

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

BOARD OF DIRECTORS MEETING
OPEN SESSION

Friday, May 12, 1995

3:05 p.m.

Legal Services Corporation
The Board Room
750 First Street, N.E.
Washington, D.C. 20002

BOARD MEMBERS PRESENT:

Douglas S. Eakeley, Chairman
Hullett H. Askew
John G. Brooks
John T. Broderick
F. William McCalpin
Maria L. Mercado
Nancy Rogers
LaVeeda M. Battle (via telephone)
Edna Fairbanks-Williams
Ernestine Watlington

STAFF PRESENT:

Martha Bergmark, Vice President
Patricia C. Batie, Secretary
Edouard Quatrevaux, Inspector General
Robert Holliday, Assistant Inspector General
David Richardson, Treasurer/Comptroller
Victor Fortunato, General Counsel

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MOTIONS: 7, 8, 12, 47, 48, 50, 51

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P R O C E E D I N G S

1
2 CHAIRMAN EAKELEY: Let me call the Board of
3 Directors meeting to order. The first item of business is
4 the approval of the agenda. And this is a little bit more
5 complicated than it appears because we have done several
6 things before the initial proposed agenda went to the Federal
7 Register. We initially planned to start the Board meeting on
8 Saturday, but since we had reserved so many substantive
9 matters for discussion at the full Board and reserved most
10 time to talk about recision issues, I thought that we should
11 move the Board meeting up and start it on Friday afternoon,
12 which is what we're doing.

13 So we had a truncated Board meeting. That led to
14 an additional logistical issue, since we had agreed to permit
15 Alex Forger to go to Columbus today, in our absence, to meet
16 with the Columbus Bar and other interested parties. I agreed
17 to juggle the agenda again so that that portion of the agenda
18 that we knew we would want Alex present for purposes of
19 discussion would be moved to Saturday. We also have Mr. Fax
20 planning to join us for a discussion and executive session of
21 the Wilkinson decision. But he won't be available until 4:30
22 p.m. today, but will be unavailable tomorrow.

1 Is everyone with me so far? As a consequence of
2 all of that, and looking at the revised agenda that was
3 circulated, I have yet another revision to propose. And this
4 is the revised agenda that I would suggest. We deal with
5 approval of minutes of March 17-18 meeting; approval of
6 minutes of April 11 meeting; approval of minutes of March 18
7 executive session. That's as originally contemplated in the
8 original agenda.

9 The revised agenda had proposed moving chairman's
10 and members' reports to Saturday. But I think we should just
11 proceed, then, to chairman and members' reports, before going
12 to the committee reports. So item five on the original
13 agenda -- chairman's and members' reports -- will be item
14 five on the agenda for today. The next item on the agenda
15 for today, according to the revised agenda, consider and act
16 on proposed Board financial disclosure form and guidelines,
17 I'm informed, is not yet ready to be presented to the Board
18 for discussion; and therefore, I would propose that we delete
19 that item from this agenda for this meeting.

20 Which would then leave, for the next three items
21 for today's agenda, original item 12 -- consider and act on
22 finance committee report; original item 13 -- consider and

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1 act on provisions committee report, including Section A,
2 consider and act on committee recommendation concerning
3 transfer of the local program audit review function; original
4 item 14 -- consider and act on operations and regulations
5 committee report.

6 And I think, anticipating that the committee
7 reports won't be that long, since we all sat in on most of
8 them as a full Board today, I would propose that we also
9 bring into today's agenda original item 11, which, I suppose,
10 just to make it consecutive, we put as item 11 before item
11 12, which is the consider and act on ad hoc structure
12 committee on governance report.

13 Then we would take a vote, and if the vote so
14 provided, we would go into executive session to consider the
15 general counsel's report on litigation; and then receive a
16 briefing only -- not a meeting -- on the report of the
17 inspector general. And then that would conclude the business
18 for today.

19 In other words, items one, two, three, four, five,
20 11, 12, 13, 14; then in closed session, 16 and 17. That
21 leaves for tomorrow the president's report, which is status
22 of legislative matters; report on LSC internal operations;

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1 and seven, which is really the one that will take the most
2 time -- consider and act on proposed funding policies to
3 implement FY 1995 recision act. Then we have a draft
4 management report that I haven't seen yet, Mark, that
5 hopefully is in the works, responding to the inspector
6 general's annual report.

7 The IG's report, public comment -- and I think on
8 the public comment, we may want to move that back so that
9 it's within item seven, so that if there's public comment on
10 the recision policies, we include that there; and then other
11 business. And the other business will also include a
12 discussion of whether to have a June meeting and, if so,
13 when.

14 MS. ROGERS: If the people are here for public
15 comment today, and there's time, we might consider taking
16 some today.

17 CHAIRMAN EAKELEY: That we can do also. I suspect
18 there may be some public comment directed at, specifically,
19 item seven, which is recision.

20 MS. ROGERS: Sure.

21 CHAIRMAN EAKELEY: But if there's not, we can do
22 it. Or if it's willing to be offered up today, depending

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1 upon the timing, we can do that, too. So does that make
2 sense to everyone?

3 MR. ASKEW: So there will be no closed session
4 tomorrow, right?

5 CHAIRMAN EAKELEY: There will be no closed session
6 tomorrow. We will go into executive session after the first
7 five items of business and 11, 12, 13, and 14. All right, if
8 that's the sense of the Board, could I have a motion to
9 approve the revised agenda, as I've outlined it?

10 M O T I O N

11 MS. MERCADO: So moved.

12 CHAIRMAN EAKELEY: All those in favor.

13 (A chorus of ayes.)

14 CHAIRMAN EAKELEY: All those opposed.

15 (No response.)

16 CHAIRMAN EAKELEY: Abstentions?

17 (No response.)

18 CHAIRMAN EAKELEY: All right. Item two, approval
19 of the minutes of the March 17-18, 1995, meeting that were
20 circulated with the Board materials. Any comments,
21 corrections or changes? Hearing none, is there a motion to
22 approve the minutes of the March 17-18, 1995, meeting?

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M O T I O N

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MR. ASKEW: So moved.

MR. McCALPIN: Second.

CHAIRMAN EAKELEY: Any discussion?

(No response.)

CHAIRMAN EAKELEY: Hearing none, all those in favor.

(A chorus of ayes.)

CHAIRMAN EAKELEY: Opposed.

(No response.)

CHAIRMAN EAKELEY: Abstention.

(No response.)

