

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

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
OPERATIONS AND REGULATIONS COMMITTEE

Saturday, January 26, 2008
10:25 a.m.

Legal Services Corporation
3333 K Street, N.W.
Washington, D.C.

COMMITTEE MEMBERS PRESENT:

- Thomas R. Meites, Chairman (by telephone)
- Lillian R. BeVier, Acting Chairman
- Jonann Chiles
- Michael D. McKay
- Bernice Phillips (by telephone)
- Frank B. Strickland, ex officio

OTHER BOARD MEMBERS PRESENT:

- Thomas A. Fuentes
- Herbert S. Garten
- Sarah Singleton

1 STAFF AND PUBLIC PRESENT:

2 David L. Richardson, Treasurer and Comptroller

Patricia D. Batie, Manager of Board Operations

3 Karen Sarjeant, Vice President for Programs and
Compliance

4 Victor M. Fortuno, Vice President for Legal Affairs,
General Counsel, and Corporate Secretary

5 Mattie Cohan, Senior Assistant General Counsel

Charles Jeffress, Chief Administrative Officer

6 Ronald "Dutch" Merryman, Acting Inspector
General

7 John Constance, Director, Office of Government
Relations and Public Affairs

8 Katherine Ward, Executive Assistant, Office of Legal
Affairs

9

Deborah Hankinson, Chairman, SCLAID Committee, American
10 Bar Association (ABA)

Terry Brooks, American Bar Association (ABA)

11 Julie M. Strandlie, Director, Grassroots Operations/
Legislative Counsel, American Bar Association
12 (ABA)

Linda Perle, Center for Law & Social Policy (CLASP)

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

14 Julie Clark, National Legal Aid and Defenders
Association (NLADA)

15 Nancy Davis, WithumSmith+Brown, P.C.

16

17

18

19

20

21

22

C O N T E N T S

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

OPEN SESSION	PAGE
1. Follow up to GAO report on governance and accountability	4
2. Discussion of the OIG report on IPAs	12
7. Other public comment	14
8. Consider and act on other business	14
5. Consider and act on adjournment of meeting	14

Motions: 5, 12, 14

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

2 (10:25 a.m.)

3 ACTING CHAIRMAN BeVIER: I'm reconvening the
4 meeting of the ops and regs committee at this time. At
5 the table now are Tom Fuentes, Jonann Chiles, Mike
6 McKay, Herb Garten, Sarah Singleton, and President
7 Barnett. I apologize to all of those of you that we
8 kept waiting. We're going to proceed as expeditiously
9 as possible through the rest of this agenda.

10 And the first item to come before us on
11 today's agenda is the staff report on the follow-up to
12 the GAO report on grants management. Karen Sarjeant.

13 MR. MEITES: Lillian, before we start that,
14 can I make a suggestion?

15 ACTING CHAIRMAN BeVIER: Certainly.

16 MR. MEITES: I know from Mike's comments
17 yesterday and my own review of the agenda, the finance
18 committee has a substantial amount of materials to
19 consider. Also, I'm of the belief that in light of the
20 gravity of the issues raised by the GAO report, by the
21 earlier GAO report, that a response at the board level
22 and not simply our usual reporting from staff is an

1 appropriate way to proceed.

2 I think that given the issues raised by the
3 GAO report and our obligations both in our own right as
4 board members and also in our oversight role as board
5 members that it would be the appropriate step for the
6 board to become directly involved on a hands-on basis
7 in reviewing the materials raised by the GAO and
8 reviewing the response and the operations with regard
9 to those issues, both of LSC management and the OIG
10 office.

11 ACTING CHAIRMAN BeVIER: Tom, could you talk a
12 little bit louder? Because my guess is that people in
13 the back of the room are having a hard time hearing
14 you.

15 M O T I O N

16 MR. MEITES: I'll speak a little louder. So
17 to that end, I would like to propose a motion that we
18 defer the staff report at this time, and instead that
19 our committee recommends to the chair that he create an
20 ad hoc committee of the board to oversee the
21 Corporation's response -- and by response, I don't mean
22 answer, but I mean review, inquiry, reflection -- to

1 the GAO reports; that this committee is to work closely
2 with staff, both of the Corporation and the IG's
3 office, between now and the next board meeting to
4 oversee those responses, as well as to assist the board
5 itself in formulating its response; that this ad hoc
6 committee is to report to the board at its April
7 meeting; and that between now and the April meeting, it
8 report to the board as often as Frank deem appropriate,
9 with of course Frank to appoint whatever members of the
10 board to that committee he believes appropriate.

