

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

OPEN SESSION

Saturday, June 1, 2002

9:00 a.m.

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

BOARD MEMBERS PRESENT:

Douglas S. Eakeley, Chairman
John Broderick
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
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
Robert D. Gross, Senior Program Counsel, Office of
Program Performance
Frank Strickland, Strickland, Brockington, Lewis, LLP
Julie Strandlie, American Bar Association
Dan Dozier, Marasco Newton, Inc.
Robert Dieter, University of Colorado
Thomas Fuentes, Tait & Associates
Michael McKay, McKay Chadwell

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1 P R O C E E D I N G S

2 CHAIRMAN EAKELEY: Let the record reflect that
3 we've got F. William McCalpin and the Honorable John
4 Broderick on the conference call. And John Broderick, I'll
5 mention this now, but I will mention it again later, how nice
6 it is to hear your voice.

7 MR. BRODERICK: Thank you, Doug. I wish this
8 didn't sound quite so disguised, but nice to be with all of
9 you.

10 CHAIRMAN EAKELEY: The agenda was distributed with
11 the meeting materials. Is there a motion to approve it?

12 M O T I O N

13 MR. ERLNBORN: So moved.

14 CHAIRMAN EAKELEY: Second?

15 MS. FAIRBANKS-WILLIAMS: Second.

16 CHAIRMAN EAKELEY: All those in favor.

17 (A chorus of ayes.)

18 CHAIRMAN EAKELEY: Opposed? The ayes have it.
19 There are minutes also circulated with the meeting materials
20 of our meeting of April 6, 2002. Is there a motion to
21 approve the minutes?

22 MR. McCALPIN: Doug?

23 M O T I O N

24 CHAIRMAN EAKELEY: Yes.

25 MR. McCALPIN: On page 102, there is a slight
26 inconsistency. It says Smegal outlined three resolutions.
27 And then it lists four.

28 CHAIRMAN EAKELEY: Well, Smegal's not here to
29 defend himself.

30 MR. McCALPIN: I'm just suggesting that, you know,
31 probably the three ought to be four.

32 CHAIRMAN EAKELEY: All right.

33 MR. ERLNBORN: Will you make that as a motion?

34 CHAIRMAN EAKELEY: No, we won't make that as a
35 motion, we'll just do it. Thank you.

36 Any other corrections or additions?

37 Hearing none, is there a motion to approve the
38 minutes of the April 6, 2002, meeting?

39 M O T I O N

40 MS. FAIRBANKS-WILLIAMS: Moved.

41 CHAIRMAN EAKELEY: Edna? It's moved. Second?

42 MR. ERLNBORN: Second.

43 CHAIRMAN EAKELEY: All those in favor?

44 (A chorus of ayes.)

45 CHAIRMAN EAKELEY: Opposed? The ayes have it. The
46 motion carries.

47 Next we have minutes of the executive session of
48 the board's meeting of April 6. Again, any corrections or
49 additions?

1 Hearing none, is there a motion to approve?

2 M O T I O N

3 MS. WATLINGTON: I so move.

4 CHAIRMAN EAKELEY: Second?

5 MS. MERCADO: Second.

6 CHAIRMAN EAKELEY: All right, all those in favor?

7 (A chorus of ayes.)

8 CHAIRMAN EAKELEY: Opposed? The ayes have it. The
9 motion carries. And we are up to Item 4, chairman's report.

10 First let me welcome and acknowledge the presence
11 of four of our five current nominees to the board of
12 directors of the Legal Services Corporation; Robert Dieter
13 from Colorado, Thomas Fuentes from California, Michael McKay
14 from the state of Washington, and Frank Strickland from
15 Georgia.

16 Lillian BeVier had been planning to come, but broke
17 her wrist and can't drive, and had to send her regrets.

18 But it was really great for the current board to be
19 able to visit a little bit with some of the soon- to-be new
20 board last night, and we really welcome their presence here
21 today.

22 And John Broderick and Bill McCalpin, this is a
23 telephonic introduction for you.

24 MR. BRODERICK: Mr. Chairman?

25 CHAIRMAN EAKELEY: Yes, Justice Broderick?

26 MR. BRODERICK: I would like to welcome the new
27 nominees, and I would particularly like to say hello to
28 Michael McKay, who I have never met, but who I feel like I
29 know through his brother, John, who is a dear friend. So
30 please remember me to your brother.

31 MR. MCKAY: I will do that. If you have only been
32 listening to my brother, John, then I would like equal time.

33 MR. ASKEW: Equal time with John McKay would take
34 the rest of the day.

35 CHAIRMAN EAKELEY: Just a couple of other things I
36 wanted to mention. It's not really a report, but included in
37 the materials for the Provisions Committee was a speech given
38 by Bucky Askew on May 11th to the Georgia Access to Justice
39 Symposium, quoting in part from a speech from Gene Nickel,
40 the Dean of UNC law school, which Bucky circulated before,
41 and which was great.

42 But I thought, Bucky, that this was really just
43 very elegant and eloquent, and just a beautiful speech. And
44 I am glad we -- we included it, but we really didn't do it
45 justice. And I am not sure that I am doing that, either, but
46 I wanted to mention that and voice my appreciation, at least.

47 MR. SMEGAL: I might point out, Mr. Chair, that
48 Randy Scarber, I notice, wasn't on it.

49 MR. ASKEW: I wrote every word of it.

1 CHAIRMAN EAKELEY: I also wanted to call to
2 everyone's attention and commend an article that appears in
3 the current issue of the Fordham Urban Law Journal. The
4 entire journal is dedicated to legal services this issue.

5 But in it is a fascinating article by Mauricio
6 Vivero entitled, "From Renegade Agency to Institution of
7 Justice, The Transformation of Legal Services Corporation."
8 And I think we really ought to circulate this to all members
9 of the board and incoming board, Mauricio, if that will not
10 overwhelm your innate sense of modesty.

11 A couple of other things; a number of us attended
12 the annual dinner of the NLADA the night before last, a very
13 warm and moving event again.

14 The week before I attended the 25th Annual Servant
15 of Justice dinner at the Legal Aid Society of Manhattan, upon
16 which I had served many years ago, and shared a table with
17 Alex Forger. And it was nice to see Alex at the NLADA dinner
18 on Thursday.

19 We are competing with the Race for The Cure today,
20 and I am sorry we couldn't sort of mesh the schedules better,
21 but I wanted to acknowledge that event and cause, as well.

22 And that's basically it for my report. And let me
23 go from there to the members' reports. LaVeeda Morgan
24 Battle, who could not be with us today, was with us for the
25 Ops and Regs Committee meeting yesterday.

26 As I said, we have on the phone Justice Broderick
27 and Bill McCalpin. So John, why don't you lead off with a
28 member's report, if you would?

29 John Broderick, I mean.

30 MR. BRODERICK: Oh, In the last 40 days, I am used
31 to giving my blood pressure and my temperature.

32 CHAIRMAN EAKELEY: You can start with that if you
33 want.

34 MR. BRODERICK: Both seem to be improving. I don't
35 really have anything to report on an institutional level.

36 On a personal level, I am recovering very well, and
37 depending upon the pace of change at the corporation, if, in
38 fact, we have another meeting, or are invited to attend a
39 meeting of the new board in the fall, I hope that I am going
40 to be able to do that.

