from different points, and he's asked a small group to try to figure out a better way to do it. So we're working on that.

CHAIRMAN EAKELEY: We also know you've been active on other fronts. But we'll hear about that in a little while.

MR. SMEGAL: Thank you.

CHAIRMAN EAKELEY: I think next on the agenda is the Acting Inspector General's report. Leonard Koczur? Good morning, Len.

MR. KOCZUR: Good morning. Thank you. Since our last meeting, the inspector general's audit group has undergone a peer review. The review was done by the Pension Benefit Guaranty Corporation inspector general. A report has been issued. It's in your board book at page 88.

The Pension Benefit IG found that we were -- our work was in compliance with the audit standards, which is the purpose of the peer review, but that improvements could be made in a couple or three areas. Spe

about the confidence we had in the sample and that type thing.

We also in that -- for that report, we didn't document the sampling plan in the work papers as promptly as we should have. It officially didn't get in the work papers until we had done a considerable amount of work. We had the plan. we followed it. We just simply didn't put it in the work papers in the proper format.

And there were three audit -- or three reports that we reported in our semi-annual report, and we had classified them as audit reports, or in the audit report section, mainly because the audit staff did the vast majority of the work.

And technically -- well, more than technically. They are not audit reports, and they felt that there was some confusion there on whether or not it was an audit report, and recommended that we not classify these type reports as audit reports. And we're certainly not going to do that in the upcoming semi-annual and in future semi-annuals.

One staff member did not get the required continuing professional education one year. He was four hours short of the requirement. It was an inadvertent thing that happened. He had training scheduled. It needed to be canceled because we had an audit that came up, and he just didn't reschedule it. So he had more than enough hours the prior year and more than enough the following year, but that one year he came up four hours short.

So I'm going to monitor that a little more closely in the future to make sure that we meet the minimum. The requirement is not that stringent, so there's really no excuse for that. We just -- it fell through the cracks.

We are continuing with our program integrity audits.

CHAIRMAN EAKELEY: Len, before you move on to -- before you move off of the peer review, just let me back up for a minute and make sure that we have this in proper perspective.

First, the peer review team found that the

quality control system for the audit operations of the Legal Services Corporation Office of the Inspector General was in place and operating effectively to provide reasonable assurance that established policies and procedures and applicable auditing standards were being followed. That's the bottom line.

MR. KOCZUR: Yes. That's correct.

CHAIRMAN EAKELEY: And you passed that with flying colors.

MR. KOCZUR: Yes.

CHAIRMAN EAKELEY: Then you were talking about what we would call sometimes in an audit comments to management, where there's room for improvement.

MR. KOCZUR: Right. Yes. That's exactly correct.

CHAIRMAN EAKELEY: And the gist of your comments there, and just correct me if I'm wrong, are that in some modest respects, there were things that were done that could be improved upon, and you are taking those steps to make those improvements.

MR. KOCZUR: Yes. That's correct. They

made two recommendations, I believe, that we're going to -- we will implement.

CHAIRMAN EAKELEY: Good. Okay.

All right. Sorry for the interruption, but I just wanted to -- we so frequently go past the principal conclusion and get to the details, I just wanted to make sure that the principal conclusion was there on the record.

MS. MERCADO: And it's also in the attachment, just in case.

CHAIRMAN EAKELEY: Well, the attachment's got some comments. That's right.

MR. KOCZUR: Yes.

CHAIRMAN EAKELEY: So anyway, you were going to the integrity audit.

MR. KOCZUR: Right the program integrity audits. We're continuing those audits. We issued the final report on Central Virginia Legal Services since the last meeting. Essentially, there were three findings in that report.

One of the branch offices of Central

Virginia was providing intake services to another organization doing prohibited activities free of charge and using LSC funds. It was not a great deal of money, but it was clearly a violation of our regulation, our recommendation being that they not fund that position any more with LSC funds.

Less than \$1,000 of LSC funds were used to pay dues to organizations, other legal organizations, and as you know, that's again a violation of the regulation. It occurred when a branch office -- or a former program became a sub-grantee of the program, and they used LSC funds because they had no other funds to pay these dues. As I said, it was less than \$1,000.

And the final thing was that certifications of employment for part-time employees who worked for other legal organizations were not up to date for five employees. And they've taken action to correct that. They got the back certifications. And they have a procedure in place; it just simply wasn't followed for these individuals.

CHAIRMAN EAKELEY: Were the first two

problem areas corrected also?

MR. KOCZUR: They will be corrected, yes. They developed -- they were drafting procedures when we left the site to insure that the -- clearly defining that LSC funds would not be used to fund the intake person. Yes. And the other -- the dues thing was -- almost certainly would not happen again.

CHAIRMAN EAKELEY: Okay.

MR. KOCZUR: We're continuing our audit of California Rural Legal Assistance. My team has been on site twice, and needs to go back a third time. We're scheduled for April 22nd.

This audit is probably the -- well, not probably, it is the largest program we've looked at, and it's taken longer than what we had originally anticipated. We made our estimates based on the -- well, our experience doing prior audits, and this simply has taken longer to get done.

We hope to have it done probably within six weeks of completing the field work, which will be towards early May, assuming we can get everything finished in two

weeks when we return.

In the program integrity audits, we had planned to do four others this year. And because of the problems we're having in getting things finished at CRLA, we're going to need to defer two of those until next year.

The next item is the GAO survey of small agency IGs. If you recall, this is something that's been going on, I believe, since last summer. It's being done at the request of Congressman Burton.

And last week, I was in a meeting where GAO gave a -- I would call it a preliminary briefing on the results of their work. And basically, it appears that they're going to come down on the side of suggesting that some IGs should be consolidated. They're not going to name those IGs, and it appears to be very general.

The briefing was very general. It's hard to pin down specifics. But it was clear that they favored consolidation, although they said they weren't going to make any recommendations in that area.

So we were supposed to have the report out

for comment this week. I didn't receive it as of yesterday. It concerns me a bit that they're only asking the inspector generals for comments, and the comments are going to be consolidated into one set of comments by this small agency IG group and provided to the GAO.

I thought, and I expressed to them several times, they needed to talk to management, get management comments. They are not -- clearly not going to do that. And as far as I could determine, they talked to no one in any agency's management. They simply talked to the inspector generals.

When I get the report, I'll provide the board the copy, the draft copy, and I'll provide you all and Vic and the president, of course, copies of my comments that will be going back.

CHAIRMAN EAKELEY: Good. Thank you.

MR. KOCZUR: I'm just -- I was really concerned about this. And the only thing, most of the IGs feel that there's not -- the report is going to be too general to be of very much use to anyone.

CHAIRMAN EAKELEY: I don't -- I mean, your

office has such a unique oversight responsibility, as provided specifically by the Congress, I have a very hard time imagining how it could be consolidated with that of another OIG or more than one.

MR. KOCZUR: Well, I think our office, the LSC inspector general office, presents a unique problem because we're not a government agency. We're a corporation. And I think most of the other agencies -- Congress set up the -- they're called DFEIGs -- for a specific reason, because they felt it wasn't -- there needed to be some oversight there.