11 ACTING CHAIRMAN BeVIER: That is a motion. Is
12 there a second to that motion?

13 MR. MCKAY: There's a second. And I second,
14 and I do have just a quick question to make sure from
15 Tom Meites that when we're talking about response,
16 we're not just talking about some kind of written
17 response. I'm assuming that response includes
18 corrections, where appropriate. I mean, the beginning
19 of actions --

20 MR. MEITES: And I tried to make that clear.
21 By response, I'm using that as kind of a suitcase word
22 for reflection, proposed changes, investigations,

1 methodological improvements. Whatever we ultimately
2 decide we should do in light of the GAO report is
3 included in the word response.

4 ACTING CHAIRMAN BeVIER: Right. Including, I
5 take it, clarification of the roles of the various
6 offices.

7 MR. MEITES: Absolutely.

8 ACTING CHAIRMAN BeVIER: Yes. With that
9 understanding, is there discussion of this motion?

10 MR. MCKAY: Well, if I may, Madam Chair, I
11 just think, as Tom indicated, this is very important
12 stuff, and it's something that cannot be done with
13 a -- not just a staff report, which of course is very
14 important, but it's going to require a lot of time, a
15 lot of time between now and April.

16 And direct board involvement is important, not
17 just a liaison but an ad hoc committee. I think it's a
18 great and a very important response, and I support it
19 wholeheartedly.

20 ACTING CHAIRMAN BeVIER: Thank you. I have a
21 note here that we have a -- to remind us that the
22 appropriations hearing is March 29th, last year was,

1 and that in large part, I mean, it's a little bit of a
2 prod here for us to begin to get our -- to make these
3 changes and to implement these things.

4 But I think perhaps what the suggestion is
5 that we move faster rather than slower and maybe aim
6 for an early April or late March conclusion to the ad
7 hoc committee's work. I don't know whether it can be
8 done that way, and that's not part of the motion. It's
9 just part of the legislative history if the motion
10 should be adopted.

11 MR. MEITES: Lillian, that's why I included
12 that the committee -- that Frank direct to report to
13 the board earlier, before the April board meeting, as
14 he deems appropriate.

15 ACTING CHAIRMAN BeVIER: Thank you. Is there
16 other discussion of the motion that Mr. Meites has
17 made?

18 (No response.)

19 ACTING CHAIRMAN BeVIER: Do we all know what
20 the motion is? I won't try to repeat it because I
21 think we do know. It's basically a motion that the
22 board take on this responsibility, as it quite properly

1 should do, and we will work -- our chair will -- we'll
2 recommend to the chair that he appoint some members of
3 this ad hoc committee to do this work and report to the
4 board as soon as they can possibly complete their work,
5 with some --

6 MR. MEITES: And also, Lillian, before
7 completion if Frank deems it appropriate.

8 ACTING CHAIRMAN BeVIER: Right. Before
9 completion if Frank deems -- and before the next
10 meeting, before the April meeting, if Frank deems it
11 appropriate.

12 MR. FUENTES: Madam Chair?

13 ACTING CHAIRMAN BeVIER: Yes?

14 MR. FUENTES: I take it that this is being
15 made in the context of a recommendation of this -- of
16 your committee to the board to so move, as opposed to
17 this committee giving direction for action by the
18 chairman of the general board.

19 ACTING CHAIRMAN BeVIER: Jurisdictionally, I
20 guess I think that's right. I mean, I think that the
21 ops and regs committee basically has -- it's within our
22 bailiwick. But obviously, it's going to be something

1 that we're going to want the whole board to have -- to
2 buy onto or into. So that, yes, it would come as a
3 recommendation to the board that we proceed in this
4 way.

5 MR. MEITES: Well, actually, I think, Lillian,
6 Frank -- the chair appoints committees. So it's a
7 recommendation to the chair.

8 ACTING CHAIRMAN BeVIER: Okay. It's a
9 recommendation, what, to the chair? Or a
10 recommendation to the board -- from the board to the
11 chair?

12 MR. MEITES: I believe the chair -- it's the
13 designation of the chair.

14 ACTING CHAIRMAN BeVIER: Sarah Singleton.

15 MS. SINGLETON: As a matter of procedure, I
16 disagree that it is a recommendation -- should be a
17 recommendation from the committee to the chair. I do
18 believe the full board should be asked to vote on the
19 recommendation.