41 And on a personal note, I have missed all of you,
42 and I have missed the staff. And I want to thank the board
43 and the staff for some flowers that were delivered here about
44 a week ago which are presently sitting in my living room.

45 And I consider all of you to be very dear friends,
46 and you have been a wonderful support at a very tough time.

47 So I wish that I were with you, and I hope I get to
48 join you again before all of us officially disband.

49 CHAIRMAN EAKELEY: Our best wishes for a continued

1 successful recovery, and have fun on Monday with the wires
2 out.

3 MR. BRODERICK: Thank you, Doug.

4 CHAIRMAN EAKELEY: Does that mean that you will be
5 able to eat solid food, or do you have to wait for the
6 operation for that?

7 MR. BRODERICK: Probably not initially. I will
8 probably need a few weeks of therapy. But I can tell you, a
9 baked potato has never looked or sounded quite so good. So I
10 am making progress.

11 CHAIRMAN EAKELEY: Great. Bill McCalpin?

12 MR. McCALPIN: I learned a long time ago not to try
13 to follow John Broderick.

14 CHAIRMAN EAKELEY: Do you want me to come back to
15 you?

16 MR. McCALPIN: No, I have no particular report.

17 CHAIRMAN EAKELEY: Ernestine?

18 MS. WATLINGTON: I wanted to report that I attended
19 a state Pennsylvania Client Council meeting and the support
20 of the board in attendance because they really have very good
21 meetings, because with the state changing and going into
22 programs upon council, need to change its membership and the
23 whole thing of how it's going to be supported to the
24 programs.

25 I just wanted to report that it was a very good
26 meeting. It was a very needed meeting, too.

27 CHAIRMAN EAKELEY: Edna?

28 MS. FAIRBANKS-WILLIAMS: Our analysis, and
29 questions and surveys, and everything, are finally coming
30 together as far as what we are lacking in the court system,
31 and lacking in Vermont to serve low- income people.

32 I finally talked their own legal aid into doing the
33 cases the same as I did the map for our new LSC funded law
34 line, and to match the cases to the poverty census as soon as
35 we get it out.

36 And I have had a lot of help from a lady judge,
37 Denise Johnson. She is very upset that there is not enough
38 lawyers to come in with people, and too many people are
39 coming in pro se, and don't know what they are doing.

40 CHAIRMAN EAKELEY: Meanwhile you lost a home since
41 we saw you last, and you recovered from that fire?

42 MS. FAIRBANKS-WILLIAMS: Yes, I've recovered from
43 my fire. I've been given a trailer, and my animals all
44 survived. Of course, my chicken always was on the front
45 porch, but now I can't eat the chicken because he is a TV
46 personality.

47 CHAIRMAN EAKELEY: Did the beaver survive?

48 MS. FAIRBANKS-WILLIAMS: Oh, yes.

49 CHAIRMAN EAKELEY: Maria Luisa?

1 MS. MERCADO: I like that chicken. I guess as far
2 as our legal services-related things, I think I've always
3 been accused of being too much of a multi-tasked person, and
4 I think that just comes from being a mom, and being the
5 oldest of 10, probably.

6 But while I was down in Puerto Rico doing an ABA
7 site accreditation of the University of Puerto Rico School of
8 Law, on my day off that I had that I took over, I imposed on
9 the local, the state-wide program of Puerto Rico legal
10 services to look at their facility. But of course I
11 had already, in the process of doing all of the evaluating,
12 and meeting with the judiciary, and the alumni of the
13 University of Puerto Rico, and finding out that Legal
14 Services is very well respected in Puerto Rico; that a lot of
15 the judges and professors and members of firms were former
16 legal services attorneys.

17 And one of the constant topics was the issue of how
18 they have participated, or not participated, in state
19 planning, and so I am sure that I probably am working our
20 staff into maybe doing a little bit more work than they might
21 have anticipated, although my understanding is that they do
22 have a trip planned for July.

23 But Puerto Rico had not gone through, in reality, a
24 state-wide plan. But in my discussions with the different
25 entities, the judiciary, and folks in the private bar, and
26 Legal Services staff, they are all eager to do that, although
27 there is not necessarily -- I think part of it is the issue
28 of funds. Part of it is not having knowledge.

29 And of course, for those of you who have been in
30 Puerto Rico, everything is in Spanish. The courts are in
31 Spanish. The law schools are in Spanish; everything.

32 And so it was very critical in looking at this that
33 when we do start assisting them in doing state-wide planning,
34 aside from asking them to get a grant for state-wide
35 planning, that they also send in bilingual individuals to
36 assist them with the state plan because it is very critical.

37 Even some of the judges or professors who felt like
38 they knew English fairly well are still much more comfortable
39 in communicating in Spanish.

40 But there certainly, even though it is one of our
41 largest funded grantees, one of the factors that they need to
42 work with, and pretty much everyone has acknowledged that
43 they need help with, is to incorporate a broader part of the
44 bar in the community at large, and get in additional
45 resources for one of the poorest territories, nations, or
46 whatever, in number of client communities.

47 So I have sort of left it in the lap of Bob Gross
48 and Randi to follow up with that. But they really, as a
49 whole society, hold Legal Services in the greatest regard.

1 So that was certainly a different eye opener for me. It was
2 almost like if you were in a totally different country.

3 CHAIRMAN EAKELEY: Thank you. Bucky?

4 MR. ASKEW: I will mention two things. Mr.
5 Strickland and I participated on May 11th in the convocation
6 of the Access to Justice Community in George to begin the
7 state planning, or move the state planning process forward.
8 The convocation was called, the invitations went
9 out from Justice Lee Sears of our Supreme Court who opened
10 the convocation welcoming people. And I think there were 60
11 to 75 people there representing the broad legal services
12 community.

13 And Justice Deborah Hankins from Texas was the
14 luncheon speaker. And Mauricio attended, as well, from the
15 corporation. It was a very important day, a very useful day.
16

17 And from that have grown six subcommittees who will
18 be working over the next three to four months on an action
19 plan. And then we are going to reconvene in October or
20 November to adopt an action plan for the state of Georgia.

21 So it is a little bit embarrassing to us that we
22 were behind Texas in this regard, and we had to get a Texan
23 to come tell us how to do this, which is unique.

24 But she is wonderful. She is really quite
25 knowledgeable and quite active on the state level, and really
26 helped us in terms of explaining what it was we needed to, do
27 and how we could get where we wanted to go.

28 The other thing I will mention is the National
29 Legal Aid and Defender Association is interested in
30 developing a leadership development institute for Legal
31 Services employees.

32 And this something we worked on in the early '80's
33 at NLADA, and because of the changes in the community, it
34 never really came to pass the way we anticipated.

35 They have now re-invigorated the effort, and the
36 called 40 of us together in Washington about three weeks ago
37 to spend a day-and-a-half discussing and planning what a
38 leadership development effort would look like in the Legal
39 Services community.

40 Mauricio went on to participate in that, and I
41 think I was one of the gray hairs they invited back to talk
42 about what it was like 20 years ago. Everybody there was
43 younger than I.

44 But it was a very exciting opportunity. And they
45 are going to be producing a report soon -- within the next
46 week or so, I think -- that's going to be used to try and
47 raise foundation funds to create a leadership development
48 institute.