And now GAO apparently is saying, you don't really need that onsite oversight. You can consolidate that. And there's some concern that if a small agency IG is made part of a big agency IG, say, Department of Commerce, there's not going to be much oversight provided to the small agency. It's just -- the resources will be spent at the big agency.

MS. MERCADO: But the specific problem, though, with the Legal Services OIG is that because Congress gave you programmatic aspects of your oversight

that would normally -- I mean, under the purview of Legal Services Corporation the IG now has, you're in a different position than other IGs are.

I mean, I don't think that they're carrying out programmatic work for their particular agencies that they're overseeing. They're totally independent.

MR. KOCZUR: Yes. That's correct. And I responded when GAO -- GAO basically did this work via a survey, and I provided comments to that effect. I don't know whether they ignored them or not.

MS. BATTLE: Sure. Could I get those comments as the liaison?

MR. KOCZUR: I'm sorry?

MS. BATTLE: The comments that you provided, I'd like to get them as well, as the inspector general liaison from the board.

MR. KOCZUR: Okay. The comments I've already provided?

MS. BATTLE: Yes.

MR. KOCZUR: Well, it wasn't -- it was part of the --

MS. BATTLE: Presentation?

MR. KOCZUR: -- the survey, response to the survey. I have a transmittal letter, and then there's some comments in that.

MS. BATTLE: Okay. Thank you.

CHAIRMAN EAKELEY: Okay. Any other questions? MR. KOCZUR: I have one more item, Mr. Chairman. Our Georgia mapping project is continuing. In January, we met with the two Georgia program directors to discuss the RFP and get their input on where we should go on this and so forth.

In February we selected a contractor. It's Jones -- I'm sorry, Gordon, Jones, & Goulding, a firm, large-sized firm, in Atlanta, Georgia that has a lot of experience in doing this type of work, geographical information systems-type work.

We met with the programs and the contractor about the middle of March to discuss the project and to specifically define the type of maps that the program would like to see, as well as the things we would like to see.

I think there was something in excess of 130 maps that were originally decided to at least produce, and then we'll evaluate: Are those really useful? Do we need other type of maps?

This has turned out to be a very good project. I think we're working very closely with those two programs, and both of them are really into the program. They're providing good input on what they would like to see, which is very important to having the project succeed.

The contractor is scheduled to have preliminary maps by the end of May, and the project should be completed by the end of July.

So that concludes this part of my presentation. In the closed session, we'll talk about the investigations and the litigation we're undergoing.

CHA

(No response.)

CHAIRMAN EAKELEY: Hearing none, I thank you very much.

MR. KOCZUR: Thank you.

CHAIRMAN EAKELEY: While Len is taking a

seat and before we turn to John Erlenborn, Victor just came up and gave us -- we did get an update on John Broderick, who is being operated on today, again, and who is progressing more rapidly than anyone expected, apparently.

And his position has been changed from critical to fair, and they predict he'll be out of the intensive care unit within ten days, and may even be home within three to four weeks. So that's just very good news all the way around.

Anyway, and that's a positive segue to your report, Mr. President.

MR. ERLBORN: Well, thank you, Mr. Chairman, and I hope you consider my report positive.

I'm pleased to report that management and staff continue to make strong progress in a number of key areas, including state planning, government relations, public affairs, program technical assistance, and compliance and enforcement.

As I mentioned yesterday, I will soon be issuing a presidential directive to senior management and

OCE staff concerning LSC's procedures for making requests and reviewing documents about clients and their cases.

LSC has the statutory responsibility to insure all recipients comply with the LSC Act, regulations, and other applicable laws. For example, the LSC Act gives LSC auditors explicit access to financial records, time records, client names, trust fund records, and eligibility records.

An exception, however, is made for reports and records subject to the attorney-client privilege. LSC must also insure that activities are carried out in a manner consistent with attorneys' professional responsibilities.

My directive will serve as a guide regarding procedures used by OCE staff, and provide notice to all grantees about LSC's statutory obligations. This document will not, and I emphasize not, establish any new policy, but rather seek to provide clear and uniform guidance to all interested persons about LSC's access to records in a manner consistent with the attorney-client privilege and other ethical duties.

As I reported in my last board memo, I testified before the House Judiciary Subcommittee on Commercial and Administrative Law earlier this year. During the hearing, Chairman Bob Barr stated that he would forward follow-up questions to LSC for our response.

As of this date, we have yet to receive anything from Mr. Barr. But I will report on the content of those questions when we receive them. The hearing generated some fairly positive news and articles, both in D.C. and Georgia.

I'm pleased to announce, for the second consecutive year, we anticipate a smooth budget process. Maintaining strong bipartisan support continues to be one of our priorities, and we've received positive signals from the Commerce/Justice/ State Appropriations Subcommittee from both chambers.

We anticipate a budget mark of \$329.3 million, consistent with the president's request. No date has been set yet for the subcommittee markup in the Senate or the House.

LSC made big news last month with the launching of our Equal Justice magazine, the country's first national magazine devoted exclusively to promoting equal access to the American justice system.

On March 10th, various members of Congress joined me and other members of the LSC staff at a Capitol Hill reception to introduce the magazine. Florida Representative Lincoln Diaz-Balart, who is profiled in the premier issue, served as the congressional host and keynote speaker of the reception.

We've received very positive feedback from the field and other stakeholders regarding the magazine, and we are currently working on our second issue. You will receive a full report on this from Mauricio Viviero later today, and I should say we all are indebted to Mauricio for the work that he's done on this magazine.

In February, LSC gave preliminary notice of reconfiguration in North Dakota, Iowa, and Missouri. While North Dakota and Iowa are settled, Missouri stakeholders met this week with Randi Youells, pursuant to LSC's internal review protocol. The meeting was

positive, and we will make a decision soon.

On April 1st, LSC also gave preliminary notice of reconfiguration to New Jersey and Michigan. In these two states, LSC accepted in large part the state-submitted configuration plan.

I'm pleased to report that in February the Office of Program Performance surveyed staff, consultants, and legal services grantees on ways to improve and simplify the competitive grants process. LSC hopes to incorporate approved changes into the fiscal year 2003 request for proposal draft.

The grant activity report cycle was also recently completed. With 99 percent of programs reporting, the total CSRs reported for 2001 is over one million, the same as last year. Similar to last year, we will be using the reported CSR numbers without adjustments.

As I reported at the last board meeting, the new matters service reports were also added to the grant activity report cycle. We have thus far had a 95 percent rate, and anticipate receiving additional input. While

analysis of the matters report remains very preliminary, we feel that these reports will shed light on a significant area of LSC program activity that has not been captured in past statistical reporting.

In December of 2001, LSC retained the services of John Greacen Associates, a consulting firm with experience in measuring performance outcomes in the provision of legal services. A design team created to advise the consultants held their initial meeting in mid-March. Additional two-day sessions will be held over the next eight weeks. We expect this work, important work, to greatly enhance our reporting capabilities.

