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LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS  
  
MEETING OF THE ANNUAL  
PERFORMANCE REVIEWS COMMITTEE

OPEN SESSION

Saturday, April 26, 2008

12:32 p.m.

The Marriott Hotel  
3233 Northwest Expressway  
Oklahoma City, Oklahoma

COMMITTEE MEMBERS PRESENT:

- Lillian R. BeVier, Chairman
- Herbert S. Garten
- Michael D. McKay
- Thomas R. Meites
- Frank B. Strickland, ex officio

OTHER BOARD MEMBERS PRESENT:

- Jonann C. Chiles
- Sarah M. Singleton

1 STAFF AND PUBLIC PRESENT:

2 Helaine M. Barnett, President

Victor M. Fortuno, Vice President for Legal Affairs,

3 General Counsel, and Corporate Secretary

Patricia D. Batie, Manager of Board Operations

4 Karen Sarjeant, Vice President for Programs and

Compliance

5 Jeffrey Schanz, Inspector General

Ronald "Dutch" Merryman, Assistant IG for Audits

6 Joel Gallay, Special Assistant to the Inspector General

David Maddox, Assistant Inspector General for

7 Management and Evaluation

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

Don Saunders, National Legal Aid and Defenders

9 Association (NLADA)

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

2 (12:32 p.m.)

3 CHAIRMAN BeVIER: This is an open meeting, not  
4 a closed meeting as is indicated in your agenda. This  
5 is the meeting of the performance reviews committee.  
6 We have one item on the agenda and another item that we  
7 may want to discuss.

8 May I ask first for a motion to approve the  
9 agenda?

10 M O T I O N

11 MR. McKAY: So move.

12 CHAIRMAN BeVIER: Second?

13 MR. MEITES: Seconded.

14 CHAIRMAN BeVIER: We are going to talk with  
15 our new IG, Jeff Schanz. And we welcome you, Jeff, and  
16 we're pleased that you are going to take care of us and  
17 make sure that we cross our T's and dot our I's. We  
18 respect your independence, but we also want to work  
19 with you to make the Corporation better.

20 And we want to be able to stay in touch with  
21 you because we do have -- as mentioned during the  
22 course of our discussions with you before you were

1 hired, it is the board's obligation to review your  
2 performance on an annual basis. And what we very much  
3 have in mind in that connection is to stay in touch  
4 with you over the course of the year so that it's not a  
5 once-a-year connection that we make with you.

6 And to that end, I have given you a copy of  
7 the agreement that we reached with Kirt West in January  
8 of 2007 after some considerable effort to figure out  
9 the best way to go about this review process. And that  
10 agreement, as you know, describes the fact that at each  
11 meeting, we're going to meet with you and informally  
12 discuss the performance of your office. Subject to the  
13 terms of the Sunshine Act, these briefings will be in  
14 closed session and on the record.

15 We'll have a more formal discussion every year  
16 that will focus on but not be limited to your strategic  
17 plan, and assessment of the extent to which you've  
18 achieved the objectives of your prior strategic plan,  
19 the subject we'd like you to work on to the extent that  
20 we can have any say in your agenda for the coming year,  
21 and the manner in which your work is performed.

22 We'll prepare for this by interviewing

1 employees and other relevant people who have had an  
2 opportunity to interact with you and observe your work.  
3 And we will also ask you to prepare a self-assessment,  
4 and then we will discuss that with you at the annual  
5 performance reviews.

6 And I hope that this is a procedure and a  
7 continuing connection and effort to communicate with  
8 you that is something you can help us to perform in a  
9 productive way.

10 MR. SCHANZ: Thank you very much, Madam  
11 Chairwoman. I'm very pleased to be here. As you well  
12 know, I have an open management style which I have  
13 affectionately coined the three Cs of communication,  
14 cooperation, and coordination.

15 My staff has heard that endlessly. I intend  
16 to take those same principles of my open management  
17 style in presentations to the board, and as we just  
18 talked about a little bit earlier, to the audit  
19 committee, in addition to being involved in our  
20 planning processes and knowing what we are doing. I  
21 welcome the quarterly reviews.

22 CHAIRMAN BeVIER: Thank you so much. One

1 thing that I would suggest to the members of the  
2 committee and also to members of the board, we do have  
3 some performance criteria that were worked out over the  
4 course of efforts to reach agreement on the performance  
5 review of our prior Inspector General. Jeff has looked  
6 at those, and he and I have been in touch with respect  
7 to them.

8 I tried to print them out before I came to  
9 this meeting, but my printer said that it was not  
10 willing to cooperate with that effort. And I decided  
11 that the best thing to do is just to mention those, to  
12 tell you that we have -- that Jeff has looked at them  
13 and has basically described himself as willing to use  
14 those certainly as a starting point.

15 When I get back, I will e-mail to each of  
16 you -- I think you all have them, but I will e-mail  
17 them to you so that you can be aware of the kinds of  
18 things and the criteria by which we are going to be  
19 evaluating Jeff's performance.

20 With that as a platform for future  
21 interactions, Jeff, again we welcome you, and we  
22 certainly appreciate your cooperation. Questions?

1           MR. MCKAY: I think it's maybe just a comment,  
2 but maybe just to confirm. I do have the document in  
3 front of me on my screen because I backed it up. And I  
4 just wanted to confirm that we're all talking about the  
5 same document.

6           It's a document that was dated January of 2007  
7 that was signed by Mr. West. It's a one-page document.  
8 And it does, as our chair just indicated, set forth  
9 some criteria.