49 And part of the debate was about whether we want to

1 try and identify young and emerging leaders to provide them
2 with the training and support over the next five to ten years
3 as they become leaders in their programs, or whether we want
4 to try to provide support for the existing leaders. And
5 there is some back and forth about that, but I think there
6 may be an effort to do both, possibly.

7 But it is a very exciting opportunity, and is an
8 acknowledgment that some of the leadership in the community
9 is aging. And we don't do much to sort of acknowledge and
10 identify upcoming people and provide them the support they
11 need, both to become leaders, but to stay in the system long
12 enough so that they don't leave and go somewhere else because
13 there is no place for them to go.

14 So it's a very exciting thing. It's going to
15 require raising some money to make it come to pass, but it is
16 something I am deeply committed to and will continue being
17 involved in.

18 CHAIRMAN EAKELEY: Tom Smegal?

19 MR. SMEGAL: It's a little bit off the point, but I
20 had the honor of going up and teaching one of John
21 Broderick's classes at the Tucks School of Business at
22 Dartmouth. I got a little closer to him by phone than we are
23 today. I was in his community and it was a lot of fun, John.

24
25 And in spite of the fact the students unanimously
26 voted not for me to return, John has extended an invitation,
27 and maybe we will do it next year, John.

28 MR. BRODERICK: I understand you were spectacular.

29 MR. SMEGAL: Yeah, right. That's all I have.

30 CHAIRMAN EAKELEY: All right. Next we have the
31 Acting Inspector General's report, Len Koczur?

32 MR. KOCZUR: Thank you, Mr. Chairman. I would like
33 to start with the report, or update, on the GAO survey of
34 small agency IGs. It seems like I've been reporting on this
35 forever. And GAO finally produced a draft report which I
36 received late last week, and I provided all of the board
37 members a copy, as well as Vic and Mr. Erlenborn directly.

38 GAO used a questionnaire to survey the small agency
39 IGs and the presidentially appointed IGs, basically to
40 collect information on independence, quality of work, quality
41 of work of the small agency IGs, communications with
42 management, and effective use of IG resources.

43 The report, the draft report, primarily presents
44 the results of the survey without much narrative associates.

45 Basically the presidentially appointed Inspector General's
46 favor or consolidation of the IGs. Of course, it's not
47 surprise.

48 And the small agency IGs are just the opposite.

49 What was a bit troubling to me was the GAO drew conclusions

1 based on the survey alone. And the prime conclusion was that
2 IG independence, efficiency, and effectiveness, could be
3 strengthened through consolidation of DFE small agency IGs
4 with presidential Igs, with the three IGs being made
5 presidential appointees; Postal Service, National Science
6 Foundation, and Federal Reserve Board.

7 The report suggests that LSC's IG could be
8 consolidated with the Justice Department IG. I have provided
9 comments. GAO asked for a single set of comments from the
10 executive agency, from the committee of small agency IGs, and
11 I provided comments yesterday on it.

12 Basically I said that the report should not be
13 issued as it is with its conclusion. It should present the
14 results of the survey; that the conclusions drawn by the GAO
15 were based strictly on the opinions expressed in the survey,
16 and some of those opinions were uninformed.

17 Clearly, an inspector general from FDIC, for
18 example, has no idea of the quality of my work. And it just
19 makes no sense to accept that kind of opinion.

20 And I also pointed out that they are proposing, or
21 suggesting, this consolidation without any input from the
22 small agency's management; the management or the board of
23 directors, in our case.

24 I made this comment several times, and it's been
25 ignored, and I expect it will be ignored again.

26 In addressing the LSC suggested consolidation, I
27 pointed out the problems with consolidation. That we, of
28 course, are not a federal agency. Our employees are not
29 federal employees. Justice Department is a federal agency.

30 I also pointed out that there is an entirely
31 different mission of Legal Services Corporation and of the
32 Department of Justice. And of course, we pointed out the
33 additional responsibility given to the IG of LSC as opposed
34 to the other IGs.

35 So those comments will be going to the GAO. I
36 think the deadline is early, or the middle of next month. So
37 I will have an opportunity to review the consolidated
38 comments.

39 My experience with GAO has been, they will probably
40 not make significant changes in the report.

41 CHAIRMAN EAKELEY: Len, I read the report. I agree
42 with your comments, but another thought occurred to me.

43 Your office has been reviewed, has undergone a peer
44 review by other inspector generals from time to time.

45 MR. KOCZUR: Yes.

46 CHAIRMAN EAKELEY: And every other designated
47 federal entity has had a similar peer review. And it would
48 seem to me that the people conducting those peer reviews
49 might have an interesting perspective on whether or not the

1 inspector generals of the DFEs are independent, efficient,
2 and objective in their work, and whether they would do better
3 situated where they are.

4 MR. KOCZUR: That's okay. Of course, the other
5 small agency IGs do -- we do each other. Yes, GAO did not
6 really solicit that kind of comment. The survey is more
7 directed toward your own agency.

8 And certainly the presidential appointed IGs, none
9 of them have ever worked in a small agency IG, so they have
10 no basis for -- it's their opinion, and I respect their
11 opinion, but I think it's uninformed.

12 I will keep the board informed, and will certainly
13 provide copies of the comments that go to the GAO. If you
14 would like to provide comments, I wouldn't see any problem
15 with providing them directly to the GAO, or providing them
16 through me to the GAO.

17 CHAIRMAN EAKELEY: I think it might be helpful,
18 though, if you were to circulate your comments to the board.
19 I think the board might be inclined to say, "We agree with
20 our Inspector General on this."

21 MR. KOCZUR: I really had intended to do that, but
22 I did not get them finished until yesterday morning.

23 CHAIRMAN EAKELEY: Fair enough.

24 MR. KOCZUR: So I will have them out early next
25 week.

26 The second area is our program integrity audits.
27 Those audits are continuing. We have just returned from a
28 visit to the California Rural Legal Assistance; our third
29 trip out there.

30 As I indicated the last meeting, the audit has
31 taken a lot longer than we anticipated because of
32 coordination, and the offices being spread throughout the
33 state, and so forth.

34 But it pretty much is certain now that we have
35 gathered the information we need; we are reviewing the
36 information, and we will make one more trip to have an exit
37 conference with the program director.

38 We always have face-to-face exit conferences where
39 we will present our findings and recommendations.

40 And then from there, we will issue a draft report
41 for his comment, and then consider the comments and issue the
42 final report.

43 The next area is, on April 30th, the annual IPA
44 reports on the financial statements of our grantees are due.

45 And this year we had 161 reports that were due at
46 that date. We received 159. We have one program that is no
47 longer a grantee, and they have not provided a report. And
48 we are trying to find out if they will provide a report.

49 It is a kind of a continuing minor problem that

1 when a program ceases to be a grantee -- not when it's
2 merged, but when it ceases to be a grantee for any reason --
3 it is very difficult to get that final report. I mean, it's
4 just not a priority. We don't have any leverage, and usually
5 it is a back and forth, and eventually we get the report.
6 But it's not a major problem, it's just something that
7 happens.

8 CHAIRMAN EAKELEY: Were the 159 all electronically
9 filed this time?

10 MR. KOCZUR: No, they were not. We have a partial
11 filing of electronic filing. It's very difficult to file
12 reports like that -- they are fairly long -- file them
13 electronically. We get hard copies of them, which we provide
14 the management, a copy to management immediately, even prior
15 to our review.