Work continues on the negotiated rulemaking on LSC's eligibility and alien representation regulations at 45 CFR Part 1611 and 1626. The 1611 working group will be meeting next week, on April 11th to 12th. The 1626 working group will meet in May, and is anticipating having an additional meeting to complete this work.

LSC, through the Office of Compliance and Enforcement, has also conducted various onsite reviews to assess compliance with CSR case management and to perform

accountability trainings.

During the month of April, OCE staff intends to conduct two onsite reviews. One of the onsite reviews will serve as a follow-up of a prior visit and provide technical assistance on PAI, private attorney involvement, and timekeeping. The other visit will provide technical assistance to a program with a new executive director.

Since February, OCE has opened twelve complaints for review, and closed ten.

That concludes my report to the board, Mr. Chairman, and I would be glad to answer any questions you may have. Or let me give you the caveat, if I don't know the answer, maybe some of the staff out there will know the answer.

CHAIRMAN EAKELEY: I don't have a question, but I do want to underscore one point, which is that the Equal Justice magazine is really very impressive and I think extremely worthwhile, potentially. And I wanted to commend Mauricio and his staff as well on the record for a job very well done.

Bill McCalpin?

MR. McCALPIN: Mr. Chairman, I am some put out the fact that there was no mention of that magazine to the board before it became available to the public. I think that when a significant initiative like that is going to be taken by the Corporation, the board ought to be advised, and at least have the opportunity to give some input.

CHAIRMAN EAKELEY: Agreed. Without taking anything away from the magazine.

MR. ERLNBORN: Mr. Chairman -- yes. Mr. Chairman, I would agree, too. And I will take responsibility for that oversight. That should have been done, and I did not think to do it.

CHAIRMAN EAKELEY: Maria Luisa?

MS. MERCADO: Yes. The only other question I had on your report, you were talking about -- and I didn't get the full name, but Greacen, on the performance measures consultants are trying to set up for us.

Is that in trying to determine performance measures for legal services attorneys or staff, or for

the corporate office? I'm trying to figure out on which ones?

CHAIRMAN EAKELEY: I think it's the performance measures that are part of our strategic plan and deal with outcomes in terms of access and quality of services rendered and satisfaction of clients. Am I --

MR. ERLNBORN: And Randi --

MS. MERCADO: That's what my follow-up question is.

MR. ERLNBORN: Randi can fill you in with anything that might have been skipped by the chairman, which I doubt.

MS. MERCADO: Okay. And in doing that, because I think that there is -- being a sole practitioner myself and having been a former legal services lawyer myself as well, I think that -- and I don't know what kind of experience or what kind of folks you have that are doing the Grayson performance measures.

But there are certainly a variety of different work services or requirements or how it is that you test performance outcomes, you know, whether or not

something is or isn't successfully done.

And the time -- and I didn't know whether these people -- whether any of them had any kind of legal services experiences, or are they just folks out there -- I mean, I don't know what their makeup is. Maybe that might give me a little bit more comfort in knowing whether or not they can actually measure something if they don't have experience with it.

MS. YOUELLS: Let me answer that two ways, Maria Luisa. First of all, Greacen Associates are very experienced. They are fairly new to the legal services arena. They formerly were involved in the measurement of services within the court system.

Mr. Greacen himself was the administrator of the New Mexico court system, and Terry Bosquin, the other person working on this project, is a person who has great technology expertise and will help us incorporate any technology into the measurement system that's finally developed.

But because of that, LSC set up a design team, and the design team is guiding the consultants

every step of the way in the development of this performance measurement system. And that design team includes extensive field representation.

So, for example, the National Legal Aid and Defender Association placed a person on the design team. We have at least eight field representatives from throughout the United States who are currently involved in the provision of legal services to low income clients on the design team. LSC staff is on the design team. We were fortunate in having a judge from New York, who is active in state planning, ask to be on the design team, and she was placed on the design team.

So we are right now in the first rungs of the development, and we met for the first time to kind of set out the parameters of the things we wanted to measure in the next several years.

In Cleveland, the design team will take a look at the first draft of a potential instrument that Greacen has put together based on those conversations. We'll be meeting again in Chicago. And then we'll have draft instrument that will be tested in two states, ohio

and Washington, and then will be altered or revised again.

So this is a long process, and we're just at the very beginning stages. But we are certainly cognizant of the fact that an instrument is only as good as, A, that it measures the right things, and B, is user-friendly to the people who must make those measurements. And that's why we do have extensive field experience.

CHAIRMAN EAKELEY: We've been talking about this for over two years. It's really directly -- it's addressed in our Strategic Directions document in particular as being a necessary next step in order to move from aspirational goals to achievements, both in terms of maximizing access and maximizing quality of service and outcomes as perceived by clients.

And I see this as probably the most important initiative of the Corporation after the state planning initiative that we launched in 1966-67. And a great deal of thought and effort have gone into it.

And being naturally impatient, everything comes slowly, more slowly than I would hope. but I think

that it's important to do this right and do it in a very thorough, methodical way. And I think that that's what's happening.

MS. YOUELLS: That's correct.

MS. MERCADO: No. And I agree. I know that it's something that we have been working toward. I just want to make sure that like in other entities, that if the instruments are not accurately -- or are not done in a way that would accurately reflect what it is that you're trying to find out, that then, in effect, we would have wasted our time and may also be providing incorrect information as well.

MS. YOUELLS: Correct.

MS. MERCADO: So I'm pleased to see that we are having individuals in the field and with legal services experience that will help with that.

MS. YOUELLS: And they are such strong-minded people as Ada Shen-Jaffee and Bob Clyde from Ohio, so the design team had -- one of the reasons that it's going slowly is any time you have strong-minded and independent people, things have to be discussed very

carefully before you reach resolution.

That will lead us towards a better product. But the chairperson is right. That has made a slower process than perhaps we might have wanted, but I think in the end will be good.

CHAIRMAN EAKELEY: Any other questions of the president or vice president for programs?

(No response.)

CHAIRMAN EAKELEY: Hearing none other than Mr. McCalpin's murmurings, I will move on to item 9 on the agenda, which is, consider and act on the report of the Board's Committee on Provision for the Delivery of Legal Services.

Ernestine?

MS. WATLINGTON: It was a very informative meeting, added to the others that we've had in the past. And it's very rewarding to the board members, client board members, when you know that there are other areas that the problems are increasing but you have dedicated staff people out there trying to come up with innovative ways to address those and the wonderful things that they

reported that they were doing.

So there's nothing that there's any board action has to take from that meeting. But it was just -- I hope the other board members received as much from it as I did, and it was very rewarding.

CHAIRMAN EAKELEY: I think we all did. I think that it is so important, and the Provisions Committee has really come to fulfill this important function -- it's very important for the board to learn about what grantees are doing, what their clients' needs are and how they're being addressed.

And the panel presentation on extended services and litigation from around the country was really just right on the mark, Randi. So thank you. And please keep it up, Ernestine, with your committee or your successor as well.

