

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TRANSCRIPT OF PROCEEDINGS

BOARD OF DIRECTORS CONFERENCE

VOLUME I

Indiana University Law School at Indianapolis
Moot Court Room
Room 101
735 West New York Street
Indianapolis, Indiana

July 17, 1982

APPEARANCES:

William F. Harvey, Chairman
Professor of Law
Indiana University School of Law
735 West New York Street
Indianapolis, Indiana 46202

Howard H. Dana, Jr.
Verrill & Dana
Two Canal Plaza
P.O. Box 586
Portland, Maine 04112

Harold R. DeMoss, Jr.
Bracewell & Patterson
2900 South Tower
Pennzoil Place
Houston, Texas 77002

William L. Earl
Peeples, Earl, Moore & Blank
Suite 3636
One Biscayne Tower
Miami, Florida 33131

TRANSCRIPT OF PROCEEDINGS

BOARD OF DIRECTORS CONFERENCES

VOLUME 3

Indiana University Law School at Indianapolis
North Court Room
Room 101
735 West New York Street
Indianapolis, Indiana

July 14, 1987

APPEARANCES

William M. Harvey, Chairman
Professor of Law
Indiana University School of Law
735 West New York Street
Indianapolis, Indiana 46202

Howard H. Davis, III
Vernell A. Davis
Two Canal Plaza
P.O. Box 980
Portland, Maine 04112

Harold K. Bowman, III
Attorney & Counselor
1000 South Tower
Bankers Trust Building
Indianapolis, Indiana 46202

William E. Hoff
Attorney at Law, Moore & Hoff
1000 Bankers Trust Building
Indianapolis, Indiana 46202

NEAL E. GROSS

COURT REPORTERS AND TRANSCRIBERS
1320 VERMONT AVENUE NW
WASHINGTON, DC 20005

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Clarence V. McKee
700 Montgomery Building
1776 'K' Street, N.W.
Washington, D.C. 20006

William J. Olson
Smiley, Olson & Gilman
1819 'H' Street, N.W.
Washington, D.C. 20006

Annie L. Slaughter
Annie Malone Children's Home
2612 Goode Avenue
St. Louis, Missouri 63113

Josephine Worthy
333 Tokeneke Road
Holyoke, Massachusetts 01040

Gerald H. Caplan, Acting President

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

P R O C E E D I N G S

1:30 p.m.

1
2
3 MR. HARVEY: Ladies and gentlemen, good after-
4 noon. This is a meeting of the Board of Directors of
5 Legal Services Corporation, convening at 1:30 in the
6 afternoon on Saturday at the University School of Law,
7 Indianapolis, Indiana.

8 Welcome to the meeting.

9 At the outset of the meeting, I would like
10 to make a comment, which is that the Board is very, very
11 sorry that board member, George Paras, is not in
12 attendance this afternoon. The Paras family suffered a
13 catastrophic loss in the death of a son two days ago
14 by accident; and he and Mary, his wife, were in
15 California.

16 The Board has sent to George and Mrs.
17 Paras a telegram of condolences; but more than that,
18 I want to express for the order and for the minutes
19 of the meeting, the great loss we feel in his absence
20 and the shared loss we feel in the death of their son.

21 The first item on the agenda, this afternoon,
22 members of the Board, is the adoption of the agenda;
23 and the agenda is before you, and the Chair would be
24 happy to receive a motion that the agenda be adopted.

25 FROM THE FLOOR: So moved.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

STATE OF NEW YORK

IN SENATE

January 10, 1911

REPORT OF THE COMMISSIONERS OF THE LAND OFFICE

IN ANSWER TO A RESOLUTION PASSED BY THE SENATE

APRIL 10, 1910

ALBANY: J.B. LIPPINCOTT COMPANY, PRINTERS

1911

ALBANY: J.B. LIPPINCOTT COMPANY, PRINTERS

1911

1911

1911

1911

1911

1911

1911

1911

1911

1911

1911

1911

1911

1911

1911

WILLIAM W. LADD, JR.,
COMMISSIONER OF THE LAND OFFICE,
1230 VERMONT AVENUE, N.W.,
WASHINGTON, D. C.

1 MR. HARVEY: Is there a second?

2 FROM THE FLOOR: Second.

3 MR. HARVEY: All right. The motion is made
4 and seconded to adopt the agenda. Those in favor,
5 signify by saying, "Aye."

6 BOARD MEMBERS: "Aye."

7 MR. HARVEY: Opposed, the same sign.

8 (No response.)

9 MR. HARVEY: The agenda stands adopted.

10 Item No. 2 in our agenda this afternoon is
11 the approval of the minutes of the March 26, 1982,
12 meeting. Those minutes are before you as a part of
13 your Board Book.

14 The Chair will entertain a motion concerning
15 the minutes of the March 26 meeting.

16 MR. DE MOSS: I move the minutes be adopted,
17 Mr. Chairman.

18 MR. HARVEY: All right. Thank you.

19 MR. EARL: Second.

20 MR. HARVEY: Mr. Earl has seconded that.

21 The motion is made and seconded that the
22 minutes of the March 26 meeting be adopted.

23 Those in favor, signify by saying, "Aye."

24 BOARD MEMBERS: "Aye."

25 MR. HARVEY: Opposed, the same sign.

1 (No response.)

2 MR. HARVEY: All right. At this time, I want
3 to ask the Board for a motion concerning the executive
4 session authorization.

5 You will note that the Board has planned to
6 hold an executive session to discuss matters relating
7 to litigation and to internal corporate personnel
8 practice, pursuant to Title 45, the "Code of Federal
9 Regulations," Section 1622.5(a) and (h).

10 (a) refers to those matters which relate
11 solely to the internal personnel rules and practices
12 of the corporation; and (h) specifically concerns
13 the corporation's participation in a civil action or
14 proceeding, in actions of foreign court or an inter-
15 national tribunal, or an arbitration, or an initiation
16 of conduct or disposition by the corporation a
17 particular case involving the determination of the
18 record after the opportunity for a hearing.

19 I will now entertain a motion for the closure.

20 MR. DE MOSS: I so move, Mr. Chairman, with
21 the question: Is the time of this meeting specified
22 by the agenda?

23 MR. HARVEY: It will occur under "Other
24 Business," in Item 7.

25 A second to that motion?

(Continued)

THE COURT: All right. At this time, I want

to call the Board for a motion concerning the executive

committee members.

You will note that the Board has agreed to

hold an executive session to discuss matters relating

to litigation and to internal corporate personnel

matters pursuant to Rule 6(e), the Code of Federal

Procedure, Section 852.2(a) and (b).

(a) Motion to have matters which relate

solely to the internal personnel rules and practices

of the corporation, and (b) litigation, to be

the corporation's litigation in a civil action or

proceeding, in addition to matters which are

litigation, or to litigation, or to litigation

of conduct or litigation by the corporation or

personnel, shall involve the determination of the

Board after the opportunity for a hearing.

I will now entertain a motion for the closure

of the Board. I do move, the Chairman, with

the exception of the time of this meeting necessary

for the agenda.

THE COURT: It will come under "Other

Business" in Item A.

A second to that motion?

1 MR. OLSON: Second.

2 MR. HARVEY: Those in -- It has been moved
3 and seconded that a portion of this meeting be closed
4 so that the Board can discuss: (1) Litigation; and
5 (2) Personnel matters. 45 CFR 1622.6 states that no
6 portion of any meeting shall be closed to public
7 observation, and I quote: "Except by recorded vote
8 of a majority of the members of the Board."

9 As your name is called, please vote on the
10 motion.

11 Mrs. Slaughter?

12 MRS. SLAUGHTER: Aye.

13 MR. HARVEY: Mr. Olson?

14 MR. OLSON: Aye.

15 MR. HARVEY: Mr. Dana?

16 MR. DANA: Aye.

17 MR. HARVEY: Myself. Aye.

18 Mr. Earl?

19 MR. EARL: No vote.

20 MR. HARVEY: I'm sorry. You're right.

21 Mr. McKee?

22 MR. MC KEE: Aye.

23 MR. HARVEY: And Mr. DeMoss?

24 MR. DE MOSS: Aye.

25 MR. HARVEY: And Ms. Worthy?

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

THE COURT: Second.

MR. HANCOCK: Those in the first group would
 and recorded that a portion of this matter be allowed
 to have the same as discussed (J) Lippert and
 on January 12, 1933, it stated that no
 portion of any matter should be closed in which
 the position of the Court "except by the vote
 of a majority of the members of the Board."
 As your name is called, please vote on the

motion.

MR. HANCOCK: Yes.

1 MS. WORTHY: Aye.

2 MR. HARVEY: The votes have been taken and
3 the motion has carried.

4 Title 45 of the "Code of Federal Regulations,"
5 Section 1622.7 now charges Mary Weiseman, the Acting
6 General Counsel for the corporation, with the duty to
7 certify publically whether the meeting may be closed
8 to the public; stating the relevant exemptions.

9 I would like to call upon Mary for the
10 certification.

11 MS. WEISEMAN: I do so certify under the
12 authority of Title 45, 1622.(a) and (h).

13 MR. HARVEY: Thank you, Mary. We are now
14 authorized -- We have now authorized a closing of the
15 portion of the meeting. When we reach the pertinent
16 point on the agenda, we will move into executive session.

17 Passing now to Item No. 3 on the agenda, which
18 is the President's Report. President Caplan?

19 MR. CAPLAN: Thank you.

20 I want to, briefly, bring you up to date in
21 two areas. One is activities currently being undertaken
22 by staff and two personnel changes within the
23 corporation.

24 Regarding activities, some of these are
25 familiar to you. They are requests from individual Board

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

THE WITNESS

THE WITNESS: The witness has taken and

the witness has testified.

Article 45 of the "Code of Federal Regulations"

Section 1552.5 now changes the language of the

General Counsel for the corporation, with the aim to

specifically prohibit whether the meeting was held

to the public during the relevant elections.

I would like to call upon you for the

testimony.

THE WITNESS: I do so testify under the

authority of Title 45, USC (a) and (b).

THE WITNESS: Thank you, thank you.

Thank you. We have now authorized a closing of the

portion of the meeting. When we reach the bottom

corner on the screen, we will move into executive session.

Thank you to Team 10. I on the screen, which

is the President's Report. President Clinton

THE WITNESS: Thank you.

I want to, finally, bring you up to date in

two areas. One is a situation currently being undertaken

of staff and two personnel changes within the

organization.

Regarding activities, some of them are

outlined to you. They are reported from individual board

1 members or have come through committees to me. Others
2 are undertaken at my own initiative; and I will get
3 you, later on this month, a list of exactly everything
4 in progress; but for the time being, I just wanted
5 to highlight, now, some of the major efforts.

6 One that will -- is a development paper for
7 something that is tentatively being called the Office
8 of Compliance and Reviews that Mary Weiseman, in her
9 presentation, will address in more detail.

10 In brief, this is an attempt to strengthen
11 our own enforcement mechanism to insure that the
12 corporation regulations and the terms of the Act are
13 being monitored. I think this is one area where
14 strengthening is appropriate; and there will be a staff
15 paper that will be made available to the Board later
16 in this session and to others as well.

17 The second item: We've developed a new
18 reference tool, which is a compendium. It is, right
19 now, in three volumes. That is all the governing law
20 of the corporation, so to speak. It has the acts and
21 regulations, all the resolutions, and all the general
22 counsel's opinions; so we now have them in one place
23 and indexed -- a convenient source for knowing what our
24 prior legal history is. A digest of that will be
25 prepared and made available to all Board members.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 we have to have some thorough consideration to me. (11:00)
 2 and to determine by way of initiative and I will not
 3 you, a list of this month, a list of activity everything
 4 is program, but for the time being, I just wanted
 5 to highlight, now, some of the major efforts
 6 that will be a developmental program for
 7 that is, basically, being carried out in the
 8 of the program and how we will be working in the
 9 in particular, with various in more details.
 10 The first, this is an attempt to improve
 11 our own development, continuing to improve that the
 12 organization, particularly and the form of the work
 13 that is being done. I think that is one of the main
 14 things that we are going to be doing, and I think
 15 that will be made available to the Board later
 16 in this session and so others as well.
 17 The second item, I have developed a new
 18 staff, some of which is a committee. To the right
 19 now in this volume, I think that all the relevant law
 20 of the corporation, so to speak, that the case and
 21 regulations, all the resolutions, and all the general
 22 regulations, so we have them in one place
 23 and I think that is a convenient source for finding what you
 24 want to know. A list of that will be
 25 prepared and made available to all Board members.

1 Right now, there are only, I think, three
2 copies in existence. I have one in my office. There
3 is one in the library. And Bob Stubbs, as Chairman
4 of the Operations and Regulations Committee, we mailed
5 him the full three volumes. Others will be reproduced.

6 There is work ongoing under my special
7 assistant, Vickie Jaycox, to revise, and update, and
8 make more coherent our personnel manual. I think
9 there has been some very active work underway for some
10 time in the corporation to revise it; and I've made
11 some changes myself regarding senior personnel that will
12 be incorporated. There will be a document out within
13 a few weeks on that; maybe a little bit longer.

14 There will be -- There is proposed regulations
15 and back-up papers in two major areas. This emerges
16 out of the subcommittee. One relates to grass-roots
17 lobbying; a proposal regarding the implementation of
18 the "Moorehead Amendment." I think this is an area
19 that demands attention by the Board.

20 The second one will be client eligibility,
21 on a wide range. I think, again, that the general
22 counsel's opinion -- Some are policy statements on
23 their own and detached, to some extent, from existing
24 from our law; and need to be reanalyzed and reconsidered
25 by the Board.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

right now, there are only, I think, three
 ways in existence. I have one in my office. There
 is one in the library, and Bob Stuber, as chairman
 of the Operations and Research Committee, we believe
 that the full volume of information will be developed.
 When it was originally developed by general
 management, which began to evolve and develop, and
 also more relevant and personal manner. I think
 there has been some very active work underway for some
 time in the operations committee, and I'm sure
 you'll be getting a report regarding some progress that will
 be made. There will be a document out within
 a few weeks on that, maybe a little bit longer.
 There will be a report in progress on the
 and back up systems in two major areas. This covers
 out of the organization. One relates to research
 lobbying a general regarding the organization of
 the "Research Association". I think this is an area
 that demands attention by the board.
 The second one will be about capability,
 in a wide range. I think again that the general
 management will have the policy of research on
 that one and directed to some extent, from within
 your own staff, and need to be analyzed and coordinated
 in the future.