16 The one other report that's late; it's kind of a
17 perennial problem. This program has been late every year
18 since I've been here, which is now four years. And we go
19 back and forth. We talk with the program director and go
20 back and forth. And eventually I conclude, "Well, we are not
21 going to get it unless we do something."

22 So I talk with Mandy, and then send her a letter
23 recommending that there be a suspension of funding.

24 When that goes to the grantee, we get the report.
25 And it is just something that happens, we deal with it. It's
26 not a major issue. But that's just the way it is.

27 This year, we issued 17 extensions of the deadline.
28 And this is an unusually high number. Usually we get eight
29 or nine. There are various reasons. Things happen and
30 people can't get the report in on time.

31 But the higher number this time is because when
32 programs merge, it invariably presents some administrative
33 accounting problems, and it just takes a little bit longer to
34 get the reports done and get into us; particularly if the
35 programs that are merging had different fiscal year ends.

36 So that, as I said, 17 is more than normal, but
37 these are not a problem. My staff has been in touch with
38 most of the organizations and generally the extension is a
39 month or six weeks, something like that. And those reports,
40 I feel confident, will be coming in.

41 The final area, again, is something I've reported
42 on in the past and that's on mapping evaluation where we are
43 working with the two programs in Georgia to develop a mapping
44 system.

45 Through the last two months my staff and our
46 contractors have been working to develop the data bases
47 necessary to create the maps. We've created a number in
48 excess of 100 draft maps showing access to legal services
49 through poverty populations, where the offices are located,

1 clients served, that type thing.

2 And next week the staff and the contractor will be
3 meeting with the program directors in Georgia to review where
4 we are at and to get their input as to, do we need to change?

5 Are some of these maps good, some no good? Do we need to
6 produce additional type maps?

7 So the project is still on schedule. We expect to
8 have it completed by the end of July. And assuming that the
9 next board meeting is late August or September, we will
10 present a more detailed report at that time.

11 And in the executive session I will, of course,
12 discuss our investigative cases and the litigation we are
13 involved with. Thank you.

14 CHAIRMAN EAKELEY: Any questions of the Inspector
15 General? Edna?

16 MS. FAIRBANKS-WILLIAMS: I do have the committee
17 for provision for the Georgia Legal Services that does do the
18 visits and things, and we are talking about John Idleman
19 being in a different category. Are you going to have to slow
20 down some of your investigative things?

21 MR. KOCZUR: It's our audit work. No, I don't see
22 that at all. We coordinate very closely with OCE and with
23 Randi, and the OPP with the work we are doing, so it should
24 not have any effect at all.

25 We don't go to offices where OCE or Randi has
26 anything going on at the time we have a planned audit. It's
27 just, we recognize the difficulty for the program director
28 dealing with two sets of people, and we can accommodate.

29 There are any number of places we can go to, so
30 that should not present a problem to us at all.

31 CHAIRMAN EAKELEY: Any other questions? All right,
32 thank you, Len.

33 MR. KOCZUR: Thank you.

34 CHAIRMAN EAKELEY: John Erlenborn, the president's
35 report?

36 MR. ERLNBORN: Thank you, Mr. Chairman. I am
37 pleased to report the management and staff continue to make
38 strong progress in a number of key areas, including
39 government relations and public affairs, state planning,
40 technology grants, and compliance and enforcement.

41 As I reported in my last board memo, we have
42 completed the follow-up responses for the House commercial,
43 and judiciary commercial, and administrative law subcommittee
44 oversight hearing.

45 These were submitted on May 8th of this year, along
46 with 14 boxes of requested documents. At this point, we
47 anticipate a fairly smooth budget process. Maintaining
48 strong bipartisan support continues to be one of our
49 priorities.

1 And we have received positive signals from the
2 House, Senate, commerce, justice and state appropriation
3 subcommittees.

4 We anticipate a budget mark of \$329.3 million,
5 consistent with the President's request. No firm date has
6 been set yet for the subcommittee markup, although our
7 sources indicate that the House markup will not occur until
8 after the July 4th break.

9 Work on the creation of an evaluation instrument
10 measures outcome in state planning continues. The last in-
11 person meeting of the design team took place May 16 and 17 in
12 Chicago. There the design team reviewed the first complete
13 iteration of the evaluation instrument.

14 John Greacen and Terry Bosquin -- and I hope I
15 pronounced their names correctly -- who are the consults
16 hired by LSC to develop the product, will revise the
17 instrument pursuant to the design teams comments.

18 Afterwards it will be sent to the field for
19 comments.

20 When the comment period is over, the
21 Greacen/Bosquin team will again revise. And in November they
22 will test the instrument in Ohio and in Washington state.

23 The design team will convene via teleconference in
24 mid December to review the instrument in the light of the
25 experience at the test sites. We anticipate a final product
26 by the end of this year.

27 I am very pleased to report that another cycle of
28 applications has come in for the technology initiative
29 grants. As you know, Congress allocated \$4.4 million in
30 fiscal 2002 for client self-help and information technology.

31 We are currently considering 98 applications and expect to
32 complete our review and make the announcements by the end of
33 July.

34 The technology initiative grants continue to
35 facilitate the efficient delivery of legal services
36 throughout the country. The Orange County I-CAN! kiosk, one
37 of our most successful technological initiative progress is
38 currently on display here.

39 The advisory committee created to guide the
40 development of leadership and training module for board of
41 directors met at the Baltimore/Washington International
42 Airport Marriot Hotel.

43 The nine-member committee is composed of LSC
44 program directors, the director of the non-LSC legal services
45 program, a client board member, and a representative of NLADA
46 and the African-American Project Directors Association.

47 The meeting gave committee members the opportunity
48 to get acquainted, while sharing ideas for the structure of
49 the module and what information it must include.

1 The committee will continue to work with the LSC
2 consultant through conference calls and e-mail. The LSC
3 consultant hired to staff this project, Evora Thomas, is,
4 herself, a former director of an LSC program in Southern
5 Virginia.

6 Last month, LSC, through the Office of Compliance
7 and Enforcement, conducted an on-site review to assess
8 compliance with CSR case management at Niagra County Legal
9 Aid Society.

10 During the month of June, OCE will conduct a CSR
11 case management review at Legal Aid of West Virginia and
12 Rhode Island Legal Services.

13 Legal Services of Eastern Virginia will also
14 receive a visit to provide technical assistance to a new
15 executive director.

16 And I might, at this point, just add something not
17 in my prepared text. And that is, that there is a strong
18 concentration of efforts in compliance. That is what we
19 really want. We want to get compliance rather than having
20 penalties placed upon our programs.

21 Legal Services of Eastern Virginia will also
22 receive a visit to provide technical assistance to a new
23 executive director. Additionally, the Office of Inspector
24 General referred a corrective action plan resulting from it's
25 45 CFR 1610 audit of Lane County Legal Aid Services to LSC
26 management.

27 The Inspector General determined the corrective
28 action plan to be sufficient. OCE is currently reviewing the
29 plan to determine whether a follow-up on-site visit is
30 required.