CHAIRMAN EAKELEY: The ayes have it. The minutes are approved. Item three, approval of minutes of April 11, 1995, telephonic meeting; again, circulated with the Board materials. Do we have a motion?

MS. WATLINGTON: So moved.

CHAIRMAN EAKELEY: Is there a second?

MR. ASKEW: Second.

CHAIRMAN EAKELEY: Is there any discussion? Are there any questions, corrections or suggestions to change the transcript? I hope they did a pretty good job for -- it's

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1 hard enough covering us when we're here all talking at once,
2 but doing it on the phone. They only couldn't find the
3 identity of one participant at one moment in the official
4 record. If there are no corrections or suggestions or
5 comments, all those in favor of approving the April 11, 1995,
6 meeting minutes.

7 (A chorus of ayes.)

8 CHAIRMAN EAKELEY: Opposed.

9 (No response.)

10 CHAIRMAN EAKELEY: Abstentions.

11 (No response.)

12 CHAIRMAN EAKELEY: Finally, on the minutes approval
13 of the minutes of the March 18, 1995, executive session also
14 included in the Board material -- not included in the Board
15 materials, circulated separately. Is there a motion to
16 approve?

17 MR. BROOKS: So moved.

18 CHAIRMAN EAKELEY: Is there a second?

19 MR. ASKEW: Second.

20 CHAIRMAN EAKELEY: Any questions or changes or
21 comments?

22 (No response.)

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1 CHAIRMAN EAKELEY: Hearing none, all those in favor
2 of approving the minutes.

3 (A chorus of ayes.)

4 CHAIRMAN EAKELEY: Any opposed?

5 (No response.)

6 CHAIRMAN EAKELEY: No. Abstentions?

7 MR. McCALPIN: I was not present, I will abstain.

8 CHAIRMAN EAKELEY: All right, one abstention noted
9 for Mr. McCalpin. Next item of business, chairman's and
10 members' reports. I don't have a report. I guess I don't --
11 it's not that I don't have anything to report, it's just that
12 it's been so much of a blur of activity. And I think we're
13 all following the congressional scene as closely as we can,
14 trying to anticipate what the final recision measure will be,
15 and adjust to that in ways that meet the expectations of the
16 Congress.

17 Tried to prepare for reauthorization or oversight
18 hearings in the House Judiciary Subcommittee next week, as
19 well as Senate Appropriations Subcommittee. And also,
20 ultimately, we anticipate the House Appropriations
21 Subcommittee, and Labor and Human Resources Senate Committee.
22 And that's just taken up a great deal of time and attention.

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1 Any other -- should we go around the table, starting with
2 you, Bill? Anything to report?

3 MR. McCALPIN: Mr. Chairman, I would like to take
4 this opportunity afforded by the agenda to memorialize the
5 passing of one of the real pillars of the legal services
6 movement in the United States. Charlie Dorsey passed away on
7 April the 21st. It was my privilege to serve on the ABA
8 standing committee on legal aid and indigent dependents with
9 Charlie; and also in the National Legal Aid and Defender
10 Association.

11 He joined Maryland Legal Aid 25 years ago, in 1969,
12 and became its executive director in 1974 -- a position which
13 he held until his death. He served not only the legal aid
14 community, but his profession, our profession -- the bar --
15 as well, serving not only in ABA on the committee which I
16 have mentioned, but as president of the Baltimore City Bar
17 Association. He was a deeply religious man, having studied
18 at one time for the ministry.

19 He received the Papal Order of the Knight of Saint
20 Gregory. This background reflected in his feeling and in the
21 empathy for fellow human beings. I am told that the Basilica
22 in Baltimore was crowded, at the time of his memorial

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1 service, to capacity. It was attended by the Cardinal
2 Archbishop of Baltimore; by a United States senator; by the
3 mayor; and distinguished members of the business community of
4 that city.

5 He was a compassionate lawyer, a marvelous human
6 being. It was a privilege for me to know and work with him.
7 We are all the better, the richer for his life, and the
8 poorer for his passing. And I think it is appropriate to
9 note his life and the works that he accomplished in that
10 period of time, and I'm grateful for this opportunity. Thank
11 you.

12 CHAIRMAN EAKELEY: Thank you, Bill. Would it be
13 appropriate to ask whether Bill McCalpin's remarks echo the
14 sentiments of the Board so that they could be recorded not
15 only as his wonderful, personal tribute, but also the
16 expression of the Board?

17 M O T I O N

18 MR. BROOKS: Well, I would like to move that,
19 having known Charlie within NLADA. Not known him nearly as
20 well as Bill, but I felt enormous respect that he commanded
21 within the legal services community and elsewhere. And I'm
22 very happy to move the inclusion of Bill's remarks in the

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1 records of the meeting.

2 MS. FAIRBANKS-WILLIAMS: I'll second it.

3 CHAIRMAN EAKELEY: I think the motion is really to
4 have the minutes of the meeting reflect Bill's remarks as the
5 sentiments of the Board, as well as of the individual members
6 of the Board, if that's all right. All those in favor.

7 (A chorus of ayes.)

8 CHAIRMAN EAKELEY: Thank you, Bill. Anything else?
9 Nancy.

10 MS. ROGERS: No report.

11 CHAIRMAN EAKELEY: John.

12 MR. BROOKS: No report.

13 CHAIRMAN EAKELEY: Mary Louisa?

14 MR. ASKEW: I'll pass, Mr. Chairman.

15 MS. WATLINGTON: I'd just like to thank the Board
16 and all of the legal services community for all the response
17 I had. It just made me feel real encouraged to get well and
18 come back, and to do. I was just so grateful, and didn't
19 think that many people remembered me and knew me. But I was
20 just so grateful for the response from the whole community.
21 And I'd also like to add that, as a client working with
22 Charlie through the years, he was very supportive to the

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1 client community and clients.

2 I was in his region, so we -- I worked with him
3 very -- I won't say how many years, but it was a lot. But I
4 just want to thank the Board and the legal services community
5 and everyone for their helping me to my speedy recovery.

6 CHAIRMAN EAKELEY: Well, we're delighted to see you
7 back, Ernestine, and looking so well. And we missed you a
8 great deal.

9 MS. WATLINGTON: Thank you.

10 CHAIRMAN EAKELEY: And we miss LaVeeda, and hope
11 her recovery is as speedy and as wholly effective as yours
12 seems to be.

13 MS. WATLINGTON: Thank you.

14 CHAIRMAN EAKELEY: All right. We're ripping
15 through this agenda pretty well. Next is, consider and act
16 on the ad hoc governance committee report. Nancy.