1 There will be a paper on the pros and cons
2 of using a single auditor for all the programs. That
3 will be presented. This emerges out of the request of
4 the Audit Appropriation Committee; and staff work on
5 that is virtually complete.

6 There will be major background informational
7 papers on longstanding national grantees of the
8 corporation, with whom some -- many of you will not
9 be as familiar as you would like to be. Those are
10 ongoing papers on the National Client's Counsel,
11 the Reginald Heever Smith Program, the Support Centers,
12 and we may as well have something in writing that will
13 be made available on the Project Advisory Group,
14 although that falls into a different category not being
15 financed by the corporation directly.

16 There will be a lengthy information analysis
17 on two pending pieces of legislation: HR-3480, (There
18 will be a presentation on that later today and a paper
19 made available. -- one of our papers.); and on 2393,
20 S-2393, relating to private causes of action.

21 A paper being prepared by a consultant,
22 Marshall Breeger, will deal with recovery of attorneys'
23 fees; what role that plays in the funding of Legal
24 Services Programs.

25 As to personnel changes, it's -- I think there

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

There will be a program for the first time
of making a single institution for all the research. That
will be presented. This comes out of the research of
the Social Administration Commission and their work on
that is virtually complete.

There will be a major program for educational
reform on founding national provision of the
corporation, with some more in many of you will not
be as familiar as you would like to be. There are
several papers in the National Office's report
this is shared however with program, the program
and we may well have something to write that will
be available on the Project Advisory Group
through that into a different category not being
funded by the corporation directly.

There will be a healthy information analysis
in two pending pieces of legislation, 1988-89 (which
will be a presentation on that later today and a paper
also available, one of our papers) and we have
a 1988-89 relating to private business of which
A paper being prepared by a committee on
national program will deal with university of technology
from what role that plays in the funding of local
technology centers.

For the government changes, it is a difficult time

1 has been an orderly transition. I have been very
2 grateful to senior people who have been willing to
3 stay on and help me during this period.

4 In the past several weeks, I have received
5 the resignations of the Vice President, Director of
6 Public Affairs, Director of Equal Employment Opportunity,
7 and Director of the Audit Division.

8 Eight new persons have been brought aboard
9 to assist me during the transition period. They are
10 in the executive office of General Counsel, Director
11 of Government Relations; and I won't consume any time
12 by introducing them. Most -- There have been
13 announcements made on many of them; and I think they
14 are known to you.

15 I am indebted to Clint Lyons, who has been
16 enormously helpful to me during the transition for
17 accepting the position of Acting Vice President
18 replacing Gary Singsing, who was of enormous assistance
19 as well.

20 Bucky Askew, as of July 9th, has become Acting
21 Director of Field Operations. Charles Ritter, a real
22 mainstay of the corporation, is -- as you know, the
23 Controller will stay on that job and has, in addition,
24 agreed to be Acting Director of the Auditing Division
25 during this transition period.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

has been an orderly transition. I have been very grateful to senior people who have been willing to stay on and help me during this period.

In the past several weeks, I have received the resignation of the Vice President, Director of Public Affairs, Director of Equal Employment Opportunity, and Director of the Audit Division.

Right now persons have been brought aboard to assist me during the transition period. They are in the executive office of General Counsel, Director of Government Relations, and I won't mention any other by introducing them. Most of them have been announcements made on my part, and I think they are known to you.

I am indebted to Cliff Lyons, who has been enormously helpful to me during the transition for accepting the position of Acting Vice President replacing Gary Singstad, who was of enormous assistance as well.

Bucky Akroy, as of July 9th, has become Acting Director of Field Operations. Charles Ritter, a former manager of the corporation, is -- as you know, the Controller will stay on that job and has, in addition, agreed to be Acting Director of the Auditing Division during this transition period.

NEAL W. CROSS
 CHIEF FINANCIAL OFFICER
 1110 WEST 17TH AVENUE
 DENVER, COLORADO 80202

1 We will begin recruiting staff for the
2 Office of Compliance and Review just as soon as our
3 staffwork is complete and we have the opportunity to
4 get some reaction from the Board of the course that we
5 are taking.

6 In addition, two new positions will be added
7 to the General Counsel's Office. We are very fortunate
8 in having Mary Weiseman as Acting General Counsel.
9 She is an experienced attorney and an experienced
10 litigator. I think it is reasonable to speculate that
11 the corporation will be involved in litigation as it
12 takes its new course. So I think we will be looking for
13 two senior people with litigation experience so that
14 we will be able to represent the Board's policies in --
15 throughout the lowering process and litigation, if it
16 develops.

17 As to some of the other positions, General
18 Counsel, Government Relations, Information and Management,
19 and Audit Division, my present inclination is to stay
20 where we are now and not fill those on a permanent basis
21 until the new President comes on board.

22 That completes my report.

23 MR. HARVEY: All right. Thank you, President
24 Caplan.

25 Are there any questions from members of the

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

It will begin receiving...
Office of Legislation and I view that as our own
statements is complete and we have the authority to
get some reaction from the board of directors that we
are taking.

In addition, two new positions will be added
to the General Counsel's Office. We are very fortunate
in having very talented as former General Counsel.
She is an experienced attorney and an excellent
litigator. I think it is reasonable to anticipate that
the negotiation will be involved in litigation in 15
for the new course. So I think we will be looking for
and another people with litigation experience so that
we will be able to represent the board's position in
concerning the lowering process and litigation. It is
developed.

As to none of the other positions, General
Counsel, Government Relations, Information and Management
and Audit Division, my present inclination is to stay
where we are now and not fill those on a case-by-case
basis. The way I would like to handle

that might be my answer.
I'll have to think you through the situation
Counsel.
I'll have any questions from members of the

1 Board concerning any part of the report?

2 Howard?

3 MR. DANA: Just one question: Does the
4 compendium that you spoke of, does it take into
5 consideration legislative history at all as yet?

6 MR. CAPLAN: I don't think so, does it, Mary?

7 MS. WEISEMAN: No. It does not include the
8 legislative history. We do -- it includes the statute,
9 the regulations; and it is cross-referenced by statute
10 and regulations to the General Counsel's opinions and
11 Board resolutions.

12 With those areas, it is three volumes of cases.
13 We are now in the process; and it has been completed
14 but not typed of summarizing that, which will be about
15 50 pages right now; and we are trying to cut it down
16 from there to make it more manageable.

17 MR. CAPLAN: Howard is the guy that gave me
18 the idea. He should have a copy.

19 MS. WEISEMAN: Legislative history, we
20 certainly can include; but it is not included right now.

21 MR. CAPLAN: Bill?

22 MR. HARVEY: Jerry, what is the status of the
23 two proposed regulations on client eligibility and
24 lobbying that you referenced Josephine Worthy on
25 paper flow?

1 MR. CAPLAN: There is a lengthy paper on
2 the Moorehead aspect of -- Moorehead Amendment aspect
3 of lobbying that has been distributed to Stubbs's committee
4 and has received some comment. The General Counsel's
5 office has been encouraged to go back and tighten it up
6 and make it more restrictive. That's where we are now
7 on that.

8 It will go -- It will be presented to the
9 Regulations Committee at its meeting in two weeks.

10 The status of the eligibility is really a
11 number of items. Some are fairly far advanced like
12 an attempt to make -- revise the Alien Rider Amendment;
13 bring that into what we think is more conformative with
14 what the Congress intended. That's fairly --

15 Some of the others are fairly difficult.
16 We may end up asking the American Bar Association
17 to reconsider some of their opinions, and seeking
18 legislation in some of those areas, too, if we feel
19 we can't effectively monitor under existing law; but
20 I think that is more tentative.

21 Mary, do you want to address that now or
22 reserve that for your report?

23 MS. WEISEMAN: Well, I wasn't intending ---

24 MR. HARVEY: Mary Weiseman. Let me call your
25 names for purposes of the record. I failed to do that.

1 THE CAPTAIN: There is a fairly good
 2 the interest aspect of the...
 3 of following that has been...
 4 and has received...
 5 others has been...
 6 but...
 7 in...
 8 it will...
 9...
 10...
 11...
 12...
 13...
 14...
 15...
 16...
 17...
 18...
 19...
 20...
 21...
 22...
 23...
 24...
 25...
 26...
 27...
 28...
 29...
 30...
 31...
 32...
 33...
 34...
 35...

1 Go ahead, Mary.

2 MS. WEISEMAN: With respect to the eligibility,
3 I wasn't planning on talking about that today; but
4 there are many issues involved in the eligibility.
5 Some of them are more complex than others; some --
6 They involve policy decisions, which we will be
7 presenting to the Operations and Regulations Committee
8 for a policy decision on how the committee wants
9 to go for possible referral to the Board.

10 Some of the issues are the client -- the right
11 to secrecy by the client; ABA opinion saying that that
12 information is secret and may not be audited; some
13 ABA decisions that have been -- have come down in 1976
14 and '77. There are issues on that.

15 There are also issues on the corporation's
16 ability to monitor the eligibility standards or the
17 eligibility criteria of the programs.

18 All these issues, with the backup papers will
19 be presented to Mr. Stubbs's committee for his direction
20 and how we should go with it at the August 6 meeting.

21 MR. OLSON: The only comment I would like to
22 make with regard to all that is that I hope that,
23 particularly with regard to the lobbying regulation
24 review, that that -- I am not on Bob's committee; but
25 that if he meets in two weeks, that that might be ready

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

to have a...
 With regard to the...
 I want to...
 There are...
 Some of them...
 They involve...
 In addition...
 How do we...
 to go for...
 Some of the...
 to measure...
 Information...
 and decisions...
 and...
 There are...
 ability to...
 eligibility...
 All these...
 to be...
 and how we...
 the only...
 make...
 relationship...
 however...
 that...
 that...
 that...

1 to present to the next meeting of this Board; so there
2 would be rather prompt action on that if that is
3 consistent with your timetable, Mr. Chairman.

4 MR. HARVEY: Yes, sir, it is as far as I
5 am concerned, Bill--- respond at all.

6 MR. CAPLAN: I think, as to the Moorehead
7 Amendment implementation, which is really long over due,
8 GAO has been urging the corporation to take action;
9 and in fact, my predecessor agreed to do so. I think
10 we can move very rapidly on that without too much
11 reservations.

12 The other part of restrictions on lobbying,
13 I think that it will be more in the nature of a background
14 paper because I think they will call for -- that we
15 are pretty much restrained by our legislative history is
16 our current view, in terms of being more restrictive
17 than the statute; going beyond the interpretation of it.
18 And that, I think, we'll have to call for some guidance
19 from the Board as to how to proceed.

20 MR. HARVEY: Jerry, I have sent to you a
21 couple of comments on the matters we are discussing.
22 I won't go into those today. I think you have them
23 in the records.

24 Are there other questions or comments of
25 the President?

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

to proceed to the next section of this report, in terms
would be rather general, and that I think it
is consistent with your objectives, Mr. Chairman.

MR. HARVEY: Yes, sir, it is in fact in

an organized, well-organized, and

THE CHAIRMAN: I think, as to the

organized institution, which is really long over the

DAO has been giving the corporation to these

and in fact, my impression would be that I think

we can move very rapidly in that without too much

transformation.

The other part of restriction or lobbying

I think that it will be seen in the next or a subsequent

report because I think they will see that we

are pretty much restricted by our legislative history in

our current view, in terms of being more restrictive

than the standards going beyond the interpretation of it.

and that, I think, we'll have to call for some guidance

from the House as to how to proceed.

MR. HARVEY: Now, I have read to you a

couple of sections on the matter we are discussing.

I won't go into those today. I think you have them

in the records.

and there is a question of a matter of

the records.

1 (No response.)

2 All right. We will proceed to No. 4 on the
3 agenda, which is the Report of Field Operations; and
4 Mr. Askew, the Acting Director of the Office of Field
5 Services will present this report with other persons.

6 MR. ASKEW: Thank you, Mr. Chairman.

7 This agenda item might be more appropriately
8 entitled "A Report from the Field." What -- In light
9 of Clint's remarks and review with you this morning
10 about the delivery issues involved in the program,
11 it is my feeling that staff perspectives on field
12 operations had been covered to some degree; and it
13 might be more useful for this item to present to you
14 some Program Directors from three different kinds
15 of programs that we fund who will briefly speak to
16 you about their personal histories in Legal Services;
17 but more importantly, a brief overview of their programs.
18 But, then, more importantly, take questions from you
19 on items that they -- that may be of interest to you.

20 I've invited the Director of a state-wide
21 Staff-attorney program; a Director of a semi-state-wide
22 Judicare Program; and the Director of a national
23 support center here, who are prepared to make those
24 statements to you. So I will invite them to come up
25 and then I will introduce them to you when they come up.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

(Continued)

All right. We will proceed to the 2 on the

agenda, which is the report of what Operations and

the Attorney, the Acting Director of the Office of Health

Services will present this report with other persons.

ATTORNEY: Thank you for that.

This agenda item will be covered by the

report "A Report from the Field," which is the

of OHS's research and review with your staff

about the delivery issues involved in the program.

It is my feeling that staff perspectives on field

operations had been covered to some degree and it

might be more useful for this time to present to you

some program directions from three different areas

of programs that we had and will be looking up to you

you about their personal information in legal matters,

but more importantly, a brief overview of their programs.

But, then, more importantly, take questions from you

on issues that they -- that may be of interest to you.

We invited the Director of a state-wide

laboratory program, a Director of a state-wide

laboratory program, and the Director of a national

laboratory center here, who are prepared to make those

statements to you. I will listen from to come up

and then I will introduce them to you when they come up.