Any other comments or questions on the Provision for Delivery of Legal Services?

(No response.)

CHAIRMAN EAKELEY: Then we'll turn to the report of the board's Operations and Regulations

Committee by LaVeeda Morgan Battle, who reclaimed command of her former chair in the absence of Justice Broderick.

MS. BATTLE: Just temporarily, my dear.
Just temporarily.

The Operations and Regulations Committee met on yesterday, and we had several action items that I'd like to report to the board.

First, we did -- it was actually later in the agenda, but the third item on our present agenda was to consider and act on authorization of the extension of contracts for corporate officers for six months.

And we had a presentation by our president as to the specific persons who are vice presidents who would receive the six-month extension of their contract. And I believe that we approved the recommendation of the president, and I present that to the board this morning for approval.

M O T I O N

CHAIRMAN EAKELEY: So the motion is to extend the contracts of the three vice presidents, Mauricio Vivero, Randi Youells, and Victor Fortuno, for

six months?

MR. ERLNBORN: Correct.

MS. FAIRBANKS-WILLIAMS: I'll second it, if you're making it.

MS. BATTLE: Yes.

CHAIRMAN EAKELEY: Any further discussion?

(No response.)

CHAIRMAN EAKELEY: All those in favor?

(A chorus of ayes.)

CHAIRMAN EAKELEY: Opposed?

(No response.)

CHAIRMAN EAKELEY: The ayes have it. The motion carries.

MS. BATTLE: A non-action item was just -- we heard a status report on the current negotiated rulemakings, and learned that on 1626, there is some additional work that needs to be done. We do expect at our next meeting to hear on 45 CFR Part 1611 on eligibility, but there is more work that needs to be done on the restrictions on legal assistance to aliens.

In addition, we deferred until our next

meeting the issue of grant assurances. Mr. Bill McCalpin some issues. He was not present, and we hope to hear about that at our next meeting.

We did consider and act on the final rule of 45 CFR Part 1639, welfare reform. We needed to conform the regulation to a recent Supreme Court decision, United States Supreme Court decision, as well as a change in our appropriations language which would make it consistent with the new ruling from the Court.

M O T I O N

MS. BATTLE: So I do present that, and move that the board adopt the final rule as presented in our committee.

CHAIRMAN EAKELEY: Is there a second to that motion?

MR. ASKEW: Second.

CHAIRMAN EAKELEY: And that's 45 CFR Part 1639?

MS. BATTLE: Yes.

CHAIRMAN EAKELEY: And actually, that was the text that was circulated with the board materials.

Any further discussion?

(No response.)

CHAIRMAN EAKELEY: All those in favor?

(A chorus of ayes.)

CHAIRMAN EAKELEY: Opposed?

(No response.)

CHAIRMAN EAKELEY: The ayes have it. The motion carries.

MS. BATTLE: All right. We also had as a matter to consider and act on the property acquisition and management manual as it related to the PAMM standards, and the present standard for recoupment of funds, whether or not there needed to be any changes because the present standard was prospective.

I don't present this as an action item because I think that the committee decided that the manual as it is now written should stand. So I'm not presenting that, but just as an information item, though it was on our agenda as an action item.

And I believe that the president in his presentation has already addressed the access to records,

and has devised a new framework that clarifies the existing framework. And we've been provided copies of that today. Are there any questions about that particular item? I think that was fully discussed at our committee meeting.

And that, then, concludes my report.

CHAIRMAN EAKELEY: Any questions? Bill?

MR. McCALPIN: I'm sorry that I was a dropout yesterday afternoon on the grant assurances. I have reviewed what the staff has provided, and I don't want to extend this, but I would simply ask that if there are to be any new or different grant assurances for 2003 -- is that right?

CHAIRMAN EAKELEY: Yes, 2003.

MR. McCALPIN: -- that we be advised.

CHAIRMAN EAKELEY: I think what was -- or what was not tabled, but held for committee review and report to the board at the next meeting, is the question of the appropriate role of the board, either by way of receiving advanced notice if there's a change in grant conditions, periodically reviewing grant conditions, of

being advised if there are changes in policy implicit in changing grant conditions; so that we adopt a regular procedure, either that says we don't need to review grant assurances or, in certain circumstances, we should; or that grant assurances, as they change, at least, are provided to the board by way of notification so that that practice can be more regularized.

MR. McCALPIN: Yes. I think one of the real issues is the question of the imposition of onerous requirements on grantees, and whether they can be alleviated in any way.

CHAIRMAN EAKELEY: Well, I think it's -- I'm sorry, LaVeeda.

MS. BATTLE: I was about to say, and I think that the point that Mr. McCalpin makes is extremely important and one that, in devising the new regulatory framework to respond to restrictions, was one of the underpinning policy considerations by the committee to assure in each instance, as we went about devising what the regulatory scheme needed to be, that we assured that we didn't increase the burden unnecessarily on grantees

for how they respond to our new requirements.

And so I do think that to the extent that any grant assurance might have an impact on that particular policy, certainly the board should have an opportunity to review and make sure that it's consistent with that overall theme that we've had with our whole process of implementing restrictions.

CHAIRMAN EAKELEY: All right. Any other questions?

(No response.)

CHAIRMAN EAKELEY: LaVeeda, thank you very much.

MS. BATTLE: Sure.

CHAIRMAN EAKELEY: Next, consider and act on the report of the board's Finance Committee. And sitting in, or chairing, or taking over for Nancy Rogers was Tom Smegal.

MR. SMEGAL: Thank you, Mr. Chair. We had, I believe, in my 18 years of recollection, the longest Finance Committee meeting in history.

CHAIRMAN EAKELEY: In some respects, also

the most whimsical and entertaining, too.

MR. SMEGAL: Thank you very much. Well, we were stimulated by several very interesting reports. David Richardson, in particular, with the budgetary interim report after five months assured us that we were well within our budget and going in the right direction.

One of the highlights was Alice Dickerson's presentation, which involved our embracement of the Uruguay Round Act. We've gone to great extremes to try to make the Finance Committee as interesting as possible.

And in that respect, we do have a resolution which will embrace the Uruguay Round. It's at page 60 of your board book. And it is actually two pages. It's a very long resolution which will put us in compliance with various provisions of the 403(b) thrift plan.

And I don't want to reiterate everything that was said yesterday, but I can tell you, if you missed it, it was one of the really highlights of my life.

(Laughter.)

CHAIRMAN EAKELEY: I was there, and I missed

it.

M O T I O N

MR. SMEGAL: In any event, I would move the adoption of resolution 2002-005.

CHAIRMAN EAKELEY: Is there a second?

MS. FAIRBANKS-WILLIAMS: Second.

CHAIRMAN EAKELEY: Any further discussion?

MR. ASKEW: By acclamation.

MS. BATTLE: By acclamation. That's right.

CHAIRMAN EAKELEY: All those in favor?

(A chorus of ayes.)

CHAIRMAN EAKELEY: Opposed?