17 MS. ROGERS: The ad hoc committee went over the
18 worksheet that had been provided and put together by staff,
19 with respect to the jurisdiction of committees, and made a
20 few changes. And there are a few that we need to discuss
21 with the entire Board, since we didn't resolve them at the
22 committee level. At the last meeting, the Board approved a

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1 change of the audit and appropriations committee's name to
2 the finance committee.

3 That is reflected here. The committee recommends
4 that the operations and regulations committee receive reports
5 from counsel on litigation and recommend action to the Board;
6 and that their policy issues, with respect to the
7 Corporation's organizational structure include policy issues
8 related to personnel. There were some word changes in the
9 provisions committee report. And there is, if you look on
10 this draft coming around, parens around the asterisked item
11 that says address policy issues regarding grantee audits,
12 including performance evaluations and compliance monitoring.

13 And we left that for a recommendation from the
14 provisions committee. But at the time of the provisions
15 committee meeting, the inspector general was unavailable.
16 And we wanted to hear from him first. I don't know if
17 there's anyone who can, at this point, reflect his views on
18 this point. And finally, on the last page, we wanted to
19 reflect -- and I think this language might be improved just a
20 little bit -- that the inspector general would report to the
21 Board as a whole in general, and not to any particular
22 committee.

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1 And the footnote on the first page indicates that
2 committee will relate to staff through the president or the
3 president's designee. It was suggested to me by a member of
4 the staff that we might say committees and individual
5 committee members will relate to the staff through the
6 president or the president's designee. So I'd be happy to
7 include that addition, suggested by a staff member. And with
8 that change, this constitutes the report of the ad hoc
9 Committee on governance.

10 Again, it's not a complete report, because we want
11 to hear from the inspector general on the reporting, with
12 respect to policy issues raised by the new auditing function
13 allocation.

14 CHAIRMAN EAKELEY: All right.

15 MS. ROGERS: If there's someone here from the
16 inspector general's office who can speak at this point?

17 MR. HOLLIDAY: Ed has not returned yet, and I would
18 prefer to wait until he returns.

19 CHAIRMAN EAKELEY: Okay, that's fine. Are there
20 any -- actually, this is an issue that also will be coming up
21 from the provisions committee report and recommendation.
22 He's involved with that.

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1 MS. ROGERS: I'm not sure whether this requires any
2 Board action, to be honest. It's nothing more than a cleaned
3 up list of our understanding of the functions of these
4 committees. So I'll leave that to your discretion -- whether
5 the Board takes any action with respect to this recommended
6 list. Secondly, I think, I want to report that the committee
7 voted to dissolve, on the belief that it had completed all of
8 the action items referred to it by the Board.

9 CHAIRMAN EAKELEY: It seems to me, on both points,
10 it might be appropriate for the Board to consider the
11 recommendations of the committee, since, as we know,
12 committees can recommend but not take action. And therefore,
13 while the attempt to the committee may be commendable to take
14 itself out of existence, I think we have to put that, at
15 least, to a Board vote.

16 I think that on the first issue, it might be
17 appropriate to consider whether the Board should adopt, as a
18 current operational job description for the committees, the
19 outline of jurisdiction or functions that the ad hoc
20 committee on structure and governance has proposed, without
21 elevating this to a by-law status. And Bill, I see that
22 you're reaching for the by-laws. So why don't you give us

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1 your reaction to the interplay or interface between this
2 recommendation and the revised by-laws.

3 MR. McCALPIN: Well, it just seems to me -- it
4 probably is unimportant. I was thinking about the provision
5 which dealt with the jurisdiction or authority and
6 responsibility of committees -- it's the top of page 12 --
7 where it simply says, the resolution creating any committee
8 shall set out the authority and responsibility of
9 limitations, if any. So we're not creating a committee here
10 now, so that provision is not germane.

11 I remembered that there was something in here about
12 setting out the theory of activity of committees. I just
13 wanted to check and see what it was.

14 CHAIRMAN EAKELEY: Well, let me ask this
15 preliminary question -- does anyone have any questions or
16 suggested revisions to this listing of subject matter
17 jurisdiction of the committees?

18 (No response.)

19 CHAIRMAN EAKELEY: Section 501 of the by-laws deals
20 with the establishment and appointment of committees. And
21 subsection 501(A)(3) talks about the resolution creating any
22 committees shall set out the authority, responsibility, and

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1 limitations of any of such committee. The by-laws,
2 themselves, are silent about committees, in terms of they've
3 eliminated the standing committees that the prior by-laws had
4 provided.

5 MR. McCALPIN: I think we adopted a resolution,
6 though, restoring or continuing the three prior by-laws.

7 CHAIRMAN EAKELEY: But I can't -- remind me. I
8 don't think we did in -- I don't think that, in the process,
9 we set out the authority, responsibility and limitations, if
10 any, of such committees.

11 MR. McCALPIN: I think that's right.

12 CHAIRMAN EAKELEY: And that's really what this
13 would be intended to do.

14 MS. ROGERS: Mm-hmm.

15 CHAIRMAN EAKELEY: And I guess my question to the
16 Board is a process one. Would you like to -- now that we
17 have an ad hoc governance committee report and
18 recommendation, do you want to put it through the operations
19 and regulations committee, or would you like to adopt this
20 statement of jurisdiction of committees as the statement
21 governing the three committees that we, by resolution,
22 continued at the last Board meeting?

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1 MR. McCALPIN: My own feeling is that there is no
2 reason to send it to ops and regulations committee. We've
3 had a perfectly well-qualified Board committee working on it.
4 And I think if we're going to adopt it, we just ought to
5 adopt it from the ad hoc committee.

6 MS. FAIRBANKS-WILLIAMS: I'll second it.

7 CHAIRMAN EAKELEY: Then I would suggest that we
8 adopt it without the Board functions that are listed, because
9 we're really talking about amending and supplementing our
10 prior resolution, establishing or continuing the three
11 committees, on renamed finance committee. So if we just
12 eliminate Board functions and receive reports and then such
13 other business as arises, could we have a motion adopting the
14 ad hoc governance committee report as the description of
15 authority, responsibility and limitations of the three
16 committees?

17 MS. ROGERS: I would suggest that if that's the
18 inclination, we ought to wait until we can hear from the
19 inspector general.

20 MS. MERCADO: Because we still haven't dealt with
21 the parentheses.

22 CHAIRMAN EAKELEY: You're right. You're right.

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1 MR. McCALPIN: Either that, or we can adopt it now
2 and amend it when we get to that point; one or the other.

