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LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

MEETING OF THE  
BOARD OF DIRECTORS  
OPEN SESSION  
BY TELECONFERENCE

Wednesday, May 27, 2009

10:00 a.m.

Conference Room B  
3333 K Street, N.W., Third Floor  
Washington, D.C.

BOARD MEMBERS PRESENT:

- Frank B. Strickland, Chairman
- Lillian BeVier
- Jonann C. Chiles
- Thomas Fuentes
- Herbert S. Garten
- Michael D. McKay
- Thomas R. Meites
- Sarah Singleton
- Helaine M. Barnett, ex officio

1 STAFF AND PUBLIC PRESENT:

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

3 Katherine Ward, Executive Assistant, Office of  
Legal Affairs

4 David L. Richardson, Treasurer and Comptroller,  
Office of Financial and Administrative Services

5 Karen J. Sarjeant, Vice President for Programs and  
Compliance

6 Charles Jeffress, Chief Administrative Officer  
Jeffrey E. Schanz, Inspector General

7 Joel Gallay, Special Counsel to the Inspector General,  
Office of the Inspector General

8 Laurie Tarantowicz, Assistant Inspector General and  
Legal Counsel, Office of the Inspector General

9 John Constance, Director, Government Relations and  
Public Affairs Office

10 Stephen Barr, Media Relations Director, Government  
Relations and Public Affairs Office

11 Sean Driscoll, Special Assistant, Government Relations  
and Public Affairs Office

12 Laurie Mikva, LSC Board Nominee

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

14 Julie Strandlie, American Bar Association (ABA)

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## C O N T E N T S

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1. Consider and act on the board of directors' response to the Inspector General's semiannual report to Congress for period from October 1, 2008 through March 31, 2009	4
2. Consider and act on other business	13
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Motions: 13, 16

## 1 PROCEEDINGS

2 (10:00 a.m.)

3 CHAIRMAN STRICKLAND: All right. Since it's  
4 at the appointed hour, let me call to order a  
5 reconvening of the meeting that we recessed yesterday,  
6 originally called by notice in the Federal Register on  
7 May 26. And as we noted in yesterday's minutes, the  
8 proper term, I believe, is we recessed the meeting  
9 until this morning at 10:00, and posted notice of that  
10 information on the LSC website.

11 Do we have any other participants in the call  
12 who have called in and not yet identified themselves?

13 MS. MIKVA: Laurie Mikva.

14 CHAIRMAN STRICKLAND: Welcome, Laurie.

15 MS. MIKVA: Thanks.

16 MS. STRANDLIE: Julie Strandlie with the ABA.

17 CHAIRMAN STRICKLAND: Good morning, Julie, and  
18 welcome.

19 MR. SAUNDERS: Don Saunders. Good morning,  
20 Frank.

21 CHAIRMAN STRICKLAND: And good morning. I  
22 think yesterday we approved the agenda, and we moved on

1 to item 2, which was to consider and act on the board  
2 of directors' response to the Inspector General's  
3 semiannual report to Congress for the period October 1,  
4 2008 through March 31, 2009.

5 And there were a number of suggested changes  
6 to the draft letter that we regulatory send to the  
7 Congress in response to the IG's report. And you  
8 should have received by e-mail yesterday afternoon from  
9 John Constance, a revised draft.

10 And then this morning -- or maybe it was  
11 yesterday; I've forgotten when it was -- but Lillian, I  
12 believe you had a couple of additional edits with  
13 respect to the paragraph that concerned you yesterday.  
14 And that was circulated, and I have the good fortune to  
15 have that up on my screen.

16 But those of you who don't, would you mind  
17 telling us about that edit, Lillian?

18 MS. BeVIER: Of course. The edit, which Sarah  
19 has modified in what seems to me to be a very  
20 appropriate way, is the top paragraph on page 2. And  
21 it's the last sentence.

22 And that now reassess, as I would suggest and

1 I think Sarah would agree with this, "The board fully  
2 agrees, and we intend to work with LSC management in  
3 order not only to resolve these individual issues, but  
4 also to endeavor to assure that issues such as these do  
5 not arise in the future."

6 CHAIRMAN STRICKLAND: That's a slight revision  
7 of your original draft. Right, Lillian?

8 MS. BEVIER: Yes.

9 CHAIRMAN STRICKLAND: All right. Has everyone  
10 had an opportunity, then, to review the revised draft,  
11 including the suggested amendment from Lillian and  
12 Sarah?

13 MR. GARTEN: I have.

14 CHAIRMAN STRICKLAND: Yes, sir, Tom.

15 MR. CONSTANCE: Mr. Chairman, this is John  
16 Constance.

17 CHAIRMAN STRICKLAND: Sorry. I thought that  
18 was Tom Fuentes. I apologize.

19 MR. CONSTANCE: John Constance, director of  
20 government relations and public affairs. I have two  
21 changes that have been presented to me this morning,  
22 two minor changes, that I would like to offer for your

1 consideration at this time.

2 In the sentence that Lillian just stated, her  
3 amendment as amended by Sarah, Karen Sarjeant has  
4 suggested, after the term "LSC management," we insert,  
5 "and the OIG there," to indicate all responsible  
6 parties. And that change has been accepted, I believe,  
7 by the Office of the Inspector General.