WILLIAM J. CROSS
COURT REPORTER AND TRANSCRIBER
1200 VERMONT AVENUE, N.W.
WASHINGTON, D.C. 20005

1 MR. HARVEY: All right, fine. Please proceed.

2 MR. ASKEW: In the order that I mentioned them,
3 the first person to speak to you is John Barrett, who
4 is the Director of the Legal Services Corporation in
5 Iowa. The second person who will speak is Lonny Powers,
6 who is the Director of the Legal Services Corporation of
7 Arkansas, the Judicare Program; and coming third, will
8 be Sylvia Drew Ivy, who is the Director of the National
9 Health Flow Program, back-up center.

10 With that, I've asked them to give you
11 some brief remarks about their history in Legal Services,
12 and an overview of their programs; and then take
13 questions from you. Thank you.

14 MR. HARVEY: John, please proceed.

15 MR. BARRETT: Thank you, Mr. Chairman.

16 I guess this morning I heard one of your
17 speakers describe a typical attorney in a Staff-attorney
18 Program as being young, inexperienced; from a distant
19 law school. I'm going to plead guilty, if you will let
20 me, to being young.

21 I am an Iowa native. I grew up in Coralville,
22 and I did go to the University of Iowa for my under-
23 graduate work; and I did go to a distant law school,
24 Harvard, for my law school education. But I don't
25 think, after 12 years in the practice, that I can be

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1330 VERMONT AVENUE, NW

WASHINGTON, D.C. 20005

... the first person to speak to you is your partner, who
 is the director of the Legal Services Corporation in
 town. The second person who will appear is Henry Brown,
 who is the director of the Legal Services Corporation of
 your town. The third person is the director of the National
 Legal Services Corporation, based in Boston.

... in that, I've asked them to give you
 some brief comments about their views on legal services
 and on activities of their programs, and then to
 participate with you in a group.

... Mr. Brown, Henry Brown, please proceed.
 Mr. Brown, please speak.
 I guess this is a board and of your
 program, which is a typical agency in a community
 program as being young, inexperienced, from a distant
 law school. I'm going to speak with you and for
 me, to bring you.

... I am an attorney, I speak in English,
 and I did go to the University of Iowa for my degree,
 graduate work, and I did go to a distant law school,
 Harvard, for my law degree. I speak in English,
 think, after 15 years in the practice, that I can be

1 fairly described as being inexperienced; nor, might I
2 add, do I think that is an accurate description of
3 most of the other attorneys in my program.

4 The -- Bucky asked me to give a short
5 description of my history. I will tell you that I have
6 worked in three separate Legal Services Programs.

7 I began as Assistant Director to what was
8 then called Rosebud Sioux Indian Legal Services in
9 South Dakota, under Bill Janklo, who is now the
10 Governor of South Dakota.

11 Following that experience, I worked in the
12 Portland, Oregon, program for about two years.

13 I, then, entered private practice during an
14 earlier period of retrenchment, where I earned enough
15 money to re-enter Legal Services later as Director
16 of the Legal Services Corporation of Iowa.

17 The central fact about my program, I suppose,
18 is that you have to understand something of the history
19 of the lack of legal services in Iowa to appreciate
20 where we are today and what our immediate concerns are.
21 In 1976, a study by Governor Ray's office in Iowa
22 determined that Iowa was sixth from the bottom of the
23 nation in terms of the total number of LSC-funded or
24 locally funded Legal Aid Attorneys on a per capita
25 basis in the country; an extraordinary fact that

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 throughout most of the history of legal services
2 for the poor elsewhere in the country, Iowa got next
3 to nothing. So, all of this is very new to Iowa.

4 When I was hired in July of 1977, I literally
5 was shown a program as being a desk, which was in the
6 extra bedroom of a temporary secretary hired by this
7 new board. That was the program.

8 We did begin with the merger of four
9 pre-existing OEO funded little tiny programs that had
10 each served one county. In Iowa, there are 99 counties;
11 so we had four counties being served.

12 My program, for the better part of the last
13 five years, with the last 12 months being an exception,
14 tended to find itself engaged in a fairly aggressive
15 effort of trying to obtain enough money to bring Iowa
16 up to the same level as the rest of the nation in
17 terms of federally funded and locally funded legal
18 services offices.

19 I am afraid that I can't be represented as
20 a typical Legal Services Project Director because I
21 come from a rural state; and I come from a state that
22 feels, even today, that we got kind of a short shrift,
23 historically, in terms of funding for Legal Services.

24 We no sooner achieved full, state-wide coverage
25 of what you, I assume, know to be the minimum access level,

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

the number one of the history of the country, I was not
for the poor situation in the country, I was not
to mention, but all of this is very new to me.
When I was hired in July of 1977, I immediately

was given a program in being a desk, which was in the
extra bedroom of a temporary apartment house. This
was not a program, that was the program.
We did begin with the report of some

pre-existing 600 funded little tiny programs that had
each served one county. In fact, there are 22 counties
in the four counties being served.

My program, for the better part of the last
five years, was the last 12 months before an expiration
ended to that state's support in a fairly significant
effort of trying to obtain enough money to bring down

up to the same level as the rest of the nation in
terms of funding, funded and locally funded by all
various sources.

I am afraid that I can't be represented as
a typical local service program director because I
come from a rural state and I come from a state that
looks even today, that we got kind of a short shift
financially, in terms of funding for rural services.
We've never achieved full, state-wide coverage

of what you, I assume, know to be the national average level.

WILLIAM H. BROWN
COURT REPORTING AND TRANSCRIPTION
1335 VERMONT AVENUE, N.W.
WASHINGTON, D.C. 20005

1 two attorneys for every 10,000 low income people in
2 Iowa. Then, of course, we began on the down slope
3 with retrenchment. In our case, minimum access came
4 out to be 15 offices; 10 of which we call Regional
5 offices. They had three or more lawyers in them; and
6 five of which were designated so-called satellite
7 offices. They had two lawyers in them, generally.

8 As a result of last year's retrenchment
9 effort, which I think we handled about as -- Well, I
10 hope we handled about as well as could be expected.
11 We have cut our program staff by a figure that I just
12 figured out before coming here of 37 percent. Thirty-
13 seven percent of our lawyers; 37 percent of our non-
14 lawyer, paralegal and secretarial staff. We also
15 eliminated five offices. We now currently have 10
16 offices with 42 lawyers as opposed to 15 offices with
17 63 lawyers.

18 I guess if there is a single message I
19 would like to give as a sort of an opening statement,
20 it relates to that history in combination to -- with the
21 new pro bono requirements and the involvement of
22 private bar.

23 Along with the newness of expanding and
24 actually offering legal services to low income people
25 in most areas of Iowa for the first time, we also

1 discovered that private bar in Iowa had had very little
2 or next to no contact with the legal needs of low income
3 people. You needn't take my word for it alone.

4 Coincidentally, Professor Allen White of the
5 University of Iowa Law School, back in 1970, wrote a
6 law review article based on a statistical survey of
7 Iowa bar members and welfare workers for the state
8 welfare department. What he found then was fairly
9 interesting; and I am afraid, to a large extent, we
10 have not been successful in reversing to this day.
11 That was that fully 80 percent of the people in welfare
12 departments who came in contact with low income people
13 perceived that there was an unmet need for lawyers for
14 those low income people. Yet, less than 25 percent
15 of the practicing bar in Iowa perceived that there were
16 unmet legal need of low income people.

17 Professor White also discovered that less
18 than four percent of the lawyers in the survey responded
19 favorably to the question: Would you be willing to give
20 some time to representing the poor. And worse, from
21 the standpoint of a rural program, his survey discovered
22 that the vast majority of that four percent were located
23 in the city of Des Moines, the state capital, and Iowa
24 City, the home of the University of Iowa Law School,
25 where there are probably more lawyers per capita, as is

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

discussed that outside bar in Iowa had very little
on next to no contact with the legal needs of low income
people. You needn't take my word for it alone.

Consequently, Professor Allan Weiss of the

University of Iowa Law School, back in 1970, wrote a
law review article based on a statistical survey of
Iowa law students and welfare workers for the state
welfare department. What he found there was fairly
interesting and I am afraid, to a large extent, we
have not been successful in reversing to this day.
That was that 83 percent of the people in welfare
departments who were in contact with low income people
perceived that there was no need in the law system for
those low income people. Yet, less than 25 percent
of the practicing bar in Iowa perceived that there were
unmet legal needs of low income people.

Moreover, while this discussion has been
in progress, the program in the survey was conducted
favorably to the question: would you be willing to give
some time to researching the poor. And women, from
the standpoint of a rural program, the survey discovered
that the vast majority of that four percent were located
in the city of Des Moines, the state capital and Iowa
city, the home of the University of Iowa Law School.
When these two groups are put together, we find an

1 true, I am sure, in other similar university towns than
2 in most other communities.

3 When we talk about pro bono and volunteer
4 lawyers, and for that matter, Judicare Programs in Iowa,
5 we are talking about facing a fairly difficult task
6 of education, sensitization of the local bar, a really
7 gross, disproportionate distribution of private lawyers.
8 Half the bar resides in Cole County, Iowa, where
9 Des Moines is. The other half is spread out over the
10 other 98 counties.

11 And another issue that I have not heard
12 raised before and that I want to share with you now
13 on the heels of the President's report is one of the
14 bigger impediments to getting the Iowa State Bar
15 Association membership involved in our pro bono
16 volunteer lawyer project, frankly, is this continuing
17 potential for restrictions on such things as class
18 actions, mandatory negotiations, and the like.

19 As the Iowa State Bar Association Representative
20 on my Board described it: "I would love to help out, but
21 I can tell you right now that Greef and Sidney is not
22 going to be interested in doing anything in connection
23 with an existing legal services grantee if it means
24 we, too, are subject to the same restrictions." Then
25 he said something about federal agents pawing through his

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

...the other side of the street...

1 files. I tried to assure him that that was not going
2 to happen; but since he sits on my Board, I guess it is
3 difficult to -- he knows it is difficult to make
4 promises in anticipation of things yet to come to pass.

5 I am going to, I guess, conclude with just
6 something that may be of interest to you as a Board; and
7 then hopefully, after the other presentations, give you
8 lots of time to ask questions.

9 One thing about my program that probably
10 bears emphasis is that we are really locally controlled
11 in the sense that I have a state board of directors to
12 whom I am responsible; but each of our offices, and I
13 must tell you even today, each of the no longer
14 existing offices, was also governed by local advisory
15 councils; and under the terms of the by-laws of my
16 Board, the local advisory council shared with me the
17 actual hiring and termination authority for all employees,
18 a system that I have never quite found to be efficient,
19 but it does make sense in Iowa.

20 It is because of that -- as a result of that,
21 we have over 150 lawyers in Iowa involved in my program,
22 either at the local board level or at the state board
23 level. And so, through that mechanism and through the
24 history that we have been able to build up in a fairly
25 short period of time, (four years since we opened our

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 first expansion office) we think we have made
2 significant strides in sensitizing the private bar
3 and in getting the Iowa State Bar Association to agree
4 with the jointly developed plan for the substantial
5 involvement of the private bar.

6 But, I am warned by my friends in the bar
7 associations that I shouldn't get my hopes up too high.
8 For over 10 years the bar association has maintained
9 its own Iowa State Bar Association Lawyer Referral
10 Service. That lawyer referral service has made it
11 a practice not to refer low-income, eligible people
12 to lawyers because they promote that service among
13 lawyers very explicitly for two reasons: (1) Public
14 relations, and (2) "As an ethical way of generating fees
15 for lawyers." That is understandable because the
16 Iowa State Bar Lawyer Referral Service also charges
17 lawyers \$20 a year to join and get their name listed.

18 But, despite all of that, they have never
19 accomplished more than 10 percent membership in the
20 fee generating referral service that the Iowa State
21 Bar Association engages in. So I am told that we can
22 expect, perhaps, at most, five to eight percent bar
23 membership in a referral service panel.

24 There are lots of other issues involved with
25 the staff program and I guess I am not going to respond

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

... (1) ... (2) ... (3) ... (4) ... (5) ... (6) ... (7) ... (8) ... (9) ... (10) ... (11) ... (12) ... (13) ... (14) ... (15) ... (16) ... (17) ... (18) ... (19) ... (20) ... (21) ... (22) ... (23) ... (24) ... (25) ... (26) ... (27) ... (28) ... (29) ... (30) ... (31) ... (32) ... (33) ... (34) ... (35) ... (36) ... (37) ... (38) ... (39) ... (40) ... (41) ... (42) ... (43) ... (44) ... (45) ... (46) ... (47) ... (48) ... (49) ... (50) ... (51) ... (52) ... (53) ... (54) ... (55) ... (56) ... (57) ... (58) ... (59) ... (60) ... (61) ... (62) ... (63) ... (64) ... (65) ... (66) ... (67) ... (68) ... (69) ... (70) ... (71) ... (72) ... (73) ... (74) ... (75) ... (76) ... (77) ... (78) ... (79) ... (80) ... (81) ... (82) ... (83) ... (84) ... (85) ... (86) ... (87) ... (88) ... (89) ... (90) ... (91) ... (92) ... (93) ... (94) ... (95) ... (96) ... (97) ... (98) ... (99) ... (100) ...

WILLIAM H. BROWN
 COURT REPORTER AND TRANSCRIBER
 1212 W. BROADWAY
 NEW YORK, N. Y. 10014

1 to any -- to some of those issues that were raised this
2 morning. But I guess I could say, just in conclusion,
3 that we think we have done an awfully good job in
4 Iowa in a very short period of time; both working with
5 the private bar and working with the low income people
6 who have never before had any kind of meaningful service.

7 It is very easy to sort of adopt a pastoral
8 or preacher's role and sermonize to you about what is
9 a better service or what somebody found in a study in
10 Wisconsin more than 12 years ago; but I am not a preacher.
11 I am more like the policeman on the street. I can't
12 sit in the pulpit and tell you about the Golden Rule
13 and how everybody should obey it. What I can tell you
14 is that I -- from the policeman the street sort of
15 perspective in Iowa, we've got an enormous need. For
16 over 400,000 low income people, I've got less than 42
17 lawyers to deal with it and a bar that is only now sort
18 of getting to the point where most private bars were
19 15 or 20 years ago.