3 CHAIRMAN EAKELEY: Why don't we defer it, because
4 it might -- why don't we just defer it; defer but not forget.
5 Do we know whether the IG is going to back, or what timing?

6 ROBERT HOLLIDAY: I expect him back at 3:30 p.m.,
7 4:00 p.m.

8 CHAIRMAN EAKELEY: Okay, fine. We should have
9 plenty of time to deal with it when it gets back. And let's
10 table this matter for this time. Not table, defer. I would
11 also propose deferring the proposal to discharge with thanks
12 the ad hoc governance committee, until we get to the end of
13 its report. So we'll just put these aside for the moment.
14 Now, Nancy, do you have any other matters to report from your
15 committee?

16 MS. ROGERS: Not another thing.

17 CHAIRMAN EAKELEY: Okay, well, we thank you for
18 your work. It was worth it, having that other meeting, I
19 believe. Next is the item 12, consider and act on finance
20 committee report. Maria Louisa.

21 MS. MERCADO: Yes, Mr. Chairman, I think that --
22 was everyone present at the finance committee meeting?

1 CHAIRMAN EAKELEY: I think so, including Tom
2 Smegal, who could not be with us this afternoon.

3 MS. MERCADO: That's correct. So basically, all of
4 you have reviewed, with input from our counsel, Mr.
5 Richardson, the COB operating budget, the expenses for the
6 six-month period, ending April 30th. And it is a preliminary
7 review; it's not a final review.

8 CHAIRMAN EAKELEY: Seven months?

9 MS. MERCADO: Seven months.

10 CHAIRMAN EAKELEY: It says six, but I think it's
11 actually seven.

12 MS. MERCADO: And you also received -- and of
13 course, this is compared with the document that you have in
14 your Board book that has the period ending March 31st, of
15 '95. And you also reviewed the comparison between the first
16 and second quarter for expenses of FY 95. And I would just
17 say, for purposes of trying to get to the rest of the items
18 on our agenda, if there are any particular items that people
19 will want to call up, then all I would request from the Board
20 is to just accept the management preliminary review of the
21 operating expenses for period ending April 30th.

22 I guess the Board needs to accept it as a full

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1 Board, just for the record. Unless someone has any questions
2 on it.

3 CHAIRMAN EAKELEY: I don't -- well, let's find out
4 whether anyone has any questions for you or the committee or
5 the report.

6 MS. MERCADO: Mr. Richardson is here, too, in case
7 there were some particular items. The key figures, I
8 suppose, that we should look at as far as the M&A line is
9 concerned, without taking the recision into account, the
10 amount that is left in the budget for the M&A line is the
11 \$12,667,602 for the remainder of FY 95.

12 The main discrepancies between the March 31st, '95,
13 expenses and the April '95 expenses dealt with the rental
14 income on the 400 Virginia Avenue, and also with some
15 consulting fees that we were paying for, as far as real
16 estate commissions, and the consulting for the computer
17 training.

18 CHAIRMAN EAKELEY: The ultimate conclusion is that
19 we are within our budget.

20 MS. MERCADO: We're well within our budget. I
21 think we're at 48 percent, and normally we would be at 59
22 percent of budget at this time. So we are being very

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1 fiscally conservative and cautious.

2 CHAIRMAN EAKELEY: David is going to say 49 and 57.

3 MS. MERCADO: Mr. Richardson?

4 DAVID RICHARDSON: Yes, within the M&A, it should
5 be at 58.3 percent, and we're at 47.8 percent. So we are
6 well within budget planning, of course, with a reduction due
7 to the recision.

8 CHAIRMAN EAKELEY: Remind me -- have we approved?
9 Do we need to approve monthly reports?

10 DAVID RICHARDSON: We do not.

11 CHAIRMAN EAKELEY: I don't think so. I think we
12 approve the budget, and if there's a modification to the
13 budget during the year, we've got to approve that because
14 that's the spending authority for the organization. But I
15 think that it's important to receive periodic reports to be
16 advised whether we remain on track. And I think we have that
17 report, and we've taken due notice of it, and we've asked
18 appropriate questions of the comptroller, and the record
19 should so reflect.

20 MS. MERCADO: That's correct. I mean, it's just
21 for the Board of Directors to accept the report, as provided
22 by the comptroller, with the modifications that have been

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1 made. And of course, the final period ending April 30th of
2 '95 will have different figures in the account that you'll
3 need to look at. Now, the other items that we dealt with,
4 as far as the committee was concerned, was trying to do a
5 schedule for the COB 95 and also for COB 96.

6 And at this point, we'll probably be working on
7 those items in June and definitely in July.

8 CHAIRMAN EAKELEY: Okay. Thank you.

9 MS. MERCADO: With some better figures by
10 September. That's probably the earliest we could have some
11 definite figures.

12 DAVID RICHARDSON: And if I could add one thing for
13 the record. When we spoke at the end of the finance
14 committee, we were talking about '95 recision budget and we
15 were talking about figures for '96, as far as to begin
16 operations in October. But we also need to start thinking
17 about a budget request for '97. So that needs to be added to
18 the agenda, as far as discussions.

19 And that would be moving toward an October 15th
20 report time to the Office of Management and Budget.

21 CHAIRMAN EAKELEY: Are there any questions of David
22 or of Maria Louisa?

1 (No response.)

2 CHAIRMAN EAKELEY: All right, hearing none, thank
3 you very much. Next, Bucky.

4 MR. ASKEW: Thank you. The provisions committee
5 met, and we have one action item for you today -- a
6 resolution adopted by the provisions committee, that will be
7 before you, on the transfer of audit responsibilities to the
8 office of inspector general. Just a little bit of background
9 -- circulated to you earlier today, to most of you, some got
10 it sooner, was a memorandum prepared by Laurie Tarantowicz of
11 the general counsel's office, that I think we all found to be
12 very thorough and very well-prepared, very helpful to us in
13 making these decisions.

14 Supplemental to that was a memorandum that Ed
15 Quatrevaux had prepared back in --

16 CHAIRMAN EAKELEY: Hold on, Bucky.

17 MR. ASKEW: Yeah.

18 CHAIRMAN EAKELEY: Hello?

19 MS. BATTLE: Hello, this is LaVeeda.

20 CHAIRMAN EAKELEY: Hi, LaVeeda, this is Doug. Can
21 you hear me?

22 MS. BATTLE: Yes, I can.

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1 CHAIRMAN EAKELEY: We're right in the middle of the
2 consider and act on provision for the delivery of legal
3 services committee report.