(No response.)

CHAIRMAN EAKELEY: Thank you.

MR. SMEGAL: We then went on to a presentation by the financial advisor of the Friends of Legal Services Corporation, a 501(c)(3) organization. And she presented to us a circumstance of a building opportunity in a lease that the Legal Services Corporation has an opportunity to enter into.

And for that purpose, there are several

resolutions that I would ask the board to entertain. I think they are not in the bound volume, but --

CHAIRMAN EAKELEY: No. I think they should have been circulated. They should be resolutions 2002-006 through 2002-009.

MR. SMEGAL: Right. 2002-006 would authorize the president to negotiate a lease for up to ten years for up to 45,000 square feet at a flat rate for that period not to exceed our current rate per square foot in the 750 First Street N.E. facility.

The second resolution has -- the discussion yesterday embraced. Friends of Legal Services, a 501(c)(3), has two assets. One is a grant from the Gates Foundation, which is dependent upon getting a building. The money is to be spent to provide the opportunity to have a building. The second is a lease provision with the Legal Services Corporation. There are other leases in the building we're going to buy, so there are other assets.

But in any event, in the process of creating the 501(c)(3) corporation, expenses were incurred in

finding an appropriate building site and negotiating with the current owners and entering into a memorandum of understanding. There have been certain expenses that have been incurred.

And at this point, we need a resolution, which is resolution 2002-007, to return those funds that were advanced during the course of this process of organizing the Friends and so on. And that resolution would provide for that reimbursement by September 30th of this year.

And the third resolution, 008, it's anticipated there might be some more expenses before all of the funding from the Gates Foundation is in place. And for that reason, there's a further resolution that would provide the Friends of Legal Services the flexibility to continue this process.

CHAIRMAN EAKELEY: And that's for up to \$40,000?

MR. SMEGAL: Yes. That's correct. And I believe -- I'm sorry. There is one more. I have a 9 also. The memorandum of understanding involves -- with

respect to this building involves an initial deposit of \$100,000, fully refundable, as the process goes on of completing the transaction of the purchase of the building.

And although the Gates money should be in place prior to that time, in the slight likelihood that it would not happen, the Gates Foundation transfer of money will not occur quickly enough, there is a further resolution that would permit the Corporation to advance that refundable down payment or deposit, again, with reimbursement by September 30.

CHAIRMAN EAKELEY: All right. Let's take these one at the time, if we could, Tom. I take it you're moving resolution 2002-006?

M O T I O N

MR. SMEGAL: Yes.

CHAIRMAN EAKELEY: That's the one that authorizes the president to negotiate and enter into a lease with Friends of Legal Services. Is there a second?

MS. FAIRBANKS-WILLIAMS: Second.

CHAIRMAN EAKELEY: Is there any questions or

comments? Bill McCalpin?

MR. McCALPIN: Mr. Chairman, recognizing the dismay which we felt when, at our first meeting, we learned of a double lease and a \$2 million obligation that had not been apparent to us before that, I have long been concerned about our imposing a large obligation on our successors as we leave the board.

I must say, I am comforted by the terms of this resolution, which limits the amount of rent to what we are presently paying, and limits the lease to ten years, which I understand is comparable to what has happened in the past.

Nevertheless, as I understand, two of the prospective nominees to the board have been furnished the booklet which we received, but that the others have not. I would certainly recommend, as a matter of equity and good conscience and decency, that we let nominees know what we're doing as soon as we can rather than having it sprung on them at their first meeting, as happened to us.

CHAIRMAN EAKELEY: Agreed. That's very well taken. May I say, with respect to authorizing the

president to enter into a commitment that is prospective in nature, I think we would be derelict in our duty not to take advantage of the opportunity being presented. And it's for that reason that we're proceeding apace.

But I think the notice to prospective nominees, and providing them with as much information as we can, is well taken.

MR. ERLENBORN: Mr. Chairman, I would just ask the gentleman from Missouri if you might put a time frame with your comment about what you found when you came here. I know the time frame.

CHAIRMAN EAKELEY: He wasn't -- Mr. Erlenborn wasn't on board when we first arrived in November of '93.

MR. ERLENBORN: So the burden, I know, was not created -- well, you tell us when and how.

MR. McCALPIN: Well, as I understand, our predecessors, occupying one space under a lease, contracted to lease the space we are in now in the hope that they could find subtenants for the space that they intended to leave, but they could not.

And as a result, we had to amortize -- I think it was \$2 million over a period of the first years that we were there, which necessarily restricted us in some other ways.

MR. ERLNBORN: I just wanted that to be viewed in the proper time frame.

MS. MERCADO: Mer. Erlenborn was not responsible for that.

(Laughter.)

MR. ERLNBORN: Thank you.

CHAIRMAN EAKELEY: May I just, while we're on the motion, say one other thing? This is a wonderful site, a unique building that's uniquely suited for the needs of the Corporation, and also presents an opportunity to conserve funds that can hopefully be utilized for the purposes of the Corporation.

It all came about because of John McKay's vision, and John McKay was the one who initially went to the Gates Foundation to seek the funding. John was on the board of Friends of Legal Services, but had to step down when he became U.S. Attorney for the -- appointed by

President Bush.

But I didn't want the moment to go by without recognizing, acknowledging, and thanking John McKay for his many contributions in this area.

Having said that, and hearing no further discussion, all those in favor of the resolution say aye.

(A chorus of ayes.)

CHAIRMAN EAKELEY: All those opposed?

(No response.)

CHAIRMAN EAKELEY: The ayes have it. The motion carries.

That brings us to resolution 007, Tom. That is the resolution authorizing the expenditure of some \$164,502.69 in seeking and doing the preparatory work for the lease that we've now authorized to be negotiated, recognizing also that those funds advanced on behalf of the Friends, which in turn is negotiating or dealing with the building on behalf of the Corporation, to be returned to the Corporation by September 30, 2002.

MR. SMEGAL: That's correct. These funds were expended in the organization of the Friends

corporation, its 501(c)(3) status, and the efforts that were incurred in two other building site evaluations.

M O T I O N

CHAIRMAN EAKELEY: And I take it you're moving the resolution.

MS. FAIRBANKS-WILLIAMS: Second.

CHAIRMAN EAKELEY: Any question or further discussion?

MR. McCALPIN: I suggested in the second line of the "Resolved" clause the word "to" is surplus.

MS. MERCADO: The second line?

MR. McCALPIN: The second line of the "Resolved" clause.

MR. SMEGAL: Mr. McCalpin has got eagle eyes.

MS. MERCADO: Ops and regs will not leave him.

MR. SMEGAL: "Understanding that," delete "to," and then continue with "Friends."

MR. McCALPIN: "Understanding that," you just simply take the word "to" out.

MR. SMEGAL: That's exactly what I

understood you to be saying.

MS. CARPENTER: Yes.

CHAIRMAN EAKELEY: Well, why don't you read us in English what you're proposing to do with the --

MR. McCALPIN: I'm proposing to eliminate the word "to" in the second line of the "Resolved" clause.