20 MR. HARVEY: Thank you very much, Mr. Barrett.

21 Would you -- I think we will, perhaps, hold
22 questions until all three persons have spoke in review.
23 Be so kind as to present your two colleagues to the Board?

24 MR. BARRETT: Lonnie Powers, I think, from
25 Arkansas.

to any of those laws that were made of this
 nature, but I guess I could say that is
 that we think we have done an awfully good job in
 law in a very short period of time, both working with
 the private bar and working with the law firms and
 also have been before the law of our judicial system.
 It is very easy to look at what is passing
 in the public's eye and to realize that you must start in
 a better service of what somebody found in a study in
 Wisconsin than in 13 years ago, but I am not a specialist
 in the more in the political on the other hand
 all in the public and all you about the other side
 and how everybody should obey it. What I can tell you
 is that I am from the position the street corner
 and believe in law, we've got an answer, and the
 over 400,000 low income people, I've got been there for
 lawyers to deal with it and a bar that is only not
 of working on the points where low payers have been
 it on 30 years ago.
 THE CHAIRMAN: Thank you very much, Mr. Justice.
 Thank you. I think we will adjourn today.
 questions until all these persons have spoken to testify.
 be so kind as to present your two colleagues to the body.
 THE CHAIRMAN: Thank you very much, I think, yes.
 Adjourn.

1 MR. POWERS: Thank you, Mr. Chairman.

2 My name is Lonnie Powers. I am Director of
3 Legal Services of Arkansas, which is a program that is
4 a joint Staff and Judicare Program serving one-third
5 of the counties in the state of Arkansas.

6 I -- Let me apologize in advance to those
7 members of the Audit and Appropriations Committee who
8 heard me speak not too long ago because they may get
9 a little bored from having heard the same things before.

10 I am a native of Arkansas, having grown up
11 there; receive a JD Degree in 1970 from the University
12 of Arkansas at Fayetteville; spent some time in private
13 practice in clerking for the Missouri Supreme Court
14 after I got out of law school. I went back to Arkansas
15 and worked for the State Attorney General for several
16 years. I followed him to Washington for several years
17 when he got elected to Congress. I went back to academia
18 to work on a university fellowship at George Washington
19 University.

20 After that, in July of 1979, I was hired as
21 the Director of Legal Services of Arkansas. At that
22 time, I was a little behind where Mr. Barrett was in
23 Iowa. We didn't even have a desk! I was the only
24 evidence except for the Board of Directors that Legal
25 Services of Arkansas existed.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

... I was born in ...
 ... I went to ...
 ... I worked for ...
 ... I went back to ...
 ... I followed ...
 ... I went back to ...
 ... I worked on a ...
 ... University ...
 ... when I got ...
 ... I followed ...
 ... I went back to ...
 ... I worked on a ...
 ... University ...
 ... when I got ...
 ... I followed ...
 ... I went back to ...
 ... I worked on a ...
 ... University ...

1 We were established to provide service to --
2 to the area, which is mostly in southern Arkansas; a
3 very rural, agricultural based economy. The population
4 density for that area is 22 people per square mile.
5 The largest city in the 24 counties that we work in has
6 25,000 people in it.

7 Some planning had been done by the board in
8 advance of my having been hired; and that planning had
9 resulted in a decision that because of the sparseness of
10 the population and because of some expressed interest
11 on the part of some lawyers to participate in a Judicare
12 Program, that as an experiment, we would set up a
13 staff component and a judicare component to work together
14 to try to meet the needs of the 118,000 low income people
15 that live in these counties.

16 It will -- Let me, as briefly as I can, run
17 over our experience in the last three years, which ought
18 to tell you a little bit about where we are now and
19 to give you an idea of how our program operates.

20 As I said, in July of 1979, three years ago,
21 I was hired. There had been some planning done, but the
22 first thing that happened after I was hired was that there
23 was extensive help extended to me from the existing
24 Legal Services Programs in the state of Arkansas through
25 the national corporation under project that was then called

1 Project Take-off, which was to assist directors of
2 expansion programs by pairing them up with more
3 experienced project directors; and Victor Jumiani, who is
4 now the Director of the Atlanta Regional Office, was the
5 person who helped get us started a little bit in working --
6 in setting up our program.

7 I also received extensive help and had
8 extensive contact with the leadership of the Arkansas
9 Bar Association; to the extent that they existed, county
10 bar associations in our area; client and other community
11 representatives in helping further design the program
12 and in deciding, for example, where our offices would
13 be; what kind--level of staff we would have; and the
14 details of the Judicare Program.

15 We have gone from that point, three years ago,
16 to our present staff of 25 people, of whom nine are
17 attorneys and seven are paralegals. Additionally, we
18 have a Judicare Panel of 85 attorneys from our service
19 area.

20 Our attorneys, at this point, average six years
21 of legal experience. Most of them have been with the
22 program since we hired someone to fill their position.
23 One of our attorneys, this month -- next month, will end
24 the second year of his Reginald Heever Smith Fellowship,
25 and will go on our staff as a fulltime attorney.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

... which was to assist in the
 ... by giving them an idea of
 ... and Victor ...
 ... of the Atlanta Regional Office, was the
 ... in which he had a little bit in working
 ...

I think we've had
 ... with the leadership of the Atlanta
 ... to the extent that they've been doing
 ... in our area, along with other community
 ... to help further design the program
 ... where our office would
 ... we would never and the
 ... of the Atlanta Program.

... that point, there's your spot
 ... of what else we
 ... we
 ... of the Atlanta Program.

... we've got
 ... of that have been with the
 ... to their position
 ... will be
 ... to the Atlanta Program.

WALTER S. GIBBS
 CHAIRMAN AND MANAGER
 WASHINGTON AND ...

1 We -- After six months of planning and
2 hiring the initial staff and trying to get started,
3 we began to actually see clients in January of 1980 in
4 12 of the present 24 counties.

5 We decided we would open offices serially as
6 we hired staff and felt that we were in a position in
7 the communities to do that. We also trained our staff.
8 At that point, we had several people who had not had
9 the legal experiences they have had now; and we began
10 to work, in addition, with the other Legal Services
11 Programs in the state to establish a state support
12 entity, which would give all of us more help in training
13 and in back-up for the litigation that we needed.

14 Throughout 1980, we continued that process;
15 and by the early part of '81, had all of our present
16 offices open. Through '81, we continued to train the
17 staff to develop contacts in the client community and
18 the broader community, and to recruit private attorneys
19 for the Judicare Panels.

20 So last year, at the end of the year when we
21 realized what the cutbacks in funding would mean, we
22 were at a point where we could continue to operate this
23 year without having to either close offices or to lay off
24 staff; but we did have to cut back substantially on the
25 quantity of money we were putting in our -- could have put

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 in our Judicare System this year; and in any plans that
2 we had for hiring additional staff after January of this
3 year.

4 We are now in a position, as I said, to have
5 25 members of the staff and 85 Judicare Lawyers; and I
6 should point out that the Judicare Lawyers are not
7 evenly distributed throughout our service area. Some of
8 that has to do with where the population centers are
9 and where the people chose to practice. At least part
10 of it is due to the individual decision by some attorneys
11 not to participate in the panel.

12 In the case of one of our counties, the -- I
13 suppose individually arrived at, but mutual decision of
14 all the attorneys in that county to refuse to participate
15 at all with us.

16 At this point, we saw last year, in 1981, a
17 40 percent increase in our caseload over 1980. Through
18 the end of May of this year, our intake -- the number of
19 people we initially interviewed was up 67 percent over
20 what it was last year. In terms of our case distribution,
21 34 percent of all of our clients are -- received what
22 could follow under the area brief service; either advice,
23 referral, or assistance such as letters, phone calls, and
24 that sort of thing, to handle their legal needs.

25 In the cases where representation is actually

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

in our judgment from this year, and in any other that we had for living additional state attorney of this

year.

We are now in a position, as I said, to have

27 members of the staff and 88 Indiana lawyers and I

should point out that the Indiana lawyers are not

very distinguished throughout our history and some of

that had to do with years the position of these are

and those the people seem to practice at least part

of it is due to the individual decision by some attorneys

not to participate in the panel.

In the case of one of our counties, the - 7

supposed judicially arrived at, but actual decision of

of the attorney in that county to refuse to participate

of all with me.

At this point, we now have years in 1981, a

60 percent increase in our number of over 1980 through

the end of way of this year, our intake - the number of

people we judicially interviewed was up 65 percent over

what it was last year. On basis of our own distribution

of government of all of our officials a - a judicial trial

would follow under the same prior analysis other advice,

colored or otherwise such as laboratory, those which, and

that sort of thing to find their local courts

in the case where the government is judicially

1 provided to a client before some forum, either
2 administrative or judicial, 63 percent of those cases
3 go to the Judicare Panel; and 37 percent are handled
4 by staff, either paralegals in the case of administrative
5 law or lawyers, of course, in the judicial area.

6 Our paralegals' primary responsibility is
7 to ride circuit, if you will, to our counties in which
8 we do not have permanent offices. We do have four
9 permanent offices. In the other counties, they ride
10 circuit and are available to do intake interviews with
11 clients; to work with local client groups, community
12 groups, and otherwise, to work with our Judicare lawyers
13 in terms of getting referrals and that sort of thing to us.

14 Our Judicare System is -- the control of it,
15 both in terms of the physical control and quality
16 control is centralized in our main office where six of
17 our attorneys are located. We start our quality control
18 system, if you will, with an intake review in which we
19 jointly, in terms of all the attorneys and paralegals in
20 the office, review all of the intake interviews that have
21 been done in a week to determine our ability to meet
22 the clients' needs in terms of whether or not we know
23 enough about the case to proceed with it, and how it should
24 be handled in terms of whether it should be a Staff or a
25 Judicare case.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

provided to a client before some form, either
 administrative or judicial, 63 percent of those cases
 go to the judicial panel; and 37 percent are handled
 by staff counsel personnel in the case of administrative
 law or lawyers, of course, in the judicial case.
 Our program's primary responsibility is
 to advise clients, if you will, in our country in which
 we do not have government officials. We do have four
 government officials in the other countries they also
 consult and are available to do private interviews with
 clients to work with local client groups, normally
 groups, and otherwise, to work with our judicial system
 in terms of getting referrals and help out of things to do.
 Our judicial system is in the context of the
 legal system of the national control and quality
 control is centralized in our main office where six of
 our attorneys are located. We start our quality control
 system, if you will, with an initial review in which we
 jointly, as part of all the attorneys and participate in
 the review, review all of the initial interviews that have
 been done in a work to determine our ability to meet
 the clients' needs in terms of whether or not we know
 enough about the case to proceed with the case and how it should
 be handled in terms of whether it should be a staff or a
 judicial case.

LEGAL & ETHICS
 COURT REPORTERS AND INTERPRETERS
 1212 VERNON AVENUE, N.W.
 WASHINGTON, D.C. 20004

1 In summation, I suppose I should say that
2 we feel that we have reached a point of some stability.
3 We certainly see that there is a tremendous amount of
4 need out there that we are not meeting, even though
5 we have received a lot of assistance from the corporation,
6 from the Regional Offices, co-operation from the state
7 bar, and many of the local bar groups.

8 We, in Arkansas, are proud of the work we have
9 done with the state bar and their willingness to discuss
10 with us the possibility of alternative funding in terms
11 of client trust accounts as Mr. Earl mentioned this
12 morning is going on in California and other places.

13 We are continuing to work with the young
14 lawyers' division of our state bar in an intent to
15 set up an elderly pro bono panel that we hope will be
16 operational by this fall, which will be operated on a
17 state-wide basis, involving all of the Legal Services
18 Programs.

19 I will stop here and answer questions at this
20 time.

21 MR. BARRETT: Also with me, Mr. Chairman, is
22 Sylvia Ivy.

23 MS. IVY: I'm very happy to be with you this
24 afternoon to describe the work; one of 18 National
25 Support Centers. I'll start by giving you a little of the

to summarize, I should say that
 we feel that we have reached a point of non-ambiguity.
 We certainly see that there is a substantial amount of
 need out there that we are not meeting, even though
 we have received a lot of assistance from the corporation,
 from the regional division, co-operation from the state
 bar, and many of the local bar groups.
 In Arkansas, we are proud of the work we have
 done with the state bar and their willingness to discuss
 with us the possibility of alternative funding in terms
 of client trust accounts as the first mentioned plan
 involving is going on in California and other places.
 We are continuing to work with the young
 lawyer division of our state bar in an effort to
 set up an advisory procedure that we hope will be
 operational by this fall, which will be centered on a
 state wide basis, involving all of the legal education
 programs.
 I will stop here and answer questions if this
 is all right.
 MR. WARRITT: Also with the state bar, as
 far as I know.
 MR. COX: I'm very happy to be with you this
 afternoon to continue the work, one of 18 national
 support centers. I'll start by giving you a little of the

HEAL A. CROSS
 COURT REPORTERS AND TRANSCRIBERS
 1320 UNIVERSITY AVENUE, N.W.
 WASHINGTON, D.C. 20004

1 background on my own involvement in Legal Services; how
2 I got here, and what I did before I joined the National
3 Health Law Program.

4 I graduated in 1968 from Howard University
5 Law School in Washington and joined the NAACP Legal
6 Defense Fund in New York, at that time; and worked there
7 for seven years. I left the Legal Defense Fund and
8 became a senior trial deputy with the Los Angeles City
9 Attorney's Office, where I was responsible for bringing
10 34 city departments into compliance with federal employment
11 requirements in the race and sex discrimination area.

12 I joined the National Health Law Program in
13 1976. I was soon after appointed Associate Director and
14 became Director in 1979.

15 During the course of my tenure at the National
16 Health Law Program, I took a leave of absence to head
17 the Office of Civil Rights in the Department of Health
18 and Human Services in Washington at the end of the last
19 administration.

20 The other attorneys in my program have equally
21 long experience in poverty law or advocacy on behalf of
22 minorities. The average tenure is eight years; and the
23 two most senior attorneys have 15 years' experience each.