4 MS. BATTLE: Okay.

5 CHAIRMAN EAKELEY: How are you doing?

6 MS. BATTLE: I'm doing fine, thank you.

7 CHAIRMAN EAKELEY: Nice to have you with us. Say
8 hi to Ernestine.

9 MS. BATTLE: Hi, Ernestine. Everyone else I know
10 is there, as well.

11 CHAIRMAN EAKELEY: Well Tom had to -- Tom was here
12 in the morning, and had to go off, but we're all otherwise
13 accounted for.

14 MS. BATTLE: Okay, great.

15 CHAIRMAN EAKELEY: Go ahead, Bucky.

16 MR. ASKEW: The committee discussed the -- and
17 Martha Bergmark, the vice president, made a presentation to
18 us on the recommendation that the audit responsibilities be
19 transferred to the office of inspector general. We had a
20 discussion of that, and have adopted a resolution that has
21 been placed in front of you. And this resolution makes the
22 one change that the committee made upon review, which is to

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1 add the term, office of inspector general, in number four on
2 page two, under the list of the first, be it further resolved
3 paragraph.

4 Under number four, it says, described by the
5 Corporation's office of inspector general. That term was
6 added. So this is now the correct resolution adopted by the
7 committee. I would move its adoption by the full Board.

8 CHAIRMAN EAKELEY: Is there a second?

9 MS. MERCADO: Second.

10 CHAIRMAN EAKELEY: Any discussion?

11 (No response.)

12 CHAIRMAN EAKELEY: Bucky, could you please just
13 advise us, as a Board, because this was subject to the
14 committee when we all attended. But this resolution, I take
15 it, not only reflects the input of the inspector general, but
16 the agreement and concurrence of the inspector general and
17 his office on the appropriate action to be taken in this
18 area.

19 MR. ASKEW: That's right, yeah.

20 CHAIRMAN EAKELEY: If that's incorrect, please
21 correct me.

22 MR. ASKEW: No, that is correct. Both the wording

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1 of this resolution, but also the policy decision that this
2 reflects, has been thoroughly discussed with the inspector
3 general and his staff. And they are in agreement with the
4 decision that's been made here, and they're supportive of
5 this action. He was not able to be with us because of this
6 conflict, but Renee and Karen were in attendance. And they
7 did express his support for it.

8 CHAIRMAN EAKELEY: Now, I know he's not here. He
9 will be here. But let me just ask Martha, because she
10 presumably is responsible for drafting our response to the
11 semi-annual report of the inspector general, which is due at
12 the end of this month. And in there, there is a note of non-
13 finality, with respect to this issue. Will this resolution,
14 in your judgment, cure the observation by the inspector
15 general on responsibility for grantee audits?

16 MARTHA BERGMARK: Yes, it will. This concludes the
17 round of work that we've done to achieve finality in that
18 section that appears on page three of the OIG semi-annual.

19 CHAIRMAN EAKELEY: This cures what he notes as an
20 organizational impairment, in other words, as far as -- we'll
21 ask him, too, but that's --

22 MARTHA BERGMARK: That is my understanding -- that

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1 we have worked that out.

2 CHAIRMAN EAKELEY: Are you willing to address that
3 issue, Bob?

4 ROBERT HOLLIDAY: Yes, I am.

5 CHAIRMAN EAKELEY: Wonderful, come on up.

6 ROBERT HOLLIDAY: We're in full agreement with Ms.
7 Bergmark.

8 CHAIRMAN EAKELEY: No, come on and sit. Let's put
9 it on the record. Name, rank and serial number.

10 ROBERT HOLLIDAY: Good afternoon. My name is
11 Robert Holliday, and I'm the assistant IG for program
12 integrity. And I would say that the office of inspector
13 general is in full agreement with what was just represented
14 by Ms. Bergmark.

15 CHAIRMAN EAKELEY: Great.

16 ROBERT HOLLIDAY: And I would suggest that, I
17 think, in writing your response to the SAR, we could address
18 the resolution and the agreement, and that would satisfy.

19 CHAIRMAN EAKELEY: I would like to be able to say
20 we've been advised that this resolves what has been noted as
21 an organizational impairment, but I don't want to do that
22 without the authorization of your office.

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1 ROBERT HOLLIDAY: That would be quite appropriate,
2 I believe.

3 CHAIRMAN EAKELEY: Maria Louisa?

4 MS. MERCADO: Yes, Mr. Holliday wasn't here earlier
5 when we were in the provisions committee meeting, but one of
6 the things that you do mention in your report that wasn't
7 mentioned in the resolution was that the transfer of this
8 duty to the inspector general of doing the financial audits
9 for the grantees does not include any transfer of resources
10 to do that; is that accurate?

11 ROBERT HOLLIDAY: That's accurate.

12 MS. MERCADO: Okay. And we just needed to have
13 that at the full Board meeting, rather than just the
14 provisions committee so that there is no misunderstanding at
15 a latter date. Thank you.

16 CHAIRMAN EAKELEY: Well, I'm very pleased that this
17 has been resolved. I know everybody else is, too. I do
18 think it's a significant step in the right direction of a
19 cooperative enhancement of the way management and the office
20 of the inspector general function. And I'm pleased. Are
21 there any other questions or comments on this resolution?

22 (No response.)

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1 CHAIRMAN EAKELEY: Hearing none, it's been moved
2 and seconded that the resolution adopted by -- approved and
3 recommended to us by the provisions committee, regarding
4 transfer of certain audit responsibilities to the office of
5 the inspector general, be approved. All those in favor.

6 (A chorus of ayes.)

7 CHAIRMAN EAKELEY: Any opposed?

8 (No response.)

9 CHAIRMAN EAKELEY: Any abstentions?

10 (No response.)

11 CHAIRMAN EAKELEY: The ayes have it. The
12 resolution is approved. Thank you very much.

13 MR. ASKEW: That concludes my report, Mr. Chairman.

14 CHAIRMAN EAKELEY: All right. Now we have,
15 consider and act on operations and regulations committee
16 report. LaVeeda, are you hearing us all right so far?

17 MS. BATTLE: Yes, I do. I can hear.

18 CHAIRMAN EAKELEY: Okay, good. Do you want to make
19 your report, LaVeeda? That's not fair, but -- Bill's going
20 to do it.