10           You've had a chance to look through that and  
11 you feel comfortable with that protocol?

12           MR. SCHANZ: I'd like to take a pass on that  
13 because that was just presented to me. In concept and  
14 in theory, I have no problem being evaluated on my  
15 performance. I think that's endemic in a good  
16 organization no matter what my independence is by  
17 statute. But I still feel that yes, I am responsible  
18 to the board and to this committee.

19           MR. MCKAY: Great. And I apologize. I  
20 thought you'd seen it ahead of time. I guess I would  
21 ask, did you have a chance to -- of course, take the  
22 time to look at it. We have always envisioned ongoing



1 discussions, and as the chair just indicated, that  
2 perhaps at our next meeting you could come back and let  
3 us know that you've gone through it and you feel  
4 comfortable with it.

5           And of course, if you have problems between  
6 now and then, you'll come to the chair and let her know  
7 so that we could begin addressing them now. But I will  
8 indicate that we spent a lot of time on this, and as  
9 the chair indicated, we are very sensitive to the  
10 independence that is accorded your office,  
11 appropriately so.

12           But as you've indicated, we have our  
13 responsibilities. So it's a real balance, and we want  
14 to make sure that you feel comfortable with this  
15 balance as well. So take your time, but I would like  
16 to hear back from you at our next meeting. But if  
17 there is a problem, please let the chair know and we  
18 can begin addressing it ahead of time.

19           MR. SCHANZ: I would be happy to do so. I'll  
20 take a more detailed look at it. But as a lot of the  
21 board members know, I come from a background of  
22 balanced and fair reporting, and I would expect the

1 same of me.

2 MR. MCKAY: Thank you.

3 CHAIRMAN BeVIER: Thank you very much, Jeff.

4 Again, we're glad to have you. And I hope that you  
5 will look at this document and let us know if you have  
6 any -- let me know if you have any concerns and we'll  
7 try to work those out. But then we can perhaps  
8 formalize it at the next meeting.

9 MR. SCHANZ: That would be fine. That's a  
10 good plan. Thank you.

11 CHAIRMAN BeVIER: Now, we have another item on  
12 the agenda, consider and act on other business. And we  
13 do have some other business that was raised yesterday  
14 in the context of the ops and regs committee and their  
15 charter.

16 And I wonder, Mr. Meites, if you would kind of  
17 bring us up to date on your thinking with respect to  
18 this committee's undertaking a slightly expanded  
19 agenda, a slightly expanded charter, if you will. We  
20 don't have a charter yet. We don't even have a draft  
21 of a charter. So we probably need some -- we need at  
22 least to discuss and decide to ask for some more staff

1 input about whether we should, and in what respects,  
2 expand our mission.

3 MR. MEITES: I'll be glad to. The proposed  
4 charter for ops and regs, which was circulated with the  
5 board book, included a section under Part VI entitled  
6 Governance. This is paragraphs (7) through (18) -- I'm  
7 sorry, through (16).

8 It was our committee's conclusion after review  
9 that the heart of these responsibilities dealt with a  
10 review of the performance of the board, and that as  
11 such, given the expertise that the performance reviews  
12 committee has in reviewing performance, that it was  
13 more appropriately in that committee.

14 So we would urge the performance reviews  
15 committee, in preparing its own charter, to review  
16 these provisions and determine if it believes that some  
17 or all of these responsibilities can and should be  
18 undertaken by the performance review committee.

19 We're not saying that we endorse all of these.  
20 In fact, there are several that we think actually  
21 probably belong to the whole board. But if it's going  
22 to be in the performance review committee's bailiwick,

1 we think the performance review committee should make  
2 its own determination of which it thinks appropriate.

3 CHAIRMAN BeVIER: Right. As I understand it,  
4 I just have been informed by our counsel that we can't  
5 take action. And what I propose -- I think might be a  
6 good plan is to invite staff to work with me to come up  
7 with a proposed charter for the ops and regs (sic)  
8 committee that we would consider at the August meeting.

9 MR. FORTUNO: Yes. Absolutely. The point  
10 that I attempted to make in a little stickum was that  
11 because there isn't an agenda item on the performance  
12 reviews committee agenda for a charter and any action  
13 with respect to that, you can certainly -- questions  
14 can be raised.

15 But I think that the more appropriate  
16 opportunity would be when the board convenes later  
17 today. There is an agenda item -- I believe it's  
18 15(e) -- where the board will be discussing committee  
19 agendas. And the point can certainly be raised then.

20 MR. MCKAY: Charters.

21 MR. FORTUNO: I'm sorry, charters. And board  
22 can ask that the committee develop a charter and come

1 back to the board with a recommended charter so that  
2 there can be some more formal action taken if you'd  
3 like to do so at that point.

4 But I think at this point you've gone as far  
5 as I think you reasonably can. And that was really  
6 all.

7 CHAIRMAN BeVIER: All right. I think we're at  
8 a place where we can undertake to entertain -- do we  
9 have public comment here? No. The next thing on our  
10 agenda is to consider and act on adjournment of this  
11 meeting.

12 M O T I O N

13 MR. MCKAY: So moved.

14 MR. MEITES: Seconded.

15 CHAIRMAN BeVIER: All in favor?

16 (A chorus of ayes.)

17 CHAIRMAN BeVIER: The meeting is adjourned.

18 Thank you.

19 (Whereupon, at 12:44 p.m., the committee was  
20 adjourned.)

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