31 Since the beginning of May, OCE opened three
32 complaints for review, and approved 13 sub-grant agreements.

33 During the noted period, OCE also approved four
34 fund waiver labor requests deficit liquidation plan, and
35 three private attorney involvement waiver requests. Ten
36 audit receipt reports were also reviewed.

37 I am pleased to report that as of last month, OCE
38 implemented a new technical type of visit to support new
39 grantee executive directors. These visits called new
40 executive director orientation, or EDO, focus on educating
41 program executive directors regarding their basic compliance,
42 reporting, and fiscal oversight responsibilities. A team of
43 two persons will conduct these visits.

44 The first test visit, which took place last month,
45 gave the executive director basic training on financial
46 internal controls. Feedback from directors demonstrates
47 these EDO reviews are particularly helpful in understanding
48 compliance responsibilities.

49 That concludes my report to the board, Mr.

1 Chairman, and I would be glad to answer any questions you may
2 have.

3 CHAIRMAN EAKELEY: Thank you, Mr. President. Any
4 questions of John Erlenborn?

5 MR. McCALPIN: Doug?

6 CHAIRMAN EAKELEY: Yes, Bill.

7 MR. McCALPIN: John, when might the board expect to
8 see a draft of that evaluation instrument?

9 MR. ERLENBORN: I think that's -- well Randi will
10 know the timing better than I. Rather than to guess at it
11 myself, let me call on Randi.

12 MS. YOUELLS: The evaluation instrument will be
13 available probably in June for massive public comment. And
14 at that time, will be made available to the board of
15 directors.

16 The board, of course, will see it before it becomes
17 final, so there is going to be a test of the evaluation
18 instrument in November. More tweaking of the evaluation
19 instrument, and we will, hopefully, begin to use it in 2003.

20 So you will have, Bill, an opportunity to see it
21 within a couple of weeks in a draft form, as will hundreds of
22 thousands of other people.

23 But the board also will have many more
24 opportunities to review it before we begin to use it.

25 CHAIRMAN EAKELEY: Randi, just if I might follow up
26 on that, the evaluation instrument you referred to as
27 expected to be final next year will not include the outcomes
28 component, will it?

29 MS. YOUELLS: Correct. It will include outcomes
30 for the state planning process, but it will not include
31 outcomes for clients.

32 So, for example, it will not assess how many people
33 avoided an eviction because of a particular case litigated by
34 one of our grantees. It will not capture that.

35 The process to capture that will actually begin
36 next year, so we will be on the dual track.

37 CHAIRMAN EAKELEY: And you explained this
38 yesterday, and I just did not get this facet of it, do you
39 contemplate a second evaluation instrument to deal with the
40 outcomes to clients?

41 MS. YOUELLS: An add-on.

42 CHAIRMAN EAKELEY: Or will that be an amendment or
43 addition to the instrument to be approved by next year?

44 MS. YOUELLS: At this point, although everything
45 can change during the process itself, we anticipate that it
46 will be an add-on.

47 It was supposed to be part of this process this
48 year, but it was just too time-consuming.

49 CHAIRMAN EAKELEY: Understood. Any other

1 questions? All right, hearing none, we will move on to
2 consider and act on the report of the board's finance
3 committee, Dean Nancy Hardin Rogers?

4 MS. ROGERS: The finance committee has two action
5 items to recommend to the board, discussion of which already
6 occurred. We were all in attendance.

7 CHAIRMAN EAKELEY: Why don't you move your
8 microphone a little bit closer to you, if you would please?

9 MS. ROGERS: The first action item is, the
10 committee recommends, president's recommendation for
11 consolidated operating budget for reallocations, all of which
12 were discussed yesterday during the committee meeting.

13 CHAIRMAN EAKELEY: Tom's pointing out that I caught
14 you by surprise because I changed the order of the agenda,
15 even with my reading glasses on. I apologize. Somebody had
16 to point it out.

17 MR. SMEGAL: Nobody's perfect, Doug.

18 CHAIRMAN EAKELEY: I know that more than anyone.
19 Is there a motion?

20 M O T I O N

21 MS. MERCADO: There is a motion, and I second.

22 CHAIRMAN EAKELEY: Any discussion? All those in
23 favor?

24 (A chorus of ayes.)

25 CHAIRMAN EAKELEY: Opposed? The ayes have it.

26 MS. ROGERS: The second action item recommended by
27 the committee appears on page 30 of the board book under the
28 finance committee tab, and it is resolution number 2002-010,
29 a resolution regarding adoption of the Corporation's amended
30 flexible benefits plan.

31 This represents some amendment to the plan that the
32 board previously approved, and the committee unanimously
33 recommends approval of this resolution, and I so move.

34

35 M O T I O N

36 MR. SMEGAL: Second.

37 CHAIRMAN EAKELEY: Again, is there any debate, any
38 question? Are there any questions? Hearing none, all those
39 in favor of adopting resolution 2002-010, say aye.

40 (A chorus of ayes.)

41 CHAIRMAN EAKELEY: Opposed? The ayes have it.

42 MS. ROGERS: That concludes the report.

43 MS. FAIRBANKS-WILLIAMS: I would like to say
44 something. When Mr. Richardson gave us our report, in the
45 report he said the word "priorities," an adjustment to shift
46 in priorities.

47 I don't think our priorities have shifted. Our
48 projects may have shifted, or our technology has changed.
49 But I don't like the word "priorities," and I would like to

1 go on record just saying that I don't like the wording, shift
2 in priorities.

3 CHAIRMAN EAKELEY: I think that's a good point. I
4 don't know that -- I don't think I have his memo right here.

5 MR. SMEGAL: Doug, it's in the agenda for the
6 finance committee. Page 15, the word "priorities" appears at
7 the end of the report. To amend the agenda?

8 CHAIRMAN EAKELEY: Of the meeting yesterday.

9 MS. FAIRBANKS-WILLIAMS: No, I just want to --

10 CHAIRMAN EAKELEY: I understand the point, and I
11 think -- I mean, we've talked about the reallocation. Nancy.

12 MS. ROGERS: Yes. It's a fine point and I think
13 it's a good thing to point out to us that our basic
14 priorities remain the same. The motion does not include that
15 language.

16 MS. FAIRBANKS-WILLIAMS: No, I know that.

17 CHAIRMAN EAKELEY: Understood. Anything else for
18 the finance committee? Ernestine, I apologize.

19 MS. WATLINGTON: It was such a good meeting.

20 CHAIRMAN EAKELEY: It was a fantastic meeting. It
21 was really why we are here, and have been.

22 MS. WATLINGTON: It's the first time I've been
23 completely speechless.

24 CHAIRMAN EAKELEY: Yeah.

25 MS. WATLINGTON: As you say, the panel listened to
26 the voices of our clients. The presentation of those clients
27 was just absolutely -- words could not express how they
28 really got to the point of how they became involved and how
29 the Legal Services programs have helped them change their
30 lives. And I think we need to hear more of that. I am glad
31 I had the opportunity to have that presented yesterday.

32 And there is nothing more that we need to vote on,
33 and then we got the presentation from the staff on the update
34 on the different programs that we had, and especially with
35 the presentation, of course, of I-CAN!

36 So we had a real good meeting yesterday. So just
37 to report to say how much I appreciate having those people
38 there.

39 And as I say, words cannot express how much we need
40 to hear those stories, and there are so many of them out
41 there. And so many of the ones that Maria brought out, that
42 people don't get an opportunity to get that chance or that
43 access to it, so that's why we need to keep on doing what we
44 are doing. That's all we can do.