21 MR. MCCALPIN: We met yesterday. We considered two
22 regulations -- 1604 and 1621. The American Bar Association

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1 had asked for additional time to make comments, with respect
2 to 1604, although we had provided a longer than usual 60-day,
3 rather than 30-day comment period for all our regulations.
4 That seemed not to be enough for this one. So we discussed
5 it; we suggested some changes that might be considered by
6 staff and class; and then moved on -- deferred any final
7 action.

8 Incidentally, both of these regulations have been
9 published, comments received. And the next step will be to
10 bring them to the Board for adoption as final amended new
11 regulations of the Corporation.

12 CHAIRMAN EAKELEY: Can you just give the Board
13 members who weren't involved in that a hint of the subject
14 matter of this?

15 MR. McCALPIN: 1604 is outside practice by staff
16 members of legal aid entities. We dealt with that in a
17 number of contexts, both in terms of outside practice by a
18 continuing legal aid attorney; practice by an attorney moving
19 from private practice into a legal aid program; practice by a
20 legal aid attorney moving out to private practice; and some
21 interesting questions presented by lawyers who transferred
22 from one funded program to another.

1 It might be two field programs, it might be from a
2 support unit to a field program or vice versa. And we
3 considered a number of instances of that kind of situation.
4 And that's, as I say, what was sent back to the staff to
5 await the response from the American Bar Association. We
6 moved, then, to 1621, which deals with client grievance
7 procedures.

8 Whereas we had had only three public comments to
9 1604, there were 22 public comments in response to 1621. We
10 considered those. We concluded that there were a number of
11 additional changes that had to be made. We were not
12 satisfied with simply leaving those changes to staff -- let
13 me put that another way. We were not satisfied to forward
14 1621 to the Board, subject to those changes being made by
15 staff.

16 So we decided that we would have staff make those
17 changes, and take another look at 1621 the next time we meet.
18 We also discussed slightly a previously projected June joint
19 meeting of operations and regulations and finance to consider
20 those three or four regulations which particularly relate to
21 financial issues. It was the general consensus that staff
22 could not have given the necessary attention to those matters

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1 by the time of a June meeting. So they were deferred to
2 July.

3 I think that LaVeeda doesn't know that there is
4 some discussion underway about a possible meeting in June.
5 And so she hasn't had an opportunity to consider what might
6 be the agenda of the committee for a June meeting, or,
7 indeed, whether there should be a June meeting. Finally, we
8 went into executive session to consider at some length,
9 pending litigation, which will be the subject of our closed
10 session later this afternoon.

11 So there's no action item to come to the Board from
12 operations and regulations.

13 MS. MERCADO: Pending ad anticipated --

14 MR. MCCALPIN: Pardon?

15 MS. MERCADO: Pending -- for the record.

16 MR. MCCALPIN: Okay.

17 CHAIRMAN EAKELEY: Any questions of Bill or of the
18 committee?

19 (No response.)

20 CHAIRMAN EAKELEY: All right. Thank you very much.
21 We are at that time when we have closed session, but I know
22 Mr. Fax won't be able to be here. Oh, I'm sorry, we're not,

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1 because we deferred an item. And I'm also thinking that we
2 will have time for some public comment this afternoon, if
3 anyone wishes to utter public comment.

4 But right now, if we could call the inspector
5 general up to the table, and return to the report of the ad
6 hoc committee on structure and governance, and the proposed
7 description of the jurisdiction or responsibilities and
8 limitations of each committee. Ed, the by-laws that we've
9 adopted now do away with the concept of standing committees,
10 and authorize the Board to create committees.

11 And basically what we did last meeting was to
12 continue, in effect, under this new by-law regime, the
13 finance -- audit and appropriations, renamed finance -- ops
14 and regs and provisions committees. I should also just note
15 for the Board what we discussed at the committee meeting that
16 I forgot to mention here. It was the sense of the Board, and
17 reflected in the by-laws that the committees would continue
18 to function as oversight and supervisory and policy
19 consideration and recommendation committees, but that they
20 not have authority to act on behalf of the Board.

21 And that's understood in the ensuing discussion.
22 The by-laws also contemplate that if and when committees are

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1 created, the resolution creating the committee shall set out
2 the authority, responsibility and limitations, if any, of
3 such committee. And where we are now is at the point of
4 determining whether to adopt as the description of authority,
5 responsibility and limitations of the three committees that
6 we have decided to continue, the reported recommendation of
7 the ad hoc committee.

8 And where we left off, in your absence -- and we
9 understood why you had to leave, and it's no delay. You had
10 a conflict, and the resolution was as you resolved it. But
11 we left off without discussing the asterisked parenthetical
12 towards the bottom of the page under the provisions for the
13 delivery of legal services that refers to addressing policy
14 issues regarding grantee audits, including performance
15 evaluations and compliance monitoring.

16 I should also note that in your absence, but with
17 our thanks, we passed the resolution regarding the transfer
18 of certain audit responsibilities to your office also.

19 EDWARD QUATREVAUX: Yes, Mr. Chairman. Thank you.
20 With regard to this asterisked item, I think properly placed,
21 if that's the question.

22 CHAIRMAN EAKELEY: Yes, that is the question.

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1 MARTHA BERGMARK: Well, to me, this one needs a
2 little more work than that in that grantee audits don't
3 include performance evaluations and compliance monitoring.
4 They are separate things.

5 EDWARD QUATREVAUX: I see. Correct, correct.

6 MARTHA BERGMARK: So I would -- I don't know, John
7 told us here, whether in terms of redrafting of that sentence
8 --

9 CHAIRMAN EAKELEY: Just take out the word,
10 including?

11 MARTHA BERGMARK: Grantee audits, comma,
12 performance evaluation and compliance monitoring.

13 Q Right, right. So that they're separate, yes.

14 MR. McCALPIN: Doug, the discussion at the ad hoc
15 committee, I guess, or maybe it was provisions -- it was
16 provisions -- was that taking the language of the resolution
17 being passed this afternoon, transferring to the office of
18 inspector general responsibility for establishment of policy
19 governing financial statement audits of recipients of the
20 Corporation; review of recipients' financial statement audits
21 to identify issues for audit resolution; and the assessment
22 of the quality of such audits that it appeared that the

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1 appropriate place to review that transfer was the finance
2 committee, rather than the provisions committee.

3 My statement I made was that it seems to me that
4 the area of jurisdiction or responsibility of the provisions
5 committee is programmatic, which by hypothesis is not being
6 transferred. And therefore --

7 MR. ASKEW: It can't be transferred.

8 EDWARD QUATREVAUX: I understand the point. It
9 just seems to me, as I understand it, and of course, this is
10 entirely up to the Board. But that the provision committee
11 is the committee that deals with grantee matters, grantee
12 oversight.