CHAIRMAN EAKELEY: Before "Friends of Legal Services"?

MR. McCALPIN: So it will read, "With the understanding that Friends."

CHAIRMAN EAKELEY: With that friendly amendment, all those in favor?

(A chorus of ayes.)

CHAIRMAN EAKELEY: Opposed?

(No response.)

CHAIRMAN EAKELEY: The ayes have it.

M O T I O N

MR. SMEGAL: Again, 008 is the contingency of some further costs that may be necessary between now and the close of this --

CHAIRMAN EAKELEY: And that authorizes the Corporation to advance Friends up to another \$40,000 for purpose of acquiring the building and entering into the leasehold with the Corporation?

MR. SMEGAL: Yes.

CHAIRMAN EAKELEY: Is there a second?

MS. FAIRBANKS-WILLIAMS: Second.

CHAIRMAN EAKELEY: Any further discussion?

(No response.)

CHAIRMAN EAKELEY: All those in favor of approving resolution 2002-007, say aye.

(A chorus of ayes.)

CHAIRMAN EAKELEY: Opposed?

(No response.)

CHAIRMAN EAKELEY: The ayes have it. The motion carries.

And 009, Tom.

M O T I O N

MR. SMEGAL: And this is a contingency again. We have every expectation that the foundation money will be in place in time for this refundable

deposit to be provided to the seller. But in the event that it is not, we may an advance of this amount for a few days.

CHAIRMAN EAKELEY: So resolution 009 authorizes the advance of \$100,000 for use as a refundable earnest money deposit on the purchase of the premises, to be refunded to the Corporation in full by September 30, 2002.

MS. FAIRBANKS-WILLIAMS: Second.

CHAIRMAN EAKELEY: Any further discussion?

(No response.)

CHAIRMAN EAKELEY: All those in favor?

(A chorus of ayes.)

CHAIRMAN EAKELEY: Opposed?

(No response.)

CHAIRMAN EAKELEY: The ayes have it. The motion carries. Very nice job, Tom.

MR. SMEGAL: Thank you very much.

CHAIRMAN EAKELEY: Any other questions of the --

MR. SMEGAL: I might just comment on Bill's

observation that when we came in, a recess board had left us with a double lease. The current lease that we have at 750 will expire --

MR. McCALPIN: Yes. I understand.

MR. SMEGAL: -- at the time that we make this move. So there will be no residual rental obligations.

CHAIRMAN EAKELEY: That concludes the committee reports. Next on the agenda is consider and act on changes to the board's 2002 meeting schedule. My first impertinent response to that is, what meeting schedule? I mean, we've been sort of carrying ourselves forward each meeting.

Now, Victor, could you come up for a second, Victor Fortuno? I propose that we schedule a meeting for June. That's about right on the timetable. I don't think we've scheduled anything that far out, have we, Victor?

MR. FORTUNO: No, we haven't. And for your convenience, you have -- it's at the back of the tab for the board meeting. You have a calendar.

MR. McCALPIN: Back in the tab for what?

MR. FORTUNO: If you look at the board of directors meeting tab and turn all the way to the back, you'll find --

MS. MERCADO: Right before litigation.

MR. FORTUNO: Just before the litigation report. You'll find a calendar for your reference, if you should need it.

And if you're looking to June, we originally had scheduled a meeting for Friday the 21st and Saturday the 22nd. That was changed -- eliminated, actually -- with the expectation that the new board would be here and that they would select for themselves when they would want to meet.

Since it's taken as long as it has, the question now is, would this board care to schedule another meeting? Since we do have to make arrangements -- we have to find a hotel; we have to enter into contracts --

CHAIRMAN EAKELEY: Well, I think we should schedule a meeting.

MR. FORTUNO: Yes.

CHAIRMAN EAKELEY: Tom?

MR. SMEGAL: Can I open the bidding by making a proposal that we meet on Friday, May 30th and Saturday, June 1st?

MS. MERCADO: Oh, Memorial Day?

MR. SMEGAL: No. Memorial Day is the prior week.

MR. McCALPIN: When do you want to meet? The 31st and the 1st?

MR. SMEGAL: Right.

MS. MERCADO: I know one of the other dates that the staff had looked at, or we had looked at it originally in the June, was also the weekend of the 7th and 8th.

CHAIRMAN EAKELEY: The later we set it, the more likely it is that there will be -- well, that it will happen, but we won't be part of that happening. That's my only inclination, to keep it where we had it, on June 21-22. Can't do that?

MR. SMEGAL: No. I'll be in Lisbon.

CHAIRMAN EAKELEY: How about June 7-8? That

was the other alternative that -- because I know Bucky couldn't make the 14th-15th.

MR. SMEGAL: No. I'm off at that point, too.

MS. MERCADO: Yes. And I can't do the 14th-15th, either.

MR. FORTUNO: Did I hear Tom say he was going to be in Lisbon on the 21st and 22nd?

MR. ERLBORN: Maybe we could have the meeting there?

MR. FORTUNO: I'm thinking as a courtesy to Mr. Smegal, we could move the meeting to Lisbon. Judging from the look on the chair's face, the answer to that, I take it, is no.

MR. SMEGAL: Our chair has been here and done that.

CHAIRMAN EAKELEY: Well, what are your druthers?

MR. McCALPIN: I can do any of them.

MS. MERCADO: I can do the 21st-22nd or May 30th and June 1st.

CHAIRMAN EAKELEY: Tom, my inclination would be to go with the later out date in deference to prospective new board members, giving them a little bit more time to get through the confirmation process.

MR. SMEGAL: And is your suggestion, then, the end of June?

CHAIRMAN EAKELEY: Well, the June 21-22.

MR. SMEGAL: I will not be able to attend. How about the week later? Do you want to make it even later?

CHAIRMAN EAKELEY: I know that at least one of the prospective board members can't make it that weekend.

MR. ERLNBORN: It's getting pretty close to the 4th by then, too.

CHAIRMAN EAKELEY: Yes.

MS. MERCADO: A lot of people take off that week.

CHAIRMAN EAKELEY: Let's do this. Let's --

MR. McCALPIN: Why don't we do the earlier one and see what develops?

CHAIRMAN EAKELEY: Well, the problem is, arrangements get made and then we get into seeking costs that we can't recover.

MR. SMEGAL: Oh, yes.

CHAIRMAN EAKELEY: So it's -- let's --

MR. SMEGAL: Mr. Chair, how many can't make May 30th and June 1? Maybe that's a --

CHAIRMAN EAKELEY: Well, what I was going to suggest is that we don't have any new board members actually nominated yet. The President has announced his intention to nominate. But perhaps what we might do is ask Victor to see about the availability of at least the five nominees on those two dates, on the assumption that there will be nominations made, if not confirmed by then, and see whether -- which of those two dates is better for at least the five who have been named.

MS. MERCADO: So we're looking at either May 31st and June 1 --

CHAIRMAN EAKELEY: Or June 21-22.

MS. MERCADO: -- or June 21-22.