45 CHAIRMAN EAKELEY: Great. Well, it really was one
46 of our best meetings, and I commend you and Randi, and the
47 participants, that the reports from the staff about what's
48 going on, and skills training and technology, and the
49 presentations by Bob Cohen from California on the I-CAN!

1 Project. I think we could have sat there for the rest of the
2 day.

3 Really, there is so much to cover, and so much
4 that's exciting that's devoted to enhancing access and
5 quality of representation.

6 So it was just very well done.

7 MS. WATLINGTON: And I think Bill can say he did
8 address that draft choice that he wanted.

9 CHAIRMAN EAKELEY: Yes, we converted the business
10 committee briefly into an ops and regs committee meeting,
11 because Bill McCalpin had to go back to Missouri.

12 MR. McCALPIN: Thank you very much.

13 CHAIRMAN EAKELEY: Any questions for Ernestine?
14 Hearing none, that takes us back to the order of the agenda,
15 I trust, to the board's Operations and Regulations committee.

16
17 In LaVeeda's absence, let me just report on the two
18 action items that we need to take. Actually again, most of
19 the board members were present at the meeting, but basically
20 the other -- we had a report from Mattie Condray on the
21 status of the current negotiated rule makings and the
22 confirmation of the publication of the final rule on welfare
23 reform.

24 But the committee --

25 MS. MERCADO: Well, I mean, in dealing with that
26 particular report from Mattie, there was a discussion about
27 the LSC board getting sort of some analysis of how the rule-
28 making and negotiating process is working, both as to the
29 pros and cons, and cost, as well.

30 CHAIRMAN EAKELEY: Right.

31 MS. MERCADO: That we should get at our next board
32 meeting.

33 CHAIRMAN EAKELEY: We had it suggested that the
34 participants in the two negotiated rule-makings that are
35 pending be surveyed and their input solicited in order for
36 the corporation better to evaluate whether, and when, and how
37 to conduct negotiated rule-making in the future, given the
38 costs and the time factors involved.

39 And Mattie also pointed out that we do have a new
40 rule-making protocol that contemplates the development of an
41 options paper at the beginning of the process that spells out
42 some of those consequences.

43 I think the experience that we have undergone for
44 the last six months is going to give us some particular focus
45 on what those options look like in hindsight and
46 prospectively.

47 But I am satisfied, having pushed this, probably
48 uncomfortably for some, that what's happening is taking the
49 time it needs to take, and the outcome from those two

1 negotiated rule-makings is going to be that much
2 qualitatively better as a consequence.

3 Having said that, let's move to the two resolutions
4 at issue. The committee has recommended amending the title
5 and establishing qualifications for the vice-president for
6 compliance and enforcement.

7 We have a vice-president, a position of vice-
8 president for administration, to whom the director of the
9 Office of Compliance and Enforcement, among others, reports.

10 But John Erlenborn recommended, and the committee agreed,
11 that to elevate the significance placed by the board on the
12 compliance function and to bring that into the title of the
13 position of vice-president would be in order.

14 And also that the vice-president for compliance and
15 administration ought to be a lawyer with substantial legal
16 experience, preferably with experience working in a field
17 program; echos of a point made vigorously by Nancy Rogers
18 some two years ago, and reenforced by Bucky Askew then and
19 subsequently.

20 That gave us resolution 2002-011, which you all
21 should have, which changes the title of the office from vice-
22 president for administration to vice-president for compliance
23 and administration, and also mandates that, or describes the
24 job of that vice-president; namely, oversight of the Office
25 of Human Resource, Office of Compliance and Enforcement,
26 Office of Information Technologies, and Office of Financial
27 Administrative Services.

28 And finally, imposes as qualification for the job
29 that substantial legal practice experience, preferably some
30 of which shall have been with a civil legal services program
31 shall be a required qualification for that office.

32 John Broderick and Bill McCalpin, I am not sure
33 that the resolutions reached you.

34 MR. McCALPIN: Yes, Doug, I got it yesterday.

35 CHAIRMAN EAKELEY: And John Broderick, I basically
36 paraphrased the gist of the resolution so, hopefully, you
37 have been able to follow it without the text.

38 MR. BRODERICK: Yes I have, Doug.

39 CHAIRMAN EAKELEY: So that is the resolution, 011,
40 and I would move its adoption.

41 M O T I O N

42 MR. McCALPIN: I'll move it.

43 MS. MERCADO: Second.

44 CHAIRMAN EAKELEY: Bill McCalpin will move it. I
45 will withdraw my motion. Bill McCalpin moved it; Maria Luisa
46 second. Is there any discussion? Are there any questions?

47 Hearing none, all those in favor?

48 (A chorus of ayes.)

49 CHAIRMAN EAKELEY: All those opposed? The ayes

1 have it. The resolution passes.

2 Now the second and related resolution is a
3 resolution recommended by the committee appointing John
4 Eidleman to the newly defined job of vice-president for
5 compliance and administration, as acting vice-president for
6 compliance and administration.

7 And I think the footnote here is that the committee
8 wanted to be sure that no one adversely inferred from the
9 change in position that David Richardson would be undergoing,
10 since he is also comptroller, chief financial officer, and
11 treasurer, he would remain in that position. But his
12 temporary taking over of the vice-president for
13 administration would, then, is now shifting to a new person
14 who has the requisite legal background and field experience.

15 And John Erlenborn had recommended John Eidleman
16 for that job. I have to offer an apology to Randi Youells
17 for fumbling on this a little bit in terms of how we
18 coordinated and communicated.

19 We also took from Randi's staff, leaving her
20 grievously -- well, leaving a significant hole in her
21 organization that will soon be filled. But nonetheless,
22 adding to the complexity of an already difficult job at OPP.
23

24 But nonetheless, I think the strong consensus was
25 John Eidleman would be a very appropriate first, albeit
26 acting, vice-president for compliance and administration.

27 And that is what resolution 2002-012 does, appoint
28 John Eidleman to that job.

29 M O T I O N

30 MR. ASKEW: I would move its adoption.

31 CHAIRMAN EAKELEY: Is there a second?

32 MS. WATLINGTON: Second.

33 CHAIRMAN EAKELEY: Any discussion?

34 MS. MERCADO: Doug, just in sort of a follow-up
35 and to your comments on that, as far as the Office of
36 Programs, I know that because John Eidleman is a crucial part
37 of that division, is there plans, or do we have someone lined
38 up, or is that something that can met with without
39 necessarily affecting our quality assurance to the field and
40 the programs that we currently work with?

41 MR. ERLNBORN: I am confident Randi will overcome
42 this somewhat problem, but I am sure that Randi will get the
43 job done.

44 CHAIRMAN EAKELEY: And we are committed to support
45 that effort, and do what we can to make up the difference and
46 coordinate.

47 MS. FAIRBANKS-WILLIAMS: Will the rest of the
48 people have to do these extra things that Eidleman was doing,
49 or are you hiring somebody?

1 CHAIRMAN EAKELEY: I think right now there is some
2 plan to supplement with outside consulting services, and task
3 other people who are already prettily heavily tasked with
4 some additional responsibilities.