13 MR. McCALPIN: Well, I think that the finance
14 committee deals with some aspects of grantee finance.

15 EDWARD QUATREVAUX: Well, I think that's the issue.
16 I thought we had, at a previous meeting of the ad hoc
17 committee, resolved that the finance committee's interest in
18 audits was limited to the Corporation's audit. But that's a
19 matter of your own preference for organization, I think.

20 MS. MERCADO: Well, I think part of what we're
21 trying to do is to, in looking at the jurisdictions of the
22 committees as to what their duties and responsibility is, if

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1 the finance committee, by its nature, is not only to deal
2 with the procedures and mechanisms for the internal audit,
3 you know, we're also responsible for whatever budget
4 proposals or requests, recommendations there are; the
5 financial aspects of the Corporation, even though the full
6 Board ultimately is, and the staff.

7 This particular aspect that is being transferred
8 over to the IG, dealing with the financial statements of the
9 grantees, the auditing of the financial statements, does that
10 financial aspect of it go through the finance committee? The
11 aspect that deals with the programmatic grantee audit, which
12 is a performance evaluation and so forth. If that goes to
13 the provisions committee. The finance committee works within
14 different divisions.

15 I mean, we work within different divisions
16 depending on what the financial issues happen to be. One of
17 the things that we're trying to do is not to have any of the
18 committees be the oversight, sort of micromanage, any
19 particular department. So it isn't a management department,
20 per se, but it is a function, which is the auditing the
21 financial audit to all these grantees, by its nature, under
22 finance, goes to the finance committee.

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1 Not necessarily that department, but that function
2 that you are doing that is being transferred to you from
3 management that in reporting whatever recommendations you
4 have, whatever problems there may be. The committee and
5 function it goes through is the finance committee.

6 EDWARD QUATREVAUX: That's certainly one way to
7 look at it.

8 MR. MCCALPIN: I would only add to that the counsel
9 for the IG, when she appeared here a while ago, pointed out,
10 looking at the last line of this, that the compliance
11 monitoring was financial compliance monitoring.

12 EDWARD QUATREVAUX: Well, I didn't take this
13 compliance monitoring to implicate the IG at all. That's not
14 the way --

15 CHAIRMAN EAKELEY: Now, this is the provisions
16 committee.

17 EDWARD QUATREVAUX: Don't you agree, Martha?

18 MARTHA BERGMARK: Yeah, I agree.

19 CHAIRMAN EAKELEY: Where does the chair of the
20 provisions committee come in on this?

21 MR. ASKEW: Well, I must say, I, coming into this
22 meeting, expected that the provisions committee would retain

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1 jurisdiction over this matter. But I found Bill's argument,
2 in our meeting, to be persuasive about financial aspects.
3 Now, what Ed says about grantee oversight generally falling
4 under the provisions committee is accurate. So it's not
5 clean, in the sense that all three committees, in fact, may
6 have some role in this.

7 But there needs to be one committee that is the
8 focus of this, rather than spread around. And I have no
9 objection to it being under the finance committee, if that is
10 the preference. I'm not going to argue that it should stay
11 under the provisions committee for those purposes. And it is
12 mostly related to financial audits, to financial performance
13 of programs. And that generally would be a matter for
14 consideration by the finance committee of the Board.

15 CHAIRMAN EAKELEY: Martha, where do you come out on
16 this? Where does management come out on this?

17 MARTHA BERGMARK: Well, I think we started, too,
18 coming in thinking that it was -- that we had sort of placed
19 it in provisions and for purposes of consideration of the
20 transfer, that that was an appropriate placement. It was a
21 function that had been performed by OPEAR as one aspect of
22 the compliance oversight. We're doing something a bit

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1 different with it now, and to the extent that -- again, I'm
2 sort of where Bucky is.

3 You could call it, really, either way, I think.
4 And I don't have a strong feeling about it either way.

5 CHAIRMAN EAKELEY: Well, from what I hear, the
6 jurisdiction of the finance committee would be amended to
7 include another bullet -- address policy issues regarding
8 grantee audits. And the parenthetical under provisions would
9 exclude grantee audits, and read, address policy issues
10 regarding performance evaluations and compliance monitoring.

11 MR. McCALPIN: Other than financial compliance
12 monitoring.

13 MARTHA BERGMARK: I don't think we need to say
14 that. I think when we say grantee audits, that really
15 actually covers the waterfront of this resolution.

16 MR. McCALPIN: Which is financial audits.

17 MARTHA BERGMARK: Correct, financial statement
18 audits. We may want to put it that way, because that's what
19 the -- up here, address policy issues regarding --

20 MS. MERCADO: Grantee financial audits.

21 MR. McCALPIN: Financial statements.

22 MS. MERCADO: Financial statements.

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1 MARTHA BERGMARK: Financial statement audits.

2 MS. MERCADO: Grantee financial statement audits.

3 Because then that doesn't get into any policy or performance
4 or anything like that.

5 CHAIRMAN EAKELEY: All right. The IG also
6 acknowledges that this is workable. Then the jurisdiction of
7 the finance committee would have included in its description,
8 address policy issues regarding grantee financial statement
9 audits. And the provision committee would have, as its third
10 subset of responsibilities, address policy issues regarding
11 performance evaluations and compliance monitoring. All
12 right?

13 Now, there's a footnote one that should read,
14 committee and Board members will relate to staff through the
15 president or the president's designee. That we've already
16 mentioned.

17 MS. MERCADO: Mr. Chairman, just so we can have a
18 clarification, I'm sorry. I'm taking you back to the last
19 bullet in the provision for the delivery of legal services.

20 CHAIRMAN EAKELEY: Yeah.

21 MS. MERCADO: That bullet dealt with grantees --
22 the aspect of grantees. It should read, address policy

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1 issues regarding grantee performance evaluations and
2 compliance monitoring.

3 MS. FAIRBANKS-WILLIAMS: Just take out the word,
4 audit.

5 CHAIRMAN EAKELEY: Right. All right. Another
6 friendly amendment; we're getting very friendly.

7 EDWARD QUATREVAUX: Are you open to one more
8 suggested amendment?

9 CHAIRMAN EAKELEY: Absolutely, depending upon what
10 it is.

11 EDWARD QUATREVAUX: Second page, under Board
12 functions, I would just suggest a slight change in wording.

13 MR. MCCALPIN: We've taken that out.

14 CHAIRMAN EAKELEY: We've taken that out. The
15 reason being -- I mean, I think it's fair for us to say for
16 the record that, as we've said before, the inspector general
17 reports to the Board and the full Board. These are intended
18 as a description of the committee responsibilities that are
19 intended to accompany our resolution reestablishing them last
20 month. All right.