24 We are a small Support Center. Most Support
25 Centers do not have very large staffs. We have never had

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 more than eight attorneys on our staff. Due to the cut-
2 backs we have experienced during the last year or year
3 and one-half, we are now down to five attorneys on our
4 staff.

5 We specialize in a very highly complex subject:
6 Various health laws and help delivery systems as they
7 impact low income people. We derive our work from
8 local program clients. We provide basic training to
9 local programs in health law; both at a very basic level
10 for new attorneys coming into the program and more
11 advanced training for advocates who have been involved
12 a number of years in health issues.

13 We do very little direct litigation ourselves.
14 We assist local attorneys, however, in their litigation
15 efforts. We average about 2,500 requests for assistance
16 a year from the field; and those requests can be
17 responded to by a phone call, by sending a pleadings,
18 by sending of manuals in the various areas of our
19 substantive expertise. Occasionally, they request us
20 to serve as co-counsel in a piece of litigation or to
21 write an amicus brief on behalf of their client.

22 We get calls from people who are new to the
23 whole area of health law. For example, a client may
24 walk in and say that his or her house is threatened
25 in payment for a hospital bill; and the attorney may not

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

more than eight attorneys on our staff. One of the main
reasons we have expanded during the last year or year
and one-half, we are now down to five attorneys on our
staff.

We specialize in a very highly complex subject:

Various health laws and help delivery systems in their

interest for various people. We deliver our work from

local practice offices. We provide basic training to

local practice in health law both at a very basic level

for new attorneys coming into the program and also

advanced training for advocates who have been involved

a number of years in health law.

We do very little direct litigation ourselves.

We utilize local attorneys, however, in their litigation

activities. We average about 2,500 requests for assistance

a year from the field and those requests can be

accommodated by a phone call, by sending a pamphlet,

by sending of records in the various areas of law.

Substantive requests are, occasionally, they request us

to serve as co-counsel in a piece of litigation or to

write an opinion letter on behalf of their clients.

We get calls from people who are new to the

health area of health law. For example, a child may

walk in and say that his or her house is threatened

in payment for a hospital bill and the attorney may not

1 be aware that there is an obligation on behalf of many
2 hospitals across the nation to provide some service
3 free of charge to patients who are unable to pay.
4 We get a number of calls from local attorneys who are
5 experts in other areas of law; for example, Welfare Law,
6 who are experiencing changes in their programs. For
7 example, last year Congress changed eligibility rules
8 for AFDC recipients, with a result that a large number
9 of Medicaid patients were dropped from state roles.
10 Therefore, Welfare attorneys, in local programs who have
11 not been dealing in health issues, call us for assistance
12 in how to restore, if possible, Medicaid entitlement
13 for their Welfare recipients who have been cut off
14 Welfare.

15 We get calls from local attorneys who are
16 expert in litigation issues involved in health matters.
17 For example, cutbacks in state medicaid programs where
18 the state has failed to follow procedural requirements
19 such as consulting with a statutorily mandated advisory
20 committee. People who have that expertise, however, will
21 call us for a new issue which has arisen in those
22 contexts. For example, the state of Tennessee recent
23 cutting back in its program, selected the programs to
24 cut back, which were used most exclusively by minority
25 Medicaid patients. The local attorney, therefore, wanted

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 not only to challenge the cuts in the program on behalf
2 of his client; but on procedural grounds, he also wanted
3 to raise an issue of possible racial discrimination in
4 the selection of the services to be cut from the program.
5 We were able to supply them that expertise.

6 We are called for assistance by local programs
7 and by other support centers when issues are so highly
8 complex that it requires the assistance of expertise
9 in a number of areas. An example of that is the recent
10 Iowa case where a Iowa butcher had placed his wife in
11 a nursing home after an accident -- after a stroke,
12 and the nursing home deemed the income of the butcher
13 available to support his wife in the nursing home context.
14 A very complicated issue of what issue -- what income
15 may legally be deemed available to support a person in
16 an institution then arose and it went all the way to the
17 Supreme Court.

18 The Senior Citizens' Law Center was called
19 by the Iowa Program for Assistance in SSI issues that
20 were involved. The National Health Law Program ---

21 MR. BARRETT: I was not only given a desk, but
22 that case, the day I arrived.

23 MS. IVY: The National Health Law Program
24 was called for its expertise in Medicaid and the issue
25 of deeming of income available for Medicaid patients.

not only to challenge the idea in the program on behalf
 of his clients but on procedural grounds, in that matter
 to raise on issue of possible racial discrimination in
 the selection of the activists to be on the program.
 We were able to deny them that expectation.

We are called for assistance by local programs

and by other support centers when we are unable to supply

examples that illustrate the nature of the problem

in a number of cases. An example of this is the case of

those cases where a few butchers had placed their stalls in

a market area after an accident - that is, a market

and the market had been the focus of the problem

and failed to support the idea in the market for a long

A very complicated issue of what is known as what is known

may really be termed available to support a program in

an institution that would and it would be the way to the

College Center.

The Center of the Law Center was called

by the Law Program for assistance in 1967. Since that

time have been involved. The National Health Law Program

DR. BARRETT: I was not only given a copy but

that copy, the day I arrived.

DR. EBY: The National Health Law Program

was called for the assistance in the initial and the time

of setting of income available for health care programs.

HEAL & GROSS
 COURT REPORTERS AND TRANSCRIBERS
 1330 KENNEDY AVENUE, NW
 WASHINGTON, D.C. 20004

1 We won that case 8 to 1 in the Supreme Court;
2 and I don't believe it would have been possible without
3 all of the expertise of all three programs that worked
4 on that issue.

5 A large part of our assistance to local
6 programs is in advising them against litigation where,
7 in our judgment, there are other remedies that would
8 be more useful to the individual clients they are
9 representing. We have often advised lawyers to have
10 their clients file administrative complaints before the
11 appropriate agency, thereby freeing up time of that
12 attorney to work on other problems while the administrative
13 agency -- pursues the issue. For example, a woman
14 was recently denied a bed in a nursing home in the state
15 of Florida because the nursing home had a quota on the
16 number of Medicaid recipients it would take. An
17 administrative complaint was filed at our suggestion
18 rather than a lawsuit; and the administrative body, the
19 Regional Office of the Department of Health and Human
20 Services, found that that quota was in violation of the
21 Hill-Burton Community Service obligation of that facility.
22 That is, the nursing home was built with federal funds
23 under the statute known as the Hill-Burton Act, and
24 as part of their obligation for taking the federal money,
25 they had to be open to patients who were being reimbursed

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

... and I don't believe it would have been possible without
... of the ... of all these ... that would
... on that point.

A large part of our ... to ...
... in ... the ...
... there are other ...
... to the individual ...
... we have ...
... before the
... thereby ... of that

... to work on other ... while ...
... the ...
... was ...

... the ...
... of ...
... number of ...

... and the ...
... of the ...
... that ...

... of ...
... the ...
... under the ...

... the ...
... they ...

WILLIAM H. CROSS
COUNTY ...
...
...

1 by the Medicaid Program. That issue, therefore, was
2 resolved without any further involvement by the local
3 program.

4 We monitor what the federal agencies do after
5 these complaints are filed, and where our monitoring
6 indicates that they are not providing relief to
7 individual clients, we share that information with the
8 program so that they can make the judgment as to whether
9 it is best for their client to proceed directly to court.

10 An 11 month-old baby, for example, in Texas
11 was denied access to a hospital because parents did not
12 have enough money to make a cash prepayment for the child's
13 care. The child died as a result of that illness and its
14 inability to get access to a hospital.

15 The administrative complaint that they filed
16 before the agency was not answered at all during the
17 required period of time. We, therefore, assisted the
18 local attorney in filing a federal lawsuit to pursue the
19 rights of that family.

20 We work with local programs. When we get a
21 variety of calls, often unbeknownst, between attorneys
22 in the state about a similar problem. In the state of
23 Colorado, for example, they have a dual application
24 procedure for two benefit programs; one application for
25 Medicaid, and another application for SSI benefits which

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

by the National Program that many, however, was
resisted without any further involvement by the local
program.

We mention that the federal agencies do allow

these complaints are filed, and where our monitoring

indicates that they are not providing relief to

individual clients, we share that information with the

program so that they can take the judgment as to whether

it is best for their client to proceed directly to court.

An 11 month-old baby, for a while in Texas

was denied access to a hospital because she did not

have enough money to make a cash payment for the child's

care. The child died as a result of that illness and the

family is not access to a hospital.

The administrative complaint that they filed

before the agency was not answered at all during the

required period of time, so the court seized the

local attorney to filing a habeas corpus to remove the

child of that family.

We work with local programs. When we get a

variety of other information, however, although

in the state about a similar problem, in the state of

Colorado, for example, they have a child protection

program that was built primarily one institution for

protection and not an institution for the child who is

KEAL R. GROSS
COURT REPORTER AND TRANSCRIBER
1230 DEARBORN AVENUE, NW
WASHINGTON, DC 20004

1 are given by the Social Security Administration. Most
2 states across the country have made that into a single
3 application so that people don't have to go to two
4 different agencies. Many clients in the state did not
5 understand that they had to make the dual application.

6 We were able to work with the local attorneys
7 in terms of our expertise in Medicaid Law, requiring
8 simplicity of administration of the Medicaid Program;
9 share what other states were doing in terms of the single
10 application as opposed to a dual one; and persuade the
11 state, at the administrative level, to institute a single
12 application rather than a dual one; thus avoiding a
13 number of individual lawsuits and resolving the problem
14 in a very cost effective way for the state.

15 We are often requested by congressional
16 representatives to appear before them, to share with them
17 the expertise we have garnered by talking with field
18 attorneys across the country on the state of health
19 delivery in various health programs.

20 A few months ago, there were several bills
21 proposed in Congress, for example, to eliminate the
22 requirements under the Hill-Burton Program that hospitals
23 give a limited amount of free service to patients unable
24 to pay. Henry Waxman asked us to prepare testimony for
25 him and to share with him the information that we had

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 gained from our contacts with the field about the success
2 or the need for continued enforcement of hospital
3 obligations in that area. We were able to share with
4 him, for example, that the Department of Health and
5 Human Services has resolved only 10 of 400 complaints in
6 this area received in the last three years.

7 Our client's position was that there was an
8 absolute need for continuation of the program; and that
9 legislation was defeated.

10 MR. HARVEY: So if you could bring your
11 remarks to a conclusion, please.

12 MS. IVY: Yes. Yes.

13 I just wanted to spend just a minute to share
14 with you what the pro bono activities are. My support
15 center and other support centers across the country --
16 we have been involved recently in compiling lists of
17 manuals that may be of use to attorneys who are
18 volunteering their time to local programs; and we will
19 be sending that out soon to every field program in the
20 country for them to disseminate to lawyers working with
21 their programs.

22 We are anxious to work with the private bar
23 in sharing the expertise that has been so necessary for
24 competent resolution of very difficult and complex
25 issues. I hope we can discuss that during the question

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 and answer period.

2 MR. HARVEY: Thank you very much. We turn
3 to questions from the Board directed to all or any one
4 of these witnesses; commencing on my left over here.
5 Mrs. Slaughter?

6 MRS. SLAUGHTER: I just want to ask the man
7 from Iowa: Why is the bar association now beginning
8 to become involved? I mean, what brought about this
9 involvement?

10 MR. BARRETT: The involvement of the Iowa
11 Bar with the service to the poor?

12 MRS. SLAUGHTER: Right.

13 MR. BARRETT: Well, the fact is that we began
14 as a program well before any pro bono rules were passed
15 in Washington with a very serious effort to involve the
16 private bar; especially in the sparsely populated areas
17 of the state in serving the poor.

18 It's an extraordinary thing, to my mind, be-
19 cause I did practice in other states for a while where
20 this was not the case. But in Iowa, for example, we
21 couldn't talk a member of the private bar into taking
22 a Social Security disability case, even a solid one,
23 despite the fact that federal regulations provide for
24 an award of attorney's fees out of the retroactive benefits
25 for the Social Security applicant.

of the...

...the...
...the...
...the...
...the...

...

...the...
...the...
...the...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

1 Now it was our judgment right off the get go that
2 in 1977-'78 that there was no reason to use very limited
3 resources available to us when there ought to be the
4 capacity, and the interest, and the incentive, financial
5 and otherwise, for the private bar to take on those
6 sorts of case. So beginning in 1978, we began a series
7 of training events for members of the private bar,
8 certified by the Iowa State Bar Association, in how
9 to do Social Security disability cases.

10 In those areas where we have had -- And we
11 have had enormous success with it. Put 50 people on a
12 given area -- 50 attorneys will attend those things.
13 They will get Seeley Credit for it; and they don't
14 get charged anywhere near the costs of putting on that
15 training; but we do ask that they pledge themselves to
16 accept, on a referral basis, so many Social Security
17 disability cases.

18 That was the beginning of a much larger
19 training program for members of the private bar. In a
20 number of different aspects of poverty law that we felt
21 that we could probably develop the resources to handle
22 in the private bar. Up to then, they wouldn't take them
23 because they were scared. They didn't want to make a
24 mistake and they didn't know how to do them. And they
25 didn't know how to do them, and it is kind of a vicious

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

Now it was our judgment right off the bat to start
 in 1974. But there was no reason to be very limited
 resources available to us when there ought to be the
 accordingly and the interest, and the financial, financial
 and otherwise, for the private but to take on these
 kinds of cases. So beginning in 1978, we began a series
 of training events for members of the private bar,
 conducted by the Law Center for Education, in law
 to go to local country club, country
 in those areas where we have had - and we
 have had enormous success. In 1978, for 50 people on a
 100 person - 50 attorney - 100 second floor. It was
 they will not only 2000 of 11 and 2000
 and arranged systems and the costs of private on that
 thinking that we do not that they paid in themselves to
 actually on a national basis, so many local country
 club, country
 that was the beginning of a new chapter
 a national program for members of the private bar. In a
 number of different areas of poverty law and we both
 and we will study down the program to be able
 in the private bar. It is very difficult to take the
 program they have started. That's what we want to make a
 national and they think that we do them - and they
 think they have to do them, and it is kind of a vicious

1 circle because low income people had never gone to them.
2 Low income people had never gone to them because they
3 didn't know how to do them; and there you were.
4 So really, beginning four years ago, we started the
5 training program to try to break that cycle.