5 Randi announced the promotion of two senior program
6 officers yesterday, Ahn Tu, and Cindy Schneider, and we want
7 to congratulate both of them, as well.

8 But, yes, this is not easy. It never has been.
9 But on the other hand, what is being accomplished here is
10 creating a capacity for the corporation to have a balanced
11 compliance and enforcement function with virtually the same
12 personnel resources as OPP, functioning independently,
13 reporting to a vice-president who is also a lawyer and
14 capable of supervising, coordinating, and assuring that the
15 corporation speaks ultimately with one voice, and assuring
16 accountability, as well as accountability in both the
17 compliance function, as well as the delivery of legal
18 services.

19 So I think longer term, this is going to provide a
20 more smoothly, harmoniously functioning organization, while
21 enhancing our ability to report to the Congress and be
22 accountable to the Congress and require a commensurate
23 accountability from our grantees.

24 MS. MERCADO: And I don't think that any of us are
25 -- I think that we are all in agreement with that. I think
26 it was just the question of that short gap there that we
27 have, and making sure that we are covered.

28 CHAIRMAN EAKELEY: There is a concern, and we need
29 to address it.

30 MS. WATLINGTON: And your apology was more or less
31 that doing that, was Randi informed or involved in the
32 decision making. Sometimes it is not that you don't agree,
33 but your input should be given that involvement.

34 CHAIRMAN EAKELEY: This came down to a deadline
35 that required an instant turn around, and had we the time and
36 the opportunity to do it over, we would do it differently.

37 Same result, but --

38 MS. WATLINGTON: I am a firm believer, you should
39 keep everybody informed as best as you can.

40 CHAIRMAN EAKELEY: Well, and we had some cross
41 fires.

42 MS. MERCADO: Well, and you know, one of the things
43 that you know, and I know that Ernestine -- I'm sorry.

44 MR. ASKEW: Go ahead.

45 MS. MERCADO: No, go ahead. I didn't raise my
46 hand.

47 MR. ASKEW: I voted, I supported this yesterday,
48 voted for it. I have not changed my mind over night. This
49 reminds me somewhat like making sausage. You don't want to

1 say how you got there, but the outcome is delicious.

2 We got where we wanted to get, and I think part of
3 the problem was, we needed to get it done before this board
4 meeting and we were running short of time.

5 But there were oversights in how we got there, and
6 that was unfortunate and regretful, but the outcome is what
7 we all wanted to see happen.

8 And I think it's a credit to the OPP staff that we
9 picked someone from that staff to put into this position. I
10 think it's an indication of the quality of that staff, and
11 the quality of the work they are doing, and I think it will
12 accomplish what you stated so well in terms of what we want
13 to see down the road in terms of coordination and
14 collaboration, and making sure that we are all speaking with
15 one voice here.

16 So I think the outcome is what we wanted, and if we
17 could do it over again, we would do it differently and
18 better. But hopefully, the proof is in the pudding in terms
19 of how it works from here, and everybody will come to agree
20 that this was the right thing to be done under the
21 circumstances.

22 CHAIRMAN EAKELEY: Any further discussion?

23 MS. MERCADO: No, just.

24 CHAIRMAN EAKELEY: No, but?

25 MS. MERCADO: The point that I was going to make, I
26 know that Ernestine mentioned this, some of us have this
27 constant agenda, but it just sort of seems constant because
28 it constantly keeps happening.

29 We talk and have been talking in a very concerted
30 intellectual and logical discussion with our grantees and our
31 partners in the ABA and the NLADA across the country for the
32 last year on the whole issue of developing leadership, and
33 this new leadership institute, as well as issues of diversity
34 within that leadership.

35 And, of course, for the significant period of time
36 that there is a woeful lack of gender leadership within LSC
37 headquarters, themselves, and some of the grantees programs
38 that there are, as well as of race and ethnicity.

39 And so even though it may seem like that's always
40 an issue that I am constantly harping on, the reality is that
41 if we don't keep constantly bringing it up to the forefront,
42 it is very easy for us to overlook the input and the process
43 and the recommendations that the few members in leadership
44 that we do have, ought to be involved in those important
45 decision making processes.

46 And all I am saying is that LSC has taken the
47 leadership to be in the forefront of creating new leadership,
48 not only within our own offices, our own management, but also
49 nationally within our grantees and our partners that we work

1 with.

2 So I just want to make sure that we are sort of
3 constantly always vigilant about it. Not to say in any way,
4 shape, or form that John Idleman is not the best person in
5 it, but just, in fact, in trying to, unfortunately sometimes
6 because of time, we don't have that opportunity to bring in
7 new leadership.

8 But nevertheless, I don't want him, or that
9 division to have any impression, either from me, or any
10 comments that we have made, or from Ernestine, that we don't
11 have any faith, or trust, or respect for his leadership and
12 his experience. We do.

13 I just want to make sure that we include in that
14 process the different parties.

15 CHAIRMAN EAKELEY: I think we understand and agree,
16 and at some point, the position will be posted and those
17 factors will obviously, and very importantly, be major
18 considerations.

19 But I don't want to speak for the new board or the
20 new president.

21 MS. MERCADO: Right. And, of course, that's always
22 the other hand.

23 CHAIRMAN EAKELEY: All right. Any other discussion
24 on resolution 2002-012? Hearing none, it's been moved and
25 seconded, all those in favor, say aye?

26 (A chorus of ayes.)

27 CHAIRMAN EAKELEY: All those opposed? The ayes
28 have it. The resolution carries. John Idleman is still in
29 Australia, or he will be back? Well, please give him our
30 congratulations in absentia.

31 MS. MERCADO: Or condolences.

32 CHAIRMAN EAKELEY: Come on. How can this be that
33 we are already at 11? But I guess if I missed anything else.

34 MR. SMEGAL: No, you haven't skipped anything else.

35 CHAIRMAN EAKELEY: Consider and act on changes to
36 the board's 2002 meeting schedule. Victor?

37 Having said this every board meeting for the last
38 four, or in fact, for the nominees in the audience, we
39 stopped scheduling meetings last summer in anticipation that
40 there would be another board scheduling those meetings.

41 MS. FAIRBANKS-WILLIAMS: He stopped scheduling the
42 meetings. The rest of us knew it was going to take a little
43 longer.

44 CHAIRMAN EAKELEY: My recommendation would be that
45 we schedule a meeting for September so that it's organized.
46 If the new board is confirmed before then, they well
47 obviously want to convene as soon as they can convene.

48 What we did was convene immediately following the
49 swearing in ceremony at the White House. But we should have

1 a board meeting date to work towards in any event, and that
2 will either be lame duck, Roman numeral whatever it is, or
3 hopefully, new board. And if there is an opportunity to meet
4 before then, we can.

5 We usually try and meet every two months, but that
6 would take us out three months. But I think trying to meet
7 in the summer months is not a great idea either. And we
8 could deal with any business that might be required by
9 conference call. Do that make sense?

10 MS. MERCADO: Congress is in recess in August
11 anyway.

12 CHAIRMAN EAKELEY: Yes.

13 MS. MERCADO: There are a lot of issues that we
14 might have to work on.

15 CHAIRMAN EAKELEY: So what I was thinking of, and I
16 asked everyone to just look at their September schedule to
17 see what -- the only thing that makes September a target
18 month is that it's better than August. But it tends to be a
19 busy month anyway with everyone returning to schools, and
20 jobs, and whatever.