CHAIRMAN EAKELEY: Okay?

MR. SMEGAL: Should we start with who on this board is available?

CHAIRMAN EAKELEY: Yes. Let's just take the poll here so that Victor or his staff won't have to deal with us. But other than Tom, can anyone not make it the 21st-22nd of June?

(No response.)

CHAIRMAN EAKELEY: All right. And then how about the May 31-June 1? Can everyone make that?

MS. FAIRBANKS-WILLIAMS: Where is it going to be at?

CHAIRMAN EAKELEY: It will probably be in Washington. I think we'll continue with this.

Okay. So there you have -- all things being equal, then, we should make it May 31-June 1. But let's also check with Nancy and John Broderick in a couple of weeks.

MR. FORTUNO: Will do.

MR. McCALPIN: John won't --

MR. FORTUNO: He won't be able to make it.

MR. McCALPIN: Three months, they told me.

MS. MERCADO: They said three months about him going back to work.

CHAIRMAN EAKELEY: Yes. I guess that's right. He's going home in three to four weeks, but --

MS. FAIRBANKS-WILLIAMS: He can't fly.

CHAIRMAN EAKELEY: Yes. But maybe teleconference or something. Okay. Well, that's about as far as we can go on that particular issue.

MS. FAIRBANKS-WILLIAMS: So it's May 31st and June 1?

CHAIRMAN EAKELEY: Yes. Save those dates. Save that date and the other one.

MS. MERCADO: And the June 20th and 21st, because depending on where the confirmation is on the other members --

MS. BATTLE: Can I get an e-mail with those dates to my office? That always helps. I'll write it down, but that will help.

MR. FORTUNO: How about Monday?

CHAIRMAN EAKELEY: Next we have the report by the vice president for government relations and public

affairs on the launch of LSC's new Equal Justice magazine.

Good morning, Mr. Vivero.

MR. VIVERO: Good morning. I'm very pleased to tell you about the launch of Legal Services' new Equal Justice magazine, or EJM, for short.

I'd like to begin to recognizing LSC's press secretary, Eric Kleimand, who's here with us today, who's just finished his one-year anniversary with LSC.

CHAIRMAN EAKELEY: Happy anniversary, Eric.

MR. VIVERO: We could not have done this magazine without Eric. He was the principal writer, the chief editor, and really the driving force behind the creation and the launch of the magazine. I want to make clear for the record, my role was inspirational and limited value.

CHAIRMAN EAKELEY: So much for inspiration.

MR. VIVERO: EJM was created as a broad forum for the national legal services community to share its success stories with lawmakers, judicial leaders, funders, public interest advocates, and the private bar.

Everyone in the room knows about the legal services community's struggles with image and with defining itself and its mission.

Although we've had very good success in generating press about the work of our grantees, the most visible media reports continue to be highlights about controversy and conflict, and many in the press still believe that challenges to restrictions, congressional oversight hearings, and state planning disputes are the principal news, more worthy of attention than an article about the poor receiving justice thanks to Legal Aid.

We in my office have tried to counter this trend in ways large and small, by holding press conferences with members of Congress; by celebrating anniversary milestones with our grantees; by making pitches in meetings with newspaper editorial boards across the country; and, of course, by partnering with supportive members of Congress on selected activities.

Yet this approach still has relied on others to tell our story, namely, the press. EJM puts the discussion on our terms, and will hopefully highlight the

work of our grantees in a way never done before.

EJM is now the first national magazine devoted exclusively to improving access to justice for all Americans. It will serve as a quarterly reminder that LSC is focused on solving the basic legal needs of the poor, and in doing so, we hope to encourage more pro bono activity and raise awareness with state lawmakers, mayors, governors, and other members of Congress about the continuing resource crisis in the country.

The magazine, combined with our biweekly LSC e-mail alert, has positioned LSC, I believe, to be the central information hub for the legal services world, putting us in an ideal position to promote our issue and distribute best practices that can be shared by the entire grantee community.

With the launch, LSC joins a list of other federal agencies and congressionally created nonprofits that proceed their own magazines and journals, including entities funded under our CJS bill. Here in Washington, we have already seen how a communication vehicle of this type can garner positive attention.

Five members of Congress came by our March 13th launch party on Capitol Hill to express their best wishes on the magazine and to voice support for the mission of LSC. You'll find that information in your packet.

Let me, since I'm talking about the reception, take a moment to thank Bucky Askew for making the trip from Atlanta to be with us that evening. It was very important to me and the entire staff of LSC to have board support for this event. So thank you, Bucky.

I'd like to now just conclude by offering to take your questions, of course, and first I'd like to show you a short video on the magazine.

(Videotape is played.)

MR. ERLNBORN: Well, Mr. Chairman, I have a question. I'd like to ask Mr. Vivero why you cut off the sound when I was speaking.

CHAIRMAN EAKELEY: I thought it was Mel Watt.

MR. VIVERO: Your presence alone is enough. We don't need your voice.

I'd be glad to take any questions. I would like to add a footnote. I think we've been able to produce this magazine at a very reasonable cost. The entire production cost for 6,000 copies, which was our initial circulation, was almost exactly \$15,000. I think that's a bargain to be the national voice on this issue.

We plan to print 10,000 issues -- sorry, 10,000 copies next issue, and I'm also glad to report that we have also sold -- we have just begun to sell ad space, but we have already made commitments for \$4,000 of ad revenue.

So with that in mind, I'd like to end the presentation and take any of your questions. And I'm anxiously awaiting -- I was told that Mr. Bucky Askew had a story for me.

MR. ASKEW: Well, I didn't speak at the reception. The staff told me it's the most meaningful contribution I've ever made to help Legal Services Corporation.

I would -- I don't know if you've had a chance to read it. I would recommend it to you. It's a

very accessible magazine. The stories are very interesting and well done, I think.

And I understand that the staff has sent this to every justice on every state supreme court in the United States, which I didn't know they had done. And members of my court have received it. Two of them have already commented to me about the magazine, and that they have read it, actually, given all that they have to read.

And our chief justice, in a meeting I had with him on Wednesday, had just returned from a CLE event on professionalism, which we have a mandatory CLE requirement on professionalism in Georgia, where he used the story of "Pleading for Forgiveness," written by Eric, as the basis for his remarks at the professionalism program about the young woman at Boston University Law School who can't realize her dreams because of her debts, and talked to the bar about the problem of debt in law school and the problem of the importance -- and the issue of the importance of public interest work, and how if the bar and the law schools don't address this issue, it's going to lead to very serious problems with the values

that we hold dear.

And the chief told me that it was very inspirational to him. And I had not set him up. I had not asked him to do it. I hadn't encouraged it. And so if we're worried about whether this is going to be read or not and the impact it will have, I think we don't need to worry about that. I think the quality of it and the production values in it are encouraging people to read it, and I think getting a positive response for us.

I've made Mauricio nervous for two days because I wasn't going to tell him what I was going to say. But I wanted to make sure he knew it was well received, certainly, in my state.