6 The Iowa State Bar Association's specific
7 involvement with our pro bono obligation, under the new
8 instructions, began last October when I first heard
9 rumors that this thing was going to happen. I had a
10 conference with the Iowa Supreme Court. They promulgated
11 an order commanding the bar association to exercise
12 leadership in helping to serve low income people.

13 And subsequently, a committee of a District
14 Judge, a Supreme Court Judge, a representative from the
15 bar association, and me was appointed; and we have
16 been working on the plan and its implementation since.

17 But truthfully, we have been spending probably
18 10 percent or more on these training programs for the
19 private bars to help with the referrals even before
20 January of this year.

21 MR. HARVEY: Bill?

22 MR. OLSON: Yes, a couple of questions for
23 Ms. Ivy. First of all, you used the phrase before,
24 "advocacy law." Can you explain to me what that is
25 in the context in which you used it? You said your people

1. The Commission has received information from the
 2. various sources that the Commission has received information
 3. that the Commission has received information from the
 4. various sources that the Commission has received information
 5. from the various sources that the Commission has received information
 6. from the various sources that the Commission has received information
 7. from the various sources that the Commission has received information
 8. from the various sources that the Commission has received information
 9. from the various sources that the Commission has received information
 10. from the various sources that the Commission has received information
 11. from the various sources that the Commission has received information
 12. from the various sources that the Commission has received information
 13. from the various sources that the Commission has received information
 14. from the various sources that the Commission has received information
 15. from the various sources that the Commission has received information
 16. from the various sources that the Commission has received information
 17. from the various sources that the Commission has received information
 18. from the various sources that the Commission has received information
 19. from the various sources that the Commission has received information
 20. from the various sources that the Commission has received information
 21. from the various sources that the Commission has received information
 22. from the various sources that the Commission has received information
 23. from the various sources that the Commission has received information
 24. from the various sources that the Commission has received information
 25. from the various sources that the Commission has received information

1 were involved in advocacy law.

2 MS. IVY: I don't know in what context I
3 used that phrase; but I am involved in representing low
4 income people in their quest for access to health care;
5 and in doing that, with local Legal Service attorneys,
6 we attempt to use, not only the judicial forum but a
7 administrative form, and a legislative forum where those
8 appropriate to resolution of the client's health concerns.

9 MR. OLSON: Well, I've always thought of
10 litigation as advocacy -- I don't know if it advocacy
11 law; and litigation is either in courts or in administra-
12 tive proceedings; but I think, -- You know, what I
13 would like to do --

14 What percentage of your time, do you think,
15 and the finances that are available to you, go into
16 legislative matters as opposed to administrative and
17 classic litigation?

18 MS. IVY: Well, we spend -- We have only one
19 attorney in our Washington office; and that is the only
20 person involved in administrative and legislative
21 representation. I would say that is about 10 percent
22 of our program's resources go into staffing that office
23 and dealing with those issues. The rest of our time is
24 spent, primarily, in answering requests for assistance
25 from the field, and in the very heavy training components

were involved in advocacy law.

MR. TAYLOR: I don't know in what context I

would that context but I am involved in representing law

firms people in their quest for access to health care,

and in doing that, with local legal services attorneys,

we attempt to use, not only the judicial forum but an

administrative forum, and a legislative forum when those

approaches to resolution of the client's health concerns

MR. GIBSON: Well, I've always thought of

litigation as advocacy -- I don't know if it advocacy

law, and litigation is either in court or in administrative

law proceedings; but I think, -- how now, what I

would like to do --

That percentage of your time, do you think,

and the amount that are available to you go into

legislative matters as opposed to administrative and

litigation?

MR. TAYLOR: Well, we spend -- we have only one

attorney in our litigation effort and that is the only

person involved in administrative and judicial

representation. I would say that in about 10 percent

of our program's resources go into litigation that office

and dealing with those issues. The rest of our time is

spent, primarily, in providing support for our clients

from the field, and in the very heavy public awareness

1 in our program.

2 I think we do, proportionately, far more
3 training and development of manuals, basic manuals,
4 than we do litigation.

5 MR. OLSON: If you only had one attorney
6 in the Washington office, why do you have a Washington
7 office? You are primarily based in California, aren't
8 you?

9 MS. IVY: We are based in California in
10 Los Angeles. We established a Washington office in
11 1978 because Health Law is so uniquely determined at
12 the federal level with regulations by the Department of
13 HEW, now HHS; and by changes in federal health entitlement
14 programs.

15 Enormous changes have been enacted this year
16 in both the Medicare and the Medicaid Program; and it
17 is very vital to us to keep that information flowing so
18 that clients coming in being cut off of those programs
19 understand that it is pursuant to a recent change in
20 regulations or in the statute.

21 MR. OLSON: I'm not sure that just because
22 laws are changing in Washington would mean the Board
23 would automatically have to have a Washington office.
24 There are lots of law firms around the country that
25 do excellent work representing clients that -- Some of

the first time.

I think we've, respectively, for some

reasons and development of mental, brain function,

them in the situation.

MR. GROSS: If you only had one attorney

in the Washington office, why do you have a Washington

office? You are primarily based in California, aren't

you?

MR. GROSS: We are based in California.

Now, regarding the Washington office, we

have been in the Washington office since 1962

and the local level also represented by the presence of

local attorneys in the Washington office.

Q

There have been changes in the law

in the Washington office and the Washington office

is very active in keeping that information flowing to

that office, being in touch with the local attorneys

and making sure that the information is being shared in

the Washington office.

MR. GROSS: The fact that you have just

mentioned the fact that you have just

1 them are represented here by people on the Board, that
2 don't have Washington offices; and yet follow litigation --
3 follow legislation, follow regulation changes, and don't
4 have the luxury of the office. I was just curious.

5 Most -- there are many of the National Support
6 Centers that have their base elsewhere but seem to all
7 have Washington offices. I have never quite figured
8 out why.

9 MS. IVY: Well, all of the Support Centers
10 don't have Washington offices. Some of the Support
11 Centers are based in Washington but do very little
12 administrative or legislative advocacy. They are
13 litigation centers and they just happen to be located
14 there.

15 MR. OLSON: Well, if I'm not mistaken, out
16 of the 17, there is something like seven that are
17 based elsewhere, but yet have a small Washington office
18 or are admitted -- medium sized Washington office; and
19 you are one of them.

20 MS. IVY: Yes. Well, we find it essential
21 to our work; not only to be close to where these decisions
22 are made, but indeed, to be in the geographic proximity
23 to the people, particularly in the administrative agency,
24 who know us, who know our expertise, who call upon us
25 for information about the impact of proposed changes in

... that we've established here by people on the other side of the street...
... don't have Washington officials, we've got to follow...
... for legislation, not for legislation changes, and don't...
... have a majority of the office. I was just...
... that - that's the many of the national support...
... contrast that have been made elsewhere and seem to...
... have Washington officials. I have never quite...
... out very...

... all the... all of the...
... don't have Washington officials, some of the...
... because we need in the system but do very little...
... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...

... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...

... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...

... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...

... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...

... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...
... that's what we've got to do...

1 regulations and that helps us keep informed. That
2 information would not be flowing to Los Angeles, California,
3 in the way it is now because we have a physical presence
4 in the city.

5 MR. OLSON: Well, I can understand the argument
6 with regard to having an impact on changing the way
7 the laws are and the regulations are; but I am not
8 sure in terms of monitoring.

9 Let me -- With regard to one of the earlier
10 examples used about the activities of your organization,
11 you said you were involved assisting a -- providing
12 support to a local program that was representing an
13 individual who had some concern; and then, they had asked
14 you also to write an amicus brief. Did I get that
15 correct?

16 MS. IVY: No. I was giving, as an example,
17 they might call just for telephone assistance or they
18 might call and say, "We are litigating the issue -- " in,
19 let's say, a Federal Court of Appeals; "-- and we would
20 like some expert information about this issue." and
21 have asked us to supply that on behalf of a client.

22 MR. BARRETT: If I could interrupt and give
23 you an example --

24 MR. OLSON: There was a specific case that you
25 were referencing before. You said there was a specific

organization and that being in fact, that
 information would not be flowing to the Agency, California
 in the way that we know we have a physical presence
 in the city.
 The fact is that I am not sure the
 will be able to have an impact on changing the way
 the way and the organization and the way
 some of the other organizations.
 For me, with regard to one of the
 organizations about the activities of your organization
 you and you were involved in providing
 support to a group, for me that was a tremendous
 contribution. The fact is that they have
 you and the other organizations. Did I get that
 correctly?
 Yes, that's right. I was giving, as an example,
 the fact that I just for telephone assistance on that
 subject and that was the difference between the
 fact that we had a number of people and we would
 like more people information about that and
 have made it to suggest that on behalf of a client.
 The fact is that I could understand and give
 you an example.
 The fact is that there was a significant amount that you
 were contributing to that. You could think of a possible

1 case in which we helped some local programs, and then
2 they asked us to file an amicus brief, which we did,
3 unless I completely misunderstood you.

4 MS. IVY: No. I misspoke myself if I said that.
5 I did not intend to.

6 MR. BARRETT: I could give you an example, though,
7 a very recent one. We -- With the changes in Social
8 Security Law and practice really more than the changes
9 in the law, we have seen ---

10 MR. HARVEY: John, I don't want to interrupt
11 you ---

12 MR. BARRETT: Oh, I'm sorry.

13 MR. HARVEY: --- but let's go on around with
14 questions before we come by ---

15 MR. BARRETT: Fine.

16 MR. HARVEY: Howard?

17 MR. DANA: We are picking on -- it's always
18 the way that the last speaker gets picked on because it
19 is fresh in our minds.

20 You indicated, I think, that you testified at
21 a Congressman's request ---

22 MS. IVY: Yes.

23 MR. DANA: --- on a Hill-Burton proposed
24 amendment, and were able to -- Was he your client, in
25 effect, or did you have another client at the time of

...in which we had our first...
...to be a...
...of...

...of...
...of...

...of...
...of...
...of...

...of...
...of...

...of...
...of...

...of...
...of...

...of...
...of...

...of...
...of...

...of...
...of...

...of...
...of...

...of...
...of...

...of...
...of...

WALTER R. GROSS
1230 YORK STREET, NEW YORK, N.Y.
WASHINGTON, D.C. 20540

1 your -- Do you regard the -- Well, I know the statute
2 permits us to testify for a legislator who requests us
3 to be their recipient to come forward. Do you regard
4 the Congressman, in that instance, as the client; or do
5 you regard -- Who are you working for?

6 MS. IVY: We have retainers from a number of
7 community groups that are working on Hill-Burton issues.
8 We also represent individual Hill-Burton recipients
9 who have filed administrative complaints; and I think we
10 regard them as the clients that we are representing in
11 the context of that Congressional hearing; not the
12 Congressman.

13 MR. DANA: It's the people who -- I am not
14 sure I understood who you regard as your clients.

15 MS. IVY: We regard as clients the individuals
16 that we are representing with local programs in pursuing
17 individual Hill-Burton problems. We also regard as
18 clients, individual client groups with whom we have
19 retainers to represent them generally on matter of
20 Hill-Burton.

21 MR. DANA: What do you mean by "retainers"?

22 MS. IVY: We have retainers from groups asking
23 that we share with them the information concerning
24 changes in federal Hill-Burton Law and regulations; in
25 representing their interests in the program.

1 your... for you... the...
 2 ...
 3 ...
 4 ...
 5 ...

6 ...
 7 ...
 8 ...
 9 ...
 10 ...
 11 ...

12 ...
 13 ...
 14 ...
 15 ...
 16 ...
 17 ...

18 ...
 19 ...
 20 ...
 21 ...
 22 ...
 23 ...

24 ...
 25 ...

1 MR. DANA: Are you compensated by these groups?
2 Is that what you mean by retainers?

3 MS. IVY: No. No, we are not compensated.

4 MR. DANA: You just have an arrangement with
5 them whereby you are -- you are communicating with those
6 groups.

7 MS. IVY: We are communicating with those
8 groups about the program that they are interested in and
9 pursuing on behalf of their members.

10 MR. DANA: But in the case of the Congressman
11 who asked you, you were responding to his requests?

12 MS. IVY: Yes.

13 MR. DANA: And not a specific request of a
14 client?

15 MS. IVY: That is correct.

16 MR. DANA: Lonnie, I've heard your presentation
17 recently before; and I think the committee would be
18 interested in -- at least, I was interested in the first
19 presentation, in the -- what I thought was a decline in
20 the percentage of your budget going to Judicare relative
21 to staff. Am I wrong or have I got you confused?

22 MR. POWERS: I think you might have me confused.
23 with Jim Martin, which is a compliment to me, of course.
24 This year, we have budgeted \$100,000 out of our \$800 --
25 I believe it is \$834,000 grant from the corporation. I

the United States and your country.

to that end, you have by reference.

and we are not disappointed.

the fact that you have an agreement with

them, even by you, and you are commencing with these

agreements.

and we are commencing with these

agreements about the program that they are interested in and

agreements on behalf of their members.

and we are commencing with these

agreements, and we are commencing with these

agreements.

and we are commencing with these

agreements.

and we are commencing with these

agreements, and we are commencing with these

agreements, and I think the committee would be

interested in the fact that we have a

agreement in the fact that we have a

agreement of your budget going to the

agreement. And we are commencing with these

agreements, and we are commencing with these

agreements, which is a comparison of the

agreements, which is a comparison of the

agreements, which is a comparison of the

1 may have those figures a little wrong. That is the
2 same amount of money we spent last year in direct payments
3 to -- I'm sorry; \$734,000 is our grant. We spent \$100,000
4 last year in direct payment to Judicare lawyers or
5 committed that money. Some of it was actually spent
6 during this calendar year. We have budgeted that same
7 amount of money to be spent in direct payments to
8 Judicare attorneys.

