

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
OPERATIONS AND REGULATIONS COMMITTEE

Saturday, January 31, 2009

9:24 a.m.

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

COMMITTEE MEMBERS PRESENT:

Thomas R. Meites, Chairman
Lillian R. BeVier
Jonann C. Chiles
Bernice Phillips-Jackson
Frank B. Strickland, ex officio

OTHER BOARD MEMBERS PRESENT:

Sarah Singleton
Herbert S. Garten

STAFF AND PUBLIC PRESENT:

Helaine M. Barnett, President
Karen M. Dozier, Executive Assistant to the President
Victor M. Fortuno, Vice President for Legal Affairs,
General Counsel, and Corporate Secretary
Mattie Cohan, Senior Assistant General Counsel, Office
of Legal Affairs
Mark Freedman, Assistant General Counsel, Office of
Legal Affairs
Karen J. Sarjeant, Vice President for Programs and
Compliance
Charles Jeffress, Chief Administrative Officer
Ronald "Dutch" Merryman, Assistant Inspector General
for Audit, Office of the Inspector General
Jeffrey E. Schanz, Inspector General
Joel Gallay, Special Counsel to the Inspector General,
Office of the Inspector General
Laurie Tarantowicz, Assistant Inspector General and
Legal Counsel, Office of the Inspector General
John Constance, Director, Government Relations and
Public Affairs Office
Sean Driscoll, Special Assistant, Government Relations
and Public Affairs Office
Marcos Navarro, Design Director, Government Relations
and Public Affairs Office
Stephen Barr, Media Relations Director, Government
Relations and Public Affairs Office
Treefa Aziz, Government Affairs Representative,
Government Relations and Public Affairs Office
Hana Bae, Office of Legal Affairs
Cynthia G. Schneider, Deputy Director, Office of
Program Performance
Charles "Chuck" Greenfield, Program Counsel, Office of
Program Performance
Evora A. Thomas, Program Counsel III, Office of
Program Performance
Reginald J. Haley, Program Analyst III (Competition),
Office of Program Performance
Wendy Long, Executive Assistant

STAFF AND PUBLIC PRESENT (Cont'd):

Diane Kutzko, Board of Directors Member, Iowa Legal Aid
Robert Goodin, Chairman of the Board, Bay Area Legal Aid, California (by video)
Michael Doucette, Chairman of the Board, Virginia Legal Aid Society
Marjorie Anne McDiarmid, Chairman of the Board, Legal Aid of West Virginia
Fern Schair, Chairman of the Board, Legal Services New York City
Brenda Ford Harding, Neighborhood Legal Services Program, Washington, D.C.

Linda Perle, Center for Law & Social Policy (CLASP)
Don Saunders, National Legal Aid and Defenders Association (NLADA)
Les Jin, Standing Committee on Legal Aid & Indigent Defendants (SCLAID), American Bar Association

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P R O C E E D I N G S

(9:24 a.m.)

CHAIRMAN MEITES: Let me call the meeting to order. The operations and regulations committee adjourned yesterday in too much haste, and graciously, Lillian has agreed to let us resume our meeting quite briefly.

There are two items, one of which -- we did not obtain the views of management on the presentation which the Inspector General's office gave on independent public accountants yesterday, and so I welcome Karen for her views.

MS. SARJEANT: Thank you, and good morning. I do want to thank you for the opportunity to comment on the -- very briefly on the report of the Inspector General on the work of the IPAs.

We certainly agree in principle with what Dutch shared with us yesterday. We think that the IPAs are an important part of the overall wheel of oversight that LSC provides.

We do have some concerns that the system is not yet working the way it should, so we very much

1 support what Dutch reported in terms of the training
2 of the IPAs and a more robust review of the IPA
3 reports because we think, since the IPAs are in the
4 programs once every year, that what they do they need
5 to do very thoroughly and very well.

6 And our work has shown that they are missing
7 some things. And we have shared that with the IG, and
8 I believe that that has in some ways helped that they
9 have taken that information and are using that to do a
10 more robust review.

11 And then I did want to share with you very
12 briefly what LSC has done because we also -- Dutch
13 talked about where the responsibility for internal
14 controls and oversight resides. And so one of the
15 things that we have done is to take a much more
16 proactive education role.

17 And in addition to the March advisory, there
18 was a December compliance advisory that was shared
19 with grantees. And along with the Inspector General,
20 our director of Office of Compliance and Enforcement
21 and I participated, and Helaine participated, and I
22 believe Sarah was there. Sarah Singleton was there

1 also.

2 We had a pre-conference session at NLADA in
3 which it was focused on LSC compliance. And it was an
4 opportunity for us to share with our grantees our
5 expectations on their compliance and their oversight
6 of internal controls.

7 Additionally, we are in the process and
8 invitations are out to -- we're putting together a
9 financial advisory group that is populated in part by
10 some of the programs, representatives of some of the
11 programs, that had GAO visits, and GAO did not make
12 any findings on them. And then we've added some other
13 people to that advisory group.

14 And that group will be working with LSC to
15 determine what additional guidance and information we
16 ought to be providing to programs to help them put in
17 place better internal controls, better financial
18 systems, and do more proactive oversight locally.

19 Finally, we're following up on the issues that
20 are referred to us from the Inspector General's
21 office. And I think that working with them, we
22 continue to try to improve the financial oversight of

1 our programs.

2 So again, even though we do have some concerns
3 with how the IPA process is working, we think that
4 everybody within the Corporation is working towards
5 making as many improvements as we can without
6 significantly increasing the cost to programs. Thank
7 you.

8 CHAIRMAN MEITES: Thank you, Karen. Any
9 questions or comments?

10 (No response.)

11 CHAIRMAN MEITES: Good. Well, thank you for
12 that presentation.

13 One other brief item. As we saw yesterday, we
14 had a panel discussion by five board chairs from a
15 representative group of our grantees. This panel
16 discussion for the first time was available via
17 webcast for all our executive directors.

18 And we apologize to the executive directors
19 that we failed to acknowledge their participation in
20 the webcast. But we wanted to assure our programs
21 that management will follow up and address their input
22 on the issues that we discussed. And I will give a

1 full report when I report to the board later this
2 afternoon.

3 Thank you. That is all I have. We are
4 adjourned.

5 We were adjourned, but if I could have a
6 motion to adjourn? Bernice?

7 M O T I O N

8 MS. BeVIER: I move to -- oh, second -- to
9 readjourn. This is like the oath. Shall we do it
10 again?

11 MS. PHILLIPS-JACKSON: Second.

12 CHAIRMAN MEITES: All right. And so we are
13 now readjourned. And I mangled it pretty much as much
14 as our Chief Justice.

15 (Whereupon, at 9:30 a.m., the committee was
16 adjourned.)

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