21 MS. BATTLE: Doug, Doug, this is LaVeeda.

22 CHAIRMAN EAKELEY: Yes.

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1 MS. BATTLE: Unfortunately, the document from which
2 you are reading is not something that I think I have before
3 me. So it's conflicting to try to see if I can keep up. Is
4 that something that was worked out --

5 CHAIRMAN EAKELEY: Yes, that is, LaVeeda, and it's
6 a report and recommendation of the ad hoc. It's -- the
7 working draft had been something circulated last month, and
8 there were some amendments to it. The principal changes were
9 that the ops and regs had another function or responsibility
10 added, which was, receive reports from counsel on litigation
11 and recommend action to the Board.

12 MS. BATTLE: Okay.

13 CHAIRMAN EAKELEY: And then, an expansion of
14 another already existing responsibility, which was, address
15 policy questions regarding the Corporation's organizational
16 structure in the internal operations of the Corporation. And
17 then the addition is, including policy issues related to
18 personnel.

19 MS. BATTLE: Okay.

20 CHAIRMAN EAKELEY: Then there was one other change
21 on provisions, which just was an addition to an already
22 recommended recommendation, which read, recommend methods for

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1 achieving the most efficient and effective delivery of legal
2 services. The addition to that was, and assist the Board in
3 evaluating the performance of the delivery system.

4 MS. BATTLE: Okay.

5 CHAIRMAN EAKELEY: All right. Is that -- now, I
6 think we had the recommendation of the ad hoc committee,
7 which we have converted into a motion that the Board consider
8 and that the Board accept the statement, as amended, of the
9 responsibilities, authority and limitations of the
10 committees' advisory nature, and adopt them pursuant to
11 Section 5.01(A)(3) of the Corporation's new by-laws.

12 M O T I O N

13 MS. FAIRBANKS-WILLIAMS: So moved.

14 MR. McCALPIN: Second.

15 CHAIRMAN EAKELEY: Is there any further discussion
16 or any other questions?

17 (No response.)

18 CHAIRMAN EAKELEY: Hearing none, all those in
19 favor.

20 (A chorus of ayes.)

21 CHAIRMAN EAKELEY: All those opposed.

22 (No response.)

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1 CHAIRMAN EAKELEY: Any abstentions?

2 (No response.)

3 CHAIRMAN EAKELEY: All right. We have another
4 amendment to the by-laws, or another --

5 MS. MERCADO: Not to the by-laws.

6 MR. MCCALPIN: Not to the by-laws.

7 CHAIRMAN EAKELEY: You're right. It's a -- this
8 has to show up as a resolution of the Corporation, setting
9 out the authority, responsibility and limitations of the
10 three committees. Good. Thank you very much. Now, we also
11 deferred acting on the recommendation of the ad hoc committee
12 that we permit it, this time, to go out of business. Is
13 there a motion to that effect?

14 MS. ROGERS: Well, I don't know if a committee
15 recommendation needs a motion. It was a unanimous
16 recommendation of the ad hoc committee.

17 CHAIRMAN EAKELEY: Right, but we need --

18 M O T I O N

19 MS. ROGERS: And therefore, on its behalf, I move
20 that the ad hoc committee be abolished.

21 CHAIRMAN EAKELEY: There's some conflict of
22 interest in your making that motion, but --

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1 MS. WATLINGTON: Second

2 CHAIRMAN EAKELEY: Any discussion, questions,
3 challenges to the committee attempt?

4 (No response.)

5 CHAIRMAN EAKELEY: All those in favor.

6 (A chorus of ayes.)

7 CHAIRMAN EAKELEY: All those opposed.

8 (No response.)

9 CHAIRMAN EAKELEY: Abstentions.

10 (No response.)

11 CHAIRMAN EAKELEY: All right. We thank the
12 committee for its good work in this area. Well, if we need
13 it again, we know where to find it, I think. That really
14 concludes the public business for this session. We had
15 mentioned at the beginning that if we had some time before
16 4:30 p.m., when Mr. Fax arrived, that we would open up the
17 meeting to public comment. And we will have opportunity for
18 public comment tomorrow, so I don't want to close off any
19 intended offerings for tomorrow.

20 But if anyone is here today who cares to address us
21 in a public session, we are now in public session. All
22 right, seeing no one come forward, I would propose that we

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1 take a vote because we did not have a notational vote -- we
2 lacked three votes, mine being one of them, to go into
3 executive session. So we'll need to put to a vote whether to
4 go into executive session for the stated purposes of
5 considering the general counsel's reported litigation and to
6 receive the briefing of the Board by the inspector general on
7 the office of the inspector general activities.

8 M O T I O N

9 MS. FAIRBANKS-WILLIAMS: So moved.

10 MR. McCALPIN: Second.

11 CHAIRMAN EAKELEY: All those in favor.

12 (A chorus of ayes.)

13 CHAIRMAN EAKELEY: All those opposed.

14 (No response.)

15 CHAIRMAN EAKELEY: Abstentions.

16 (No response.)

17 CHAIRMAN EAKELEY: The ayes have it. We will take
18 a five-minute recess so we can clear the room, and we will be
19 back in closed session at that point in time. And if Mr. Fax
20 isn't here at that time, we'll take up the inspector
21 general's briefing first, and then we'll go to the litigation
22 report.

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1 (Whereupon, at 4:01 p.m., the open session of the
2 Board of Directors was adjourned into closed session.)

3 * * * * *

4 CHAIRMAN EAKELEY: If the public is back. All
5 right, is there any other business before the Board for
6 today? Then we will entertain a motion to recess until
7 tomorrow morning. I would propose 9:30 a.m., instead of 9:00
8 a.m., if that's all right -- just to give us a little bit
9 more leadway.

10 MS. MERCADO: Sounds good.

11 CHAIRMAN EAKELEY: Is there a motion?

12 M O T I O N

13 MR. BRODERICK: So moved.

14 MR. BROOKS: Second.

15 CHAIRMAN EAKELEY: All those in favor.

16 (A chorus of ayes.)

17 CHAIRMAN EAKELEY: Opposed.

18 (No response.)

19 CHAIRMAN EAKELEY: Abstain.

20 (No response.)

21 CHAIRMAN EAKELEY: The ayes have it. We are in
22 recess until tomorrow morning.

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