CHAIRMAN EAKELEY: Bill McCalpin?

MR. McCALPIN: I have two questions. One, do we have a policy on who we will accept as advertisers? It seems to me that there could be issues around who might want to get in this and whether their views are consistent with our views and whether we can turn people down, whether we have a policy which would permit us to turn down advertisers if that occasion should arise.

Second, I gather that you are -- that there are some free copies being distributed and some subscriptions being sought?

MR. VIVERO: No. They will all be free subscriptions. You can sign up. There will be no cost to get the magazine.

MR. McCALPIN: I see. And broadly speaking, who's on the distribution list?

MR. VIVERO: Every legal services program in the country.

CHAIRMAN EAKELEY: One copy?

MR. VIVERO: No, multiple copies, depending on how large the program is. We'd like to reach every single lawyer in the national system, whether LSC grantees or not. That's the goal. Every mayor. Every state supreme court justice. Every head of state senate and house chambers. Everyone in Congress. All the governors.

And all the pro bono chairs of the largest 250 law firms in the country. Every managing director of the largest 250 law firms in the country. We are

targeting the legal community and policy holders.

We are sending it to every president of every major foundation and major social service nonprofit in the country. So that's the general distribution list.

MS. MERCADO: And that was going to be my follow-up question, whether we were going to follow up and maybe get in some additional foundation money to make it -- to make this -- I think it's obviously a very wide distribution. But one of the other areas that I think would be helpful is to distribute it like to your public libraries, you know, people that -- to try and get a new generation, to get youth and individuals looking at access to justice issues. And especially I'm thinking of, you know, your high schools, your government and civics classes.

I know that's asking for a lot, but it sort of is a long term -- you know, you have to start with that curriculum younger so that people can naturally be involved in it. Obviously, we have a lot of other parallel issues that we work to, but eventually that would be the reason that I would hope that, whether it's

congressional funding or foundation funding, to get a broader distribution to an even broader audience.

MR.

mention that we have sent it to the head of every public interest group at law schools, and encouraged them -- and we also have -- the secondary purpose is, we are going to be granting permission to all of our grantees to incorporate the stories into their newsletters.

Many of our grantees have excellent newsletters and publications that they put out, and we'd like to encourage them to use our stories and work with us to distribute the information at the state level in a way that supports their fundraising and their advocacy work as well.

MS. MERCADO: And you'll be having their stories in the magazine as well.

MR. VIVERO: Yes. This is their magazine. This is about their stories and their successes.

MS. BATTLE: I'd like to just comment that I think this is quite a visionary and remarkable project for Legal Services, and to commend you for the work that you've done on it.

MR. VIVERO: Thank you.

CHAIRMAN EAKELEY: I think we all second that. Any other questions?

(No response.)

CHAIRMAN EAKELEY: All right. Well, again, thank you very much, and congratulations.

That brings us to executive session. So I'll take a motion to go into closed session, but then we'll take a break for five minutes and come back in closed session.

M O T I O N

MS. BATTLE: So moved.

MR. ERLNBORN: Second.

CHAIRMAN EAKELEY: The motion is that we go into closed session to deal with the three agenda items, 14, 15, and 16. All those in favor?

(A chorus of ayes.)

CHAIRMAN EAKELEY: All right. Brief recess, then back in closed session.

(Whereupon, at 10:47 a.m., the meeting was adjourned to executive session.)

CHAIRMAN EAKELEY: Back in public session.

Let me just report one thing. As we were going on our recess, it was pointed out that the NLADA annual dinner, to which we will all be invited, is scheduled for Thursday evening, May 30th, at the Mayflower Hotel at 6:30 p.m.

And given that and the fact that it's unlikely, although possible, that there may be a new board, and that all of the current members are available to meet May 31 and June 1, I think we should go ahead and plan on the meeting for May 31/June 1 and leave it at that. Fair enough?

MR. SMEGAL: Fair enough.

CHAIRMAN EAKELEY: All right. Is there any other or new business that needs to come before this board?

MS. WATLINGTON: Just that Edna wanted to know when that client meeting is going to be with the staff to see if she could attend. I'd like to --

CHAIRMAN EAKELEY: Bob, do you know when, or John, do you know when?

MS. WATLINGTON: April? When?

CHAIRMAN EAKELEY: Client conference?

MR. ERLNBORN: No, I don't.

CHAIRMAN EAKELEY: Randi, there is a question about client conference or planning meeting in April.

MS. YOUELLS: The organization of clients in that part of the United States are having a meeting, as I understand it. And they have invited us to attend. But it is -- we are not sponsoring it, nor is it our meeting. It's the Midwest or Southwest clients organization is having their annual conference.

MS. WATLINGTON: But staff is going down with it, so --

MS. FAIRBANKS-WILLIAMS: No. I was talking about the Equal Justice Conference.

MS. YOUELLS: Yes. The Equal Justice Conference is the week after next, and staff is going to that conference.

CHAIRMAN EAKELEY: And Edna has expressed interest in attending that.

MS. YOUELLS: Fine. There's no organized client activities that generally go on in equal hustice. If you remember, this was the -- was formerly the pro bono/PAI conference, and so there's a heavy emphasis on that element. But if you'd like to attend, that would be fine. Why don't you call me this week and we'll make those arrangements.

MR. SMEGAL: Doug, I will be attending.

CHAIRMAN EAKELEY: Good. Tom will be. As people were filtering in, I announced that we had made an executive decision -- I'm looking for Victor -- Victor, I think we decided to go ahead with the board meeting on May 31/June 1 so that it can be timed with the NLADA annual dinner the night before.

So I think we should advise all board nominees of the meeting dates, and also provide the materials that Bill McCalpin had mentioned.

MR. FORTUNO: Okay. And we'll proceed with the making of all necessary arrangements.

CHAIRMAN EAKELEY: And I think -- that's good. Okay.

Any other or further new business?

(No response.)

CHAIRMAN EAKELEY: Any public comment?

MR. STRICKLAND: Mr. Chairman, one public comment.

CHAIRMAN EAKELEY: Mr. Frank Strickland from Atlanta, Georgia. Please come to our dignified podium with an amplification system.

MR. STRICKLAND: I just wanted to express my appreciation to you and the other members of the board for the courtesies that have been extended to me both before and during this visit. And thank you very much. CHA
assuring a smooth and successful transition whenever it occurs.

MR. STRICKLAND: We'll look forward to it.
Thank you, sir.

MR. ASKEW: Where do you buy your bow ties?

(Laughter.)

CHAIRMAN EAKELEY: Any other public comment?

(No response.)

CHAIRMAN EAKELEY: Hearing none, is there a

motion to amend -- motion to adjourn?

M O T I O N

MR. ERLNBORN: I move.

MS. WATLINGTON: Second.

CHAIRMAN EAKELEY: All those in favor?

(A chorus of ayes.)

CHAIRMAN EAKELEY: We stand adjourned. Safe
trips home, everyone.

(Whereupon, at 11:24 a.m., the meeting was
concluded.)

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