8 MR. GALLAY: That's correct, yes. This is  
9 Joel Gallay for the IG.

10 CHAIRMAN STRICKLAND: All right. Do you have  
11 another one, John?

12 MR. CONSTANCE: Yes. One other suggestion  
13 that has been made by the Office of the Inspector  
14 General and accepted by management is in the third  
15 paragraph on that second page.

16 And in the amendment that had been offered by  
17 Herb Garten, in the sentence beginning, "Resolution of  
18 a matter," after the term "sixth audit report," the OIG  
19 has requested that we strike the phrase "by the OIG"  
20 there, just to indicate that again, that is the outside  
21 auditor report created by them, and so that it would  
22 more accurately reflect that if we just struck the

1 words "by the OIG" at that point. That's been accepted  
2 by all parties here.

3 CHAIRMAN STRICKLAND: All right.

4 MR. CONSTANCE: Those are the only two minor  
5 changes we have to the draft as presented.

6 MS. SINGLETON: Mr. Chairman, this is Sarah.  
7 Can I ask a question about that last area?

8 CHAIRMAN STRICKLAND: Yes. Go ahead.

9 MS. SINGLETON: On the copy that I'm looking  
10 at, John, it still looks like there's some kind of a  
11 tab return or something in there. So I think the  
12 formatting needs to be fixed.

13 MR. CONSTANCE: That will be fine, Sarah. We  
14 can do that. I think it's just a fact that the word  
15 "resolution," you know, would need to be divided in  
16 order for that to appear to be the continuation of that  
17 paragraph. But we'll work with that and see that it's  
18 fixed.

19 MS. SINGLETON: Well, maybe it's just on my  
20 screen because mine has "resolution" being about the  
21 fourth word on the line after "LSC." So maybe it's  
22 just my screen.



1           MR. CONSTANCE: Yes. That might be the case.  
2 We're looking at a version that looks like that that is  
3 part of that paragraph.

4           MS. SINGLETON: Okay. Thank you.

5           MR. CONSTANCE: Thank you.

6           MR. MCKAY: Mr. Chairman, Mike McKay.

7           CHAIRMAN STRICKLAND: Yes, sir, Mike.

8           MR. MCKAY: The first page of the letter,  
9 third paragraph, in the spirit, it's consistent with  
10 the first recommendation or amendment that John just  
11 talked about.

12           I invite everyone's attention to the second  
13 sentence. The first sentence relates to the fact that  
14 we have, for the last two years, been focusing on  
15 aligning ourselves with Sarbanes-Oxley principles. And  
16 then the second sentence reads, "In making these  
17 efforts, the board has had the assistance of and  
18 complete cooperation from the Corporation's  
19 management."

20           I would propose that we add a comma and insert  
21 the clause, "as well as the OIG."

22           CHAIRMAN STRICKLAND: All right. Is there any

1 origin to that addition from any penalties involved?

2 MS. SINGLETON: I have a question. Should it  
3 be "as well as from the OIG"?

4 MR. MCKAY: Sure.

5 MR. GARTEN: Let's just say the Corporation's  
6 management and OIG, not get involved with "as well as."

7 MR. MCKAY: I like the flourishes, but  
8 certainly would accept the Spartan-like language  
9 proposed by Herb.

10 (Laughter.)

11 MR. GALLAY: This is Joel Gallay. I should  
12 just also mention that one change that was also made  
13 that wasn't discussed at the prior meeting in this  
14 package that you're just discussing was in the lead  
15 sentence, to delete the reference to management so that  
16 it just refers to the board as the real subject of  
17 that.

18 That change was made because it seems that it  
19 was really a paragraph written from the board's  
20 perspective, and that in the subsequent sentence, it  
21 would be sort of inappropriate to have the statement  
22 that management was making efforts to improve the

1 board's governance. It was really the board's efforts  
2 in that way.

3 So just for a matter of tone, that reference  
4 was taken out in the lead.

5 CHAIRMAN STRICKLAND: John, are you okay with  
6 the Spartan addition suggested by both Mike and Herb?

7 MR. CONSTANCE: Absolutely. Appreciate it.

8 MS. SINGLETON: I have a technical suggestion,  
9 then. OIG is a defined term, and it's defined later,  
10 after that sentence we're talking about now. So I  
11 think you need to move up the complete phrase "Office  
12 of the Inspector General (OIG)" to this sentence, and  
13 then just put OIG in the couple sentences that follow.

14 You see what I'm saying, John?

15 MR. CONSTANCE: Yes. Yes, we've got that.

16 That's great.

17 CHAIRMAN STRICKLAND: Okay. That's a good  
18 point.

19 MR. GALLAY: You might want to just put the  
20 OIG at the very lead if you wanted to just have the  
21 parenthetical, since it's in the opening sentence. But  
22 that's totally up to you.

1           CHAIRMAN STRICKLAND: Yes. It could go at the  
2 very beginning of the letter.

3           MS. SINGLETON: It could.

4           MR. CONSTANCE: It might be better, in fact,  
5 because that way it's clear that LSC refers to Legal  
6 Services Corporation and not that whole clause at the  
7 beginning.