9 We have had, in the last month, to begin to
10 impose cost controls on that in order to live within
11 that budget this year. Had we the money, we probably
12 could spend \$125,000 in direct payments if we took every
13 case that came in the door.

14 MR. DANA: Didn't you indicate to, I think it
15 was the Audit Appropriations Committee, that you felt
16 there was, maybe, a ceiling on the percentage of your
17 budget that you could effectively use in the judicare
18 area? It is now 15 percent and didn't --

19 Was it not you that indicated that previously
20 you had a higher percentage of your budget going for
21 judicare, but you have scaled that back?

22 MR. POWERS: No, sir. It was not I. There is
23 a point beyond which we could not make direct payments
24 without substantial changes to the way we do business,
25 to the other parts of our operations which support the

1 Judicare Program: The client intake, the advice,
2 parole, and brief service part of our component is all
3 done by staff. We would have to radically change the
4 way we operate in order to substantially increase the
5 amount of money we put in direct payments.

6 MR. HARVEY: Sylvia, I have a couple of
7 questions I would like to ask. I had to step outside
8 so I interrupt, going around here, the members of the
9 panel -- the Board.

10 Did I understand you to say you have five
11 attorneys in Los Angeles?

12 MS. IVY: We have four in Los Angeles and one
13 in Washington.

14 MR. HARVEY: For a total of five?

15 MS. IVY: Yes.

16 MR. HARVEY: Do other persons than attorneys
17 render professional assistance upon request, or is your
18 organization one which produces all professionalism
19 through those five persons?

20 MS. IVY: We have on staff two health professionals;
21 one is an MPH -- has an MPH Degree; and the other has a
22 great deal of experience working in community health
23 clinics. They provide research assistance to people who
24 want to know statistics or studies. We have a very good
25 library of information about health programs and health

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 services; and we collect reports done by the Department
2 of Health and Human Services.

3 MR. HARVEY: Who else do you have in addition
4 to those five plus two?

5 MS. IVY: We have an administrator, and we
6 have the equivalency of two secretaries; a half-time
7 secretary in Washington; and one and one-half in Los
8 Angeles.

9 MR. HARVEY: But a great percentage of -- Is it
10 fair to say -- professional service provided is provided
11 by attorneys?

12 MS. IVY: Yes.

13 MR. HARVEY: I want to tell you why I was asking
14 this question. This morning that -- perhaps you were
15 here in the committee meeting or attended the committee
16 meeting -- a lady from Wayne County, Michigan, Detroit
17 area, was very concerned about the -- Well, really, I think
18 the disproportionate expenditure being -- or funds being
19 allocated. One of the things she commented on was that
20 in her area there was a deficiency; but in other areas,
21 as we heard this morning, there has apparently built up
22 quite a carry-over of funds; and she evidence some
23 incredulity because of that.

24 Your budget is what?

25 MS. IVY: Half million dollars.

1 MR. HARVEY: Well, that is considerably
2 higher, isn't it, than -- Just judge the attorneys, that
3 is \$100,000 an attorney compared to her \$35,000 an
4 attorney. So maybe, I guess her criticism was justified.
5 Would you agree to that?

6 MS. IVY: No, I wouldn't agree to that. We
7 are servicing 5,000 Legal Services attorneys across the
8 country and we ---

9 MR. HARVEY: But they all have budgets of their
10 own, don't they?

11 MS. IVY: Yes, they do have budgets of their
12 own; but they don't pay us for our services.

13 MR. HARVEY: I don't understand. So, they are
14 sort of your clients, then?

15 MS. IVY: They are our clients.

16 MR. HARVEY: Thank you, Sylvia, very much.

17 I'll go on around. Howard would you chair
18 for just a moment? I've got to step out. No?

19 MR. DANA: Yes, thank you.

20 MR. EARL: Sylvia, I have some questions about --
21 I think, one of the hardest things that the Board is going
22 to have to do -- I know, personally, for me it is -- is
23 to get a handle on how effective the respective National
24 Support Centers are in the bottom line of this whole
25 activity here, which is delivering legal services to the

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 poor.

2 I think that a field program, you can go out
3 and talk to attorneys, look at the number of cases,
4 look at the types of cases closed, you can talk directly
5 to the clients that have been serviced by that field
6 program.

7 With the National Support Centers, you are doing
8 something a little bit more removed from there; and I
9 wonder whether you could tell us -- Again, in talking to
10 field attorneys, I get the impression that some Support
11 Centers are much more effective and accessible to the
12 field program than others. Some, obviously, have to be
13 more effective than others.

14 By what measure can you gauge the effectiveness
15 of a particular Support Center in delivering legal
16 services to the poor?

17 MS. IVY: Well, the Support Centers have been
18 evaluated numerous times; and the staff, I think, has
19 copies of all of the evaluations of all the centers.

20 In our most recent evaluations, over 300 local
21 Legal Service attorneys were interviewed, and there were
22 notes taken on each of those interviews on each program.
23 That can be made available to the Board.

24 Each local program -- In each local program,
25 you will find that there are people who utilize different

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 centers, so that, generally, the people who use the
2 Health Law Program, oh, say, -- Health Law Program is
3 absolutely essential. You must keep it. I don't care
4 so much about some of the others. And that is a real
5 problem, I think, for the Board in assessing which
6 programs are either most effective or not, because each
7 center has a very loyal constituency out there in the
8 field of people working on that substantive area.

9 I think that clients, both on the Boards of these
10 18 centers, and clients of -- and the boards of local
11 programs should be consulted on the issue of the
12 effectiveness of Support Centers, generally, or
13 individual centers. I think they share our views that
14 they are essential components of the program; and their
15 loss would seriously impair the level of services presently
16 being provided.

17 MR. EARL: My concern, though, is any specific
18 benchmarks by which you could look at a National Support
19 Center number of co-counsel cases; the number of phone
20 inquiries answered; the number of -- Are there any
21 objective for curing?

22 MS. IVY: Well, it depends on the priorities of
23 the Board, I think. If the Board feels that litigation
24 is the most important function of the Support Centers,
25 they could look at the number of cases. If they feel

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

and the other... the...
 of...
 You must...
 to...
 I think...
 to...
 very...
 of...

I think that...
 and...
 on the...
 of...
 I think...
 of the...
 the...
 the level of...

...
 ...
 ...
 ...
 ...
 ...
 ...

...
 ...
 ...
 ...

1 that the training element is most important, they can
2 could look at the number of trainings offered by the
3 various programs. If they feel that aiding local programs
4 in the efficient delivery of service by providing manual
5 that a new lawyer or a medium experienced lawyer can
6 use without calling a Support Center. You can look at
7 the volume of manuals produced by each Center.

8 But I think, in weighing which centers are
9 most effective, you have to have that sense of your own
10 priorities in terms of the different functions that all
11 of the Centers serve.

12 Frankly, it is a controversial issue. We had
13 an evaluation two or three years ago in which the persons
14 evaluating the program, a committee made up of field
15 representatives, corporation representatives, and people
16 outside Legal Services' context, thought that we ought
17 to be involved in far more litigation, directly, than we
18 are.

19 Our next evaluation looked at that issue and
20 disagreed with the previous evaluation and said it was
21 far more important in the health context to provide
22 training and to keep people appraised of changes in
23 health law and health regulations than to litigate issues.
24 with local counsel. So, it is a subject about which
25 reasonable men and women differ.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

that are... in most important... they can...
 could look at the number of... officers by the...
 various... At they feel that... from program...
 to the... delivery of... (providing...)
 that a new... of a... lawyer...
 use... of... You can...
 the... of... by...
 that I think, in... which...
 most... you have to have... of your...
 particular to... of the... that...
 of the...
 that... as a...
 an... in which the...
 evaluating the... a...
 organizational... and...
 that... that we...
 to be... that...
 that...
 Our... looked at...
 that... the...
 that... in the...
 that... to...
 that... and...
 that... that...
 that... that...

1 MR. EARL: Could you tell me something of
2 your -- Again, I think it is a different case in terms
3 of the National Support Center.

4 The type of clients you have on your board,
5 are they representative of health care groups and
6 health care recipients? Are there any actual clients
7 who your organization is actually servicing in a legal
8 context?

9 MS. IVY: Some of our clients have been
10 elected to the board after their involvement in
11 administrative or legislative advocacy in behalf of
12 community groups and health issues; and they have
13 become aware of the existence of a National Support
14 Center, and how -- and have expressed interest in being
15 involved in policymaking for the program.

16 We have a board of 20 people, and both the
17 Chair and the Vice Chair are clients. The Chairperson
18 is Director of the Southern Christian Leadership
19 Conference in Alabama. The Vice Chairperson is a
20 Medicaid recipient in the state of Tennessee who has
21 used local Legal Service attorneys recently for health
22 problems that she has experienced.

23 Another client member of the board testified
24 before Congress on problems with implementing client
25 representation requirements in health planning agencies,

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

to provide the full range of services which
 your organization is able to provide to the
 of the National Health Council.
 The type of advice you have to give is
 the type of advice of health care groups and
 health care organizations and there may be a
 who are organized to actually providing in a local
 context.
 MR. TAYLOR: Some of our clients have been
 related to the board after their involvement in
 administrative or legislative advocacy in order to
 community groups and health fairs and they have
 become aware of the existence of a national health
 center and some have expanded their activities in
 involved in collaborating for the program.
 We have a board of 25 people and both the
 staff and the board have some administrative
 in the area of the National Health Council.
 In addition to that, the staff has been
 developed within the area of research and
 and local health care organizations and they
 provide that the national health council
 to the extent of the national health council
 and a program of research and development which
 research and development in the area of health

1 local HSA's; so most of our clients have had legal
2 problems with health delivery systems and bring that
3 personal experience to our deliberations on the board.

4 MR. DE MOSS: John, in your presentation,
5 you made some reference to, and I wish I had gotten
6 the notes down better, but to a problem with a lawyer
7 referral service, some conflict that ---

8 MR. BARRETT: Well ---

9 MR. DE MOSS: They didn't do something that
10 you thought they should have been doing or -- Would you
11 repeat what that comment was?

12 MR. BARRETT: Okay. The Iowa Bar Association
13 has, like most states, a advertised "800" number, lawyer
14 referral service. But unlike, for example, the Oregon
15 Lawyer Referral Service with which I was also familiar,
16 in Iowa, they promoted among lawyers as a way of
17 generating fee cases. Also, in Iowa, unlike Oregon,
18 the state bar association historically has not agreed
19 to accept low income people and refer them to private
20 lawyers. All of this leads to a circumstance in Iowa
21 where you have a private bar that, essentially, is not
22 used to doing any kind of work for low income people
23 in connection with their cases; hasn't, in a sense, gotten
24 into the habit of accepting some cases for free; and
25 consequently, we sort of start further back from the

... of our citizens have had legal
 problems with health delivery systems and during that
 period's experience to our relationships on the board
 ... in your presentation,
 ... and I wish I had gotten
 ... but for a similar with a recent
 ...

MR. BARRATT: Will ...

... they didn't go something that
 you thought they should have been doing or -- would you
 report what that someone want?

... the town of ...
 ... a ... number ...
 ... for example, the ...
 ... which I was also ...

... in fact, they ...
 ... Also, in ...
 ... and ...
 ... and ...
 ... of ...
 ...

... you have a ...
 ... kind of ...
 ... with ...
 ... of ...
 ...

1 position that many private bar groups, I suspect,
2 would be in in states like Oregon and South Dakota.

3 MR. DE MOSS: In that situation, do you now
4 have or do you think it would be feasible to work out,
5 any kind of arrangement where if they interview a low
6 income client who is not eligible for their program,
7 that client is referred to your organization?

8 MR. BARRETT: Oh, yeah. In fact, that has
9 been our practice for the last four years; that we have,
10 essentially, run a separate state-wide referral service
11 for poor people. But the bar didn't want to have anything
12 to do with our referral service until I, basically, went
13 back to them a second time in December and begged. I
14 said, "We would really like you to get behind our pro
15 bono project because in order to recruit more lawyers
16 for our low income referral service, it will be very
17 helpful in a recruitment sense, to have the support of
18 the bar association."

19 They have been wonderful. The state bar
20 association has been terrific in helping us get the
21 word to over 5,000 lawyers at the local level who just
22 aren't in the habit of participating in this way.

23 MR. DE MOSS: And this question to both you
24 and to Lonnie: To what extent can you all comment on
25 the -- what has happened already, and what you think could

...the ...
 ...the ...
 ...the ...
 ...the ...
 ...the ...

...the ...
 ...the ...
 ...the ...
 ...the ...
 ...the ...

...the ...
 ...the ...
 ...the ...
 ...the ...
 ...the ...

...the ...
 ...the ...
 ...the ...
 ...the ...
 ...the ...

...the ...

WILLIAM M. CROSS
 COURT REPORTERS AND TRANSCRIBERS
 1220 PENNSYLVANIA AVENUE
 WASHINGTON, D.C. 20004

Scott
vb
T3
7-17-82
L5

1 happen in terms of meshing together both your federally
2 funded other types of programs which may also provide
3 some sort of legal representation, again, for the
4 benefit of the low income people?

5 MR. BARRETT: There aren't a lot of
6 alternatives in Iowa. Most of the alternatives
7 have a connection with us that relates to, basically,
8 ex-staff attorneys. Last year, in retrenchment, I lost
9 one of my most experienced, state-wide litigation
10 directors who was hired by the University of Iowa
11 to set up their legal clinic. Now they represent
12 prisoners largely, but he had, since joining that
13 program, also begun to accept certain kinds of Welfare
14 and health related cases.

15 There are some area agencies on aging, funded
16 by the Commission on Aging, who are supposed to be
17 running individual advocacy programs for low income
18 elderly. In the instances where there are lawyers or
19 nonlawyers running those advocacy programs for area
20 Agencies on Aging, they are largely ex-attorneys or
21 ex-paralegals from our program whom we trained; and then,
22 they were hired away at higher salaries elsewhere.