21 The first weekend if Rosh Hashanah. The second
22 weekend, the 13th and 14th, seems to be okay.

23 MS. MERCADO: I think that would be a hard week to
24 travel on. Look at the week.

25 MR. ASKEW: How about near the end of the month?

26 MS. MERCADO: The third weekend?

27 CHAIRMAN EAKELEY: The problem with near the end of
28 the month is you are now going to four months out. June,
29 July, August, and three-and-a-half months.

30 MS. MERCADO: What does the third weekend look
31 like?

32 CHAIRMAN EAKELEY: I'm away then, but I don't know
33 that it matters at that point.

34 MR. ASKEW: Are you talking about the weekend of
35 the 20th?

36 CHAIRMAN EAKELEY: Yes.

37 MR. SMEGAL: The first weekend, the 5th and 6th,
38 what's wrong there? It's Rosh Hashana?

39 CHAIRMAN EAKELEY: Yes, Rosh Hashana is the 7th,
40 and I think it's the evening of the 6th.

41 MR. SMEGAL: The 6th.

42 MS. MERCADO: Is there anyone that this might
43 affect?

44 CHAIRMAN EAKELEY: I think --

45 MR. SMEGAL: Unless you want to move it to
46 Sunday/Monday? Does that work?

47 CHAIRMAN EAKELEY: Sunday, the 15th, Monday the
48 16th? Then we are right into Yom Kippur.

49 MR. ASKEW: The 13th and 14th is a problem?

1 CHAIRMAN EAKELEY: No, I don't know.
2 MR. ASKEW: Oh.
3 CHAIRMAN EAKELEY: Maria Luisa was suggesting it
4 might be.
5 MR. SMEGAL: It's a problem for me.
6 CHAIRMAN EAKELEY: How about the --
7 MS. MERCADO: It would seem like the first week in
8 September would probably be the least complicated.
9 MR. SMEGAL: The first week in September, yes. It
10 has the advantage of being only three months.
11 MS. MERCADO: Or the last week in August is fine.
12 Although that is the Labor Day weekend.
13 CHAIRMAN EAKELEY: That's Labor Day weekend. Mike,
14 and Tom, and Bob, and Frank, is there a collective preference
15 among the four of you for weekends? What's better or worse
16 for you all, because we really ought to be scheduling this as
17 a control date for you as much as anything?
18 MR. STRICKLAND: It seems to be a moving target.
19 Whatever works out.
20 MR. MCKAY: I feel more uncomfortable waiting until
21 the end of September. I feel more comfortable in late
22 August, hearing the religious holidays.
23 MS. MERCADO: Probably the weekend of the 23rd and
24 24th.
25 CHAIRMAN EAKELEY: Of August. Okay, why don't we
26 go for that? And we ought to do it in Washington, I am
27 assuming. I mean, I think as sticky and humid -- all right,
28 August 23 and 24, it is.
29 MR. MCCALPIN: Doug?
30 CHAIRMAN EAKELEY: Yes, Bill?
31 MR. MCCALPIN: I pointed out to John Erlenborn
32 yesterday that the Canadian meeting is the 26th, 7th and 8th
33 in New Brunswick. We have usually had a representative at
34 that meeting. But I suppose the 23rd and 24th would not be
35 inconsistent with that.
36 CHAIRMAN EAKELEY: I agree.
37 MR. SMEGAL: We could all go to it, Bill.
38 CHAIRMAN EAKELEY: But that's a good point, though.
39 I mean, it's an important event.
40 MR. SMEGAL: It's a nice time of year for New
41 Brunswick.
42 CHAIRMAN EAKELEY: Yeah. Even New Brunswick, New
43 Jersey.
44 MR. ERLNBORN: Tom, I have the invitation in hand.
45 One thing I promised was that if the new board has been
46 sworn in by that time, we will give one of them -- only one
47 can go -- one of them the opportunity of attending that
48 meeting.
49 But otherwise, I think Bill has become kind of a

1 fixture to that meeting. I will consider him, and anyone
2 else on the board that would like to give him a race for that
3 particular trip, let me know.

4 CHAIRMAN EAKELEY: All right, we are now up to Item
5 12, which is going into closed session. I would like two
6 things. I need a motion to go into closed session to address
7 the two issues on it, and also to -- I think that nominees
8 would fall arguably within the privilege, Victor.

9 I mean, I would like to include our four --

10 MR. FORTUNO: You are certainly free to. I think
11 someone looking to access information -- I think that there
12 will be fairly little discussion of the leg reports since we
13 have a written leg report, so I don't think that, as a
14 practical matter, it will be a problem.

15 But I think if we were to have extensive
16 discussions about the litigation strategy, some might argue
17 that the privilege is compromised by having someone who is
18 not sworn to office --

19 CHAIRMAN EAKELEY: Well, we will just be careful
20 what we say, because I would like to include them in the
21 closed session.

22 M O T I O N

23 MS. FAIRBANKS-WILLIAMS: Moved.

24 CHAIRMAN EAKELEY: Second to the motion for a
25 closed session?

26 MS. WATLINGTON: Second.

27 CHAIRMAN EAKELEY: All those in favor?
28 (A chorus of ayes.)

29 CHAIRMAN EAKELEY: All right. Five minute recess,
30 and then we are back on the record in closed session.

31 (Whereupon, at 10:21 a.m., the meeting was
32 adjourned to executive session.)

33
34 CHAIRMAN EAKELEY: All right, any other business?
35 Any public comment?

36 I would like to say one thing, if I might. LaVeeda
37 is not here, but the entire rest of the board is. I have
38 been chided several times in the past for giving premature
39 farewell remarks.

40 MR. SMEGAL: So are you going to do it again?

41 CHAIRMAN EAKELEY: Well, it's one of those things.
42 We really haven't known when the last time we will meet will
43 be, or whether this is it. And I just wanted to say what a
44 pleasure and privilege it's been to serve with this board,
45 and to serve this cause. And I hope our paths will continue
46 to cross -- not necessarily in this position, but along other
47 roads in the future.

48 If there is no other comment, we would entertain a
49 motion to adjourn.

1 M O T I O N
2 MR. ASKEW: So moved.
3 MR. SMEGAL: Second.
4 CHAIRMAN EAKELEY: All those in favor?
5 (A chorus of ayes.)
6 CHAIRMAN EAKELEY: All those opposed. The ayes
7 have it. We are adjourned. Good luck and Godspeed to the
8 new board.
9 MS. MERCADO: This is also the shortest board
10 meeting we've ever had.
11 CHAIRMAN EAKELEY: John Broderick and Bill
12 McCalpin, great to be with you, at least telephonically. We
13 look forward to seeing you some time.
14 Speedy recovery, John.
15 MR. BRODERICK: Thank you, Doug.
16 CHAIRMAN EAKELEY: Good luck on Monday with the
17 wire removal.
18 MR. BRODERICK: Thank you. Great to be with all of
19 you, and have a great summer.
20 MR. McCALPIN: Great to hear from you, John.
21 MR. BRODERICK: Thanks, Bill; you, too.
22 CHAIRMAN EAKELEY: Good-bye.
23 (Whereupon, at 10:51 a.m., the meeting was
24 adjourned.)
25 * * * * *