8           CHAIRMAN STRICKLAND: Yes. Yes, yes. Let's  
9 move it to the first sentence of the letter.

10          MR. FORTUNO: Right.

11          CHAIRMAN STRICKLAND: And that'll take care of  
12 it. And wherever it's spelled out in its entirety  
13 later in paragraph 3, you can shorten that down to OIG.

14          MR. FORTUNO: You got it.

15          MS. SINGLETON: And then we'll really be  
16 Spartan.

17          CHAIRMAN STRICKLAND: Oh, yes.

18          (Laughter.)

19          CHAIRMAN STRICKLAND: This is a good exercise  
20 in writing a letter by committee. All right. After  
21 these changes, are there any further changes to the  
22 draft?

1 (No response.)

2 CHAIRMAN STRICKLAND: All right. Hearing  
3 none, I would entertain a motion to approve the revised  
4 draft of the letter and make it our final version, and  
5 authorize me to sign it and send it on to the Senate.  
6 Will someone make a motion?

7 M O T I O N

8 MR. MCKAY: So moved.

9 MR. GARTEN: Second. Herb Garten.

10 CHAIRMAN STRICKLAND: Moved by Mike McKay,  
11 second by Herb Garten. Is there any further discussion  
12 on the draft letter?

13 (No response.)

14 CHAIRMAN STRICKLAND: Hearing none, let's  
15 proceed to a vote. All those in favor of the draft  
16 letter, as revised, please say aye.

17 (A chorus of ayes.)

18 CHAIRMAN STRICKLAND: Opposed, nay.

19 (No response.)

20 CHAIRMAN STRICKLAND: The ayes have it. It's  
21 a unanimous vote. And the revised draft is approved.

22 The next item on the agenda is to consider and

1 act on other business. Is there any other business?

2 MS. BARNETT: Mr. Chairman, this is Helaine  
3 Barnett speaking.

4 CHAIRMAN STRICKLAND: Yes?

5 MS. BARNETT: I just wanted to raise with the  
6 board that our meeting in Topeka, Kansas, I'm looking  
7 at some of the departure dates of our board members for  
8 Saturday. And as my understanding is that it is a  
9 little over an hour's drive to the airport, we're  
10 trying to coordinate, from a staff perspective, the  
11 arrival times so that if our staff rents cars, we can  
12 double and triple up to get back and forth to the  
13 airport.

14 But because of the departure times, I have  
15 spoken with the chairman and we are proposing that we  
16 would start on Saturday at 8:30 and go through till  
17 2:00, and hopefully adjourn at 2:00 with box lunches  
18 available, either to be eaten during the meeting or to  
19 be taken with you when you leave.

20 So I just wanted to raise that for other  
21 people's travel plans.

22 MS. SINGLETON: Well, if that's going to be

1 the case, then maybe more people could get out on  
2 Saturday.

3 MS. BARNETT: Well, that's the reason that the  
4 chairman of the board suggested I raise it in this  
5 meeting, to let those of you know. We have four people  
6 whose planes require that kind of timing. And those of  
7 you who haven't made your accommodations, or have made  
8 it later and would like to make it to fit that  
9 schedule, we wanted to let you know.

10 MS. SINGLETON: It's for sure the meeting will  
11 be over at 2:00, is what you're telling us?

12 CHAIRMAN STRICKLAND: Well, we're trying to  
13 shift the schedule so that we would not have a briefing  
14 that morning, the breakfast briefing. We would convene  
15 the meeting earlier than usual, and then we would have  
16 a working lunch brought in and just continue without  
17 the usual breaks, et cetera, with the goal of leaving  
18 the meeting, that is, the board meeting, by 2:00.

19 MS. SINGLETON: Okay.

20 CHAIRMAN STRICKLAND: Just giving you some  
21 advance notice that we'd be on an accelerated schedule.  
22 And those who want to make changes to their travel or

1 their initial travel arrangements, you should consider  
2 planning accordingly.

3 MR. MEITES: I want to point out -- this is  
4 Tom -- that there are many flights from Kansas City to  
5 Chicago. So if people are looking for a night on the  
6 town rather than in staying in Kansas, I urge them to  
7 come to Chicago.

8 MR. MCKAY: The cops play during the day.  
9 That's the problem.

10 CHAIRMAN STRICKLAND: All right. We note that  
11 suggestion. Thank you, sir.

12 Is there any other business?

13 (No response.)

14 CHAIRMAN STRICKLAND: Is there any public  
15 comment?

16 (No response.)

17 CHAIRMAN STRICKLAND: All right. Hearing  
18 none, I would entertain a motion to adjourn the  
19 meeting.

20 M O T I O N

21 MS. SINGLETON: So moved.

22 CHAIRMAN STRICKLAND: All right. Is there a



1 second? And all in favor say aye.

2 (A chorus of ayes.)

3 CHAIRMAN STRICKLAND: And thank you very much,  
4 everyone. The meeting is adjourned.

5 (Whereupon, at 10:15 a.m., the open board  
6 meeting was adjourned.)

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