20 MR. MEITES: Sarah, I agree with you. I just
21 wanted to make clear that it's not the board's final
22 decision. It's Frank's decision. I certainly agree.

1 It should be our recommendation to the board that the
2 board recommends to Frank. I agree with that.

3 ACTING CHAIRMAN BeVIER: Right. I think we're
4 all on the same page with respect to that. Thank you,
5 Tom. That was a good catch. Yes.

6 MR. MCKAY: Let me just clarify that this
7 recommendation to the board could just as easily be
8 coming from the finance committee. The issues raised
9 in the GAO reports hit more than one committee, and it
10 just happens that Ops and Regs came up first on the
11 agenda.

12 And so I just want to make sure it's
13 understood that this ad hoc committee is addressing all
14 the issues in the GAO report, whether it's ops and regs
15 related or finance or anything else. That's what I
16 envision it to be, and I'm assuming Tom Meites agrees
17 with that.

18 MR. MEITES: That's correct.

19 ACTING CHAIRMAN BeVIER: All right. That
20 being the case, are we ready to vote on the motion, the
21 motion to recommend to the board that the board
22 recommend to Frank to appoint this ad hoc committee?

1 All those in favor say aye.

2 (A chorus of ayes.)

3 ACTING CHAIRMAN BeVIER: All those opposed?

4 (No response.)

5 ACTING CHAIRMAN BeVIER: The motion carries
6 unanimously. Thank you very much, Karen.

7 MS. SARJEANT: Thank you.

8 MR. McKAY: Well done.

9 ACTING CHAIRMAN BeVIER: You were your usual
10 eloquent self today.

11 MS. SINGLETON: And brief.

12 (Laughter)

13 ACTING CHAIRMAN BeVIER: Discussion of the OIG
14 report on IPAs.

15 M O T I O N

16 MR. MEITES: Lillian, it's Tom. I move we
17 defer this, and if the board -- if Frank determines to
18 appoint the committee, that the committee receive this
19 report.

20 MR. McKAY: I second the motion. And again, I
21 want to make it clear that we're not putting off what
22 is a very important issue. Indeed, we're putting it

1 off so that it could receive the kind of attention it
2 deserves from this ad hoc committee, assuming the board
3 accepts the recommendation.

4 ACTING CHAIRMAN BeVIER: Right. And this is
5 to undertake the board's responsibility rather than to
6 postpone its undertaking. And it's to undertake it in
7 a very serious way.

8 MR. MEITES: It's not one of my usual motions.

9 ACTING CHAIRMAN BeVIER: So the motion is to
10 do with the OIG report on IPAs -- to refer this -- I'm
11 going to put it a little differently, Tom -- to refer
12 this OIG report on IPAs to the ad hoc committee that we
13 are going to recommend to the board that the board
14 recommend the chair appoint.

15 MR. MEITES: That's correct.

16 ACTING CHAIRMAN BeVIER: Is there a second?

17 MS. CHILES: Second.

18 ACTING CHAIRMAN BeVIER: Is there discussion
19 of this motion?

20 (No response.)

21 ACTING CHAIRMAN BeVIER: All those in favor?

22 (A chorus of ayes.)

1 ACTING CHAIRMAN BeVIER: All those opposed?

2 (No response.)

3 ACTING CHAIRMAN BeVIER: The motion carries.

4 Dutch, you were wonderful.

5 MR. MERRYMAN: Thank you.

6 (Laughter)

7 MS. SINGLETON: Also brief.

8 ACTING CHAIRMAN BeVIER: Also brief.

9 MR. MERRYMAN: Which is unusual.

10 ACTING CHAIRMAN BeVIER: Is there other public
11 comment on the matters to come before the committee?

12 (No response.)

13 ACTING CHAIRMAN BeVIER: Is there other
14 business to come before the ops and regs committee?

15 (No response.)

16 ACTING CHAIRMAN BeVIER: Is there a motion to
17 adjourn the meeting of the ops and regs committee?

18 M O T I O N

19 MR. McKAY: So move.

20 ACTING CHAIRMAN BeVIER: Is there a second?

21 MS. CHILES: Second.

22 ACTING CHAIRMAN BeVIER: All in favor?

1 (A chorus of ayes.)

2 ACTING CHAIRMAN BeVIER: The meeting is
3 adjourned. Thank you.

4 (Whereupon, at 10:38 a.m., the committee was
5 adjourned.)

6 * * * * *

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22