23 Beyond that, I have to tell you that there are
24 not a great many organized alternatives in my state.

25 MR. POWERS: Well, in terms of what we are

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 doing in Arkansas, it tracks somewhat what John is
2 talking about. We have six Legal Services, separate
3 Legal Services Programs in the state.

4 We are doing as much as we can to work
5 through the state bar association. I think I mentioned
6 our efforts with the elderly pro bono program.

7 Each of the programs in the state is also
8 doing something either in terms of pro bono activities,
9 or in terms of working with some sort of compensating
10 system.

11 There is one -- an example of a fairly
12 imaginative system is the program in northwest Arkansas,
13 which, over the past few years, has invested fairly
14 heavily in video tape equipment to be used in community
15 education; and have used it very effectively. They have
16 now found out that with the advent of video-taped
17 depositions, they can swap their expertise and nonlawyer
18 time to attorneys in return for the lawyers actually
19 providing representation for low income people. And
20 that is sort of an inducement to get them to provide some
21 pro bono time. Some of the other programs are more
22 actively recruited.

23 Another thing that we have done in Arkansas
24 is to organize what we call the Arkansas Justice
25 Foundation, which has a membership that is broadly

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1. In addition, it is noted that the...
 2. ...the...
 3. ...
 4. ...
 5. ...
 6. ...
 7. ...
 8. ...
 9. ...
 10. ...
 11. ...
 12. ...
 13. ...
 14. ...
 15. ...
 16. ...
 17. ...
 18. ...
 19. ...
 20. ...
 21. ...
 22. ...
 23. ...
 24. ...
 25. ...

1 representative of leading attorneys and nonattorneys
2 of the state who have undertaken to organize fund-raising
3 activities through private sources, foundations, and
4 other ways to try to, as best they can, make up somewhat
5 for the loss in federal funding. We see that as a way
6 to integrate ourselves more into the community, if you
7 will -- the community that we have not directly responded
8 to through our legal representation activities; to
9 become more accountable, in some ways, to the broader
10 community; and to publicize the kinds of things that
11 Legal Services' Programs in Arkansas does.

12 All of these things are dependent on a shared
13 understanding between the programs, the client, the
14 bar at large, and the public at large. In the state of --
15 what the purpose of Legal Services' Programs in the state
16 is -- are, actually; because -- And the point of all that,
17 I guess, is to say that we've got six Legal Services'
18 Programs in the state. We are trying to work with
19 everybody in the state that we can; but we recognize,
20 within those programs, differences of approach, and
21 philosophy to priorities that our clients and the boards
22 have imposed on us that we regard as healthy. We also
23 recognize that this board may very well pose some other
24 nuances of philosophy as we go from time to time.

25 We are trying to work with everyone we can in

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 an area of uncertainty, looking for some guidance
2 from every place we can as to exactly what we ought to
3 be doing.

4 MR. DE MOSS: Do either of you experience
5 many occasions upon which an eligible has a legal client
6 which is a fee-generating matter, and what do you do with
7 it in that event?

8 MR. BARRETT: If I could answer that first.
9 The answer, in brief, is yes. Now what we are required
10 to do under the regulation and what we would prefer to
11 do in every one of those cases is to refer that
12 potential fee-generating case out to a member of the
13 private bar.

14 This next statement relates, also, to the
15 earlier question you asked. The difficulty in Iowa,
16 and, I think, in most rural areas of the middle west, for
17 sure, is that there aren't -- there isn't that expertise
18 within the private bar or within the state agency, or
19 in very many other places where they either have the
20 ability or knowledge. They may, in some cases, have
21 the interest to take those kinds of cases on.

22 Very early, in the history of my programs,
23 short as it was, we were presented with a case involving
24 a county residency rule for general assistance; a classic
25 Shappiro versus Thompson situation. It also, incidentally,

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 violated a state statute that had been on the books for
2 over 50 years. No one had ever said -- no lawyer had
3 ever said to these clients and any other poor, "Hey,
4 the county is Constitutionally unable to impose a one-year
5 residency program on you." We tried to shop that case
6 throughout southern Iowa, and we could not find a lawyer
7 to take it on.

8 We brought it ourselves, as a consequence.
9 We were awarded statutory attorney's fees under 1988.
10 The next time a county residency case came in, we were
11 able to sell it to a nearby private lawyer because,
12 finally, somebody had done it, and they believed; but they
13 weren't willing to invest the time, money, and energy
14 into the case before that. So by example, more than
15 anything else, in Iowa, we are trying to encourage the
16 private bar to take these sorts of cases on.

17 To give you another example, the Iowa Civil
18 Rights Commission, which has a good deal bigger budget than
19 I do, has hired my program to provide training to the
20 parents of physically retarded and severely retarded
21 children throughout Iowa this summer. It's a killer of
22 a project; Saturdays is what it is. Because despite their
23 fairly large budget and a very large attorney staff, they
24 didn't have anybody in a position to do that kind of thing.
25 We are happy to do it, and it is some kind of local grant.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

I visited a mental institution that had been on the books for
 years by now. The one had even said in his lawyer had
 ever said to clear children and any other party. Now
 the county is constitutionally unable to take care of
 anybody because of you. We tried to stop that case
 throughout northern Iowa, and we could not find a lawyer
 to take it on.
 The county is actually a corporation.
 We were arrested in history in 1988.
 The next time a county residency case came up, we were
 able to get it to a county relative lawyer because
 finally, nobody had done it, and they believed but they
 weren't willing to invest the time, money, and energy
 into the case before that. So by example, now that
 anything else in Iowa, we are trying to encourage the
 private to do things that are not done.
 To give you another example, the Iowa Civil
 Rights Commission, which is a good thing, under that
 I do have my program to provide help to the
 parents of physically disabled and severely retarded
 children throughout Iowa this summer. It's a matter of
 a program that only in Iowa. Because people don't
 think Iowa is a good place to live, they think
 that they have to go to other states to get their
 children. It's not in the state that it should be.

1 There just aren't a lot of alternatives in rural Iowa.

2 MR. POWERS: We certainly do what John does
3 and refer all the cases that we can. From an operational
4 standpoint, we have a letter which the client has to take
5 to a local lawyer and the lawyer signs it; and it says,
6 "By signing this letter, I acknowledge that I've talked
7 to the client about this case; and while it may be
8 fee generating, we decline to take it." We require that
9 any potentially fee generating case come back to us with
10 at least two of those letters having been signed by
11 members of the private bar before we will, then, consider
12 taking the case. It is not automatic, but we will
13 consider it.

14 We've had some of the same experience that
15 John has, although not in the level of complexity of
16 cases. I think someone mentioned Social Security
17 disability cases earlier today; and you may have talked
18 about training in that area. The practice in our region
19 varies from county to county. There are some counties
20 where I was told right up front that it was people's
21 bread and butter; they like to do them; and they make
22 good fees off of them. And we said, "More power to you.
23 We're glad to let you do it."

24 There are other counties where the majority
25 of the members or all the members of the bar have declined

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 to take those cases at all. We have, unfortunately,
2 not done any training in that area; but we have wound
3 up representing people in some of those cases, and in
4 some other domestic relations cases where I know the
5 client we are representing doesn't have any money. I know
6 the client -- the opposing party does; and I can't get
7 down on my knees and get a lawyer to go into court and
8 represent those people even though they can get a whole
9 lot more money that way than they ever could from the
10 Judicare Program; so we wind up paying Judicare lawyers
11 to do some of those. That's all.

12 MR. DANA: Jo?

13 MS. WORTHY: I don't have questions, but I
14 would just like to talk about some concerns that I have
15 concerning State Support Centers and something I would
16 look forward to doing. That is due to the fact that
17 we have so many questions going about state support.

18 Just as we had a panel here today to come
19 before the committee this morning, I would like to see
20 a panel of clients that -- the people that are actually
21 affected by the work of the State Support Centers field
22 people and people from State Support Centers be made
23 up a panel to come before the Operations Committee so
24 that we can have a broad number of people to question
25 about State Support Centers.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 I feel very, very much one-sided when I am
2 sit and ask one person from a State Support Center, you know,
3 "What about your legislative advocacy" as part of the
4 program. I would like to be able to sit here and ask the
5 people that actually are supposed to be getting the
6 service from the State Support Centers how you get it;
7 and how effective is it? I could sit here ask Sylvia
8 all day and she could tell me some beautiful things.
9 I would like for those beautiful things to be supported
10 by people that it is actually supposed to be servicing.

11 I am looking forward to setting up a panel
12 to come before our committee; and I will be talking to
13 Mr. Stubbs on it to answer some of these questions so
14 that we can be -- at least I can be able to make a good
15 judgment. If you are not helping the clients or the
16 people, then I have to make a decision based on that.

17 MR. DANA: All right. Thank you.

18 Clarence?

19 MR. MC KEE: John and Lonnie, your points
20 raised what we talked about this morning, but what
21 happens when you refer clients to a lawyer and the
22 lawyer says: (1) I won't take it because I don't know
23 how to do it, et cetera.

24 You were basing a lot of what you were saying
25 on the fact that maybe because you are a rural area.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 Well, I understand it happens in New York, Philadelphia,
2 and Detroit also. My question is: Is it because
3 the lawyer doesn't know the subject matter or he just
4 doesn't want to deal with a particular client, or is
5 it because it is pro bono? I always thought the lawyers
6 were trained in law school to accept a -- take a case,
7 and to go to books and to learn the law. That was
8 one of my questions on Support Centers. I don't know
9 how much of this -- what the lawyers and the bar
10 association's involvement is that they don't understand
11 and don't know the laws, because if that is the case,
12 there wouldn't have been any big Supreme Court cases.
13 The lawyer would say, " Well, I just don't understand
14 it, so I can't take it."

15 I just wonder if it is more a problem of the
16 client and they don't want to do it; or is it just
17 because they really don't know and don't understand, or
18 it's pro bono?

19 MR. POWERS: Well, let me do this one first.

20 I think it is a combination of all those things.
21 We've got, as I said, 85 lawyers that we compensate
22 partially. We pay them \$30 an hour, which is less than
23 they would like to make for doing Judicare work.

24 I know that many times, especially when we
25 send general practice-type cases and domestic relations

1 cases, these are clients that they may have difficulty
2 in communicating with. A large percentage of several
3 of our counties are black; all of the attorneys except
4 two who actively practice -- private attorneys in our
5 service area are white. There are cultural differences
6 between them that make a lot of the attorneys reluctant
7 to deal with some of our clients.

8 MR. MC KEE: It's really more than cultural,
9 though.

10 MR. POWERS: Well, it -- they certainly are.
11 They certainly are. I was glossing over that.

12 And there is some of our clients who -- And
13 there is some economic determinism in that, also. I
14 mean, there is a lot of lawyers, I know, who will put
15 up with the President of the local bank, who may be
16 the world's biggest horse's ass, because they are charging
17 him \$100 an hour. They are not going to work for a low
18 income person and get \$30 an hour and put up with the same
19 kind of treatment and the same varieties of human
20 relationships arising on either end of the economic scale.

21 Some of it, to move to another area, is a lack
22 of interest in learning about that particular kind of
23 law. If you are practicing law in Dermott, Arkansas,
24 and most of your clients are farmers or people related
25 to agriculture, you are probably not going to go out of

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1330 VERMONT AVENUE, NW

WASHINGTON, D.C. 20005

1 your way to learn about Social Security disability law
2 or SSI cases; and certainly not to learn about Medicaid
3 or problems relating to Hill-Burton Hospitals unless you
4 are very -- unless you have some other interest in that
5 area.

6 And I think when we are thinking of that state --
7 either State Support or National Support Centers, we've
8 got to recognize that -- both when I was in private
9 practice and when I was in the State Attorney General's
10 Office, and when I look around and see what else is
11 going on in the practice of law, attorneys in small towns,
12 particularly where you don't have a very good library,
13 where there is just one or two people in an office,
14 are not going to take on, by themselves, a piece of
15 complex litigation without outside assistance.

16 Now they either -- if it is a contingency case,
17 they bring somebody else in who is expecting to get a
18 part of the fee. They refer their client and work in
19 conjunction with another attorney either in Little Rock
20 or in our area, Memphis, or somewhere else that has
21 specific expertise in that case; or they go to a national
22 law firm and get them to associate with them and work
23 on that matter of litigation. I see the same kind of
24 thing being done by the National and State Support Centers
25 in litigation support.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 There is no money that we have to directly
2 change hands, but they are doing the same kind of work
3 of -- to -- in cases, in complex litigation cases, that
4 are done by lawyers with national reputations. To cite
5 an example from the private bar: Irving Younger's
6 involvement in the hotel case in Kansas City. He is --
7 may or may not be a national expert in defendant's
8 class actions at this point after what happened to him
9 in court; but the lawyers in Kansas City, and I've
10 practiced there. There are a lot of good plaintiff's
11 lawyers. They didn't just -- they thought they tried
12 to keep it all in house, but there were some clients
13 of some local attorneys who recognized that they needed
14 some expertise that they didn't have, and weren't able
15 to invest the time in that case to get it. So that
16 sort of thing, I think, has to be kept in mind.

17 MR. MC KEE: That's a good point. The
18 Board, theoretically, in the corporation can monitor and see
19 what is going -- what is happening with the money it
20 gives to grantees. They have a 10 percent private bar
21 involvement over nationally if it gets up to \$15 or \$20
22 million dollars. How would you propose that that is
23 monitored as to success and whether it is doing a good
24 job?

25 Can a lawyer in a program in "X" county deal

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 effectively with his colleagues, who are lawyers, instead
2 of telling them when they are not doing a good job, or
3 what do you use to encourage them, other than money,
4 to get involved in it?

5 MR. POWERS: Well, you have asked me a whole
6 range of questions. The first question, which is an
7 effectiveness question, I can't answer until I know more
8 about how you define effectiveness and how the Board
9 would define, almost, really, from a philosophical
10 standpoint, about -- just starting with what kinds of
11 cases ought to be handled by programs or by the private
12 bar.

13 The other questions that have to do with how
14 do we encourage people to join either pro bono or
15 compensated programs and how to control the kind of
16 practice that occurs, our experience has been that you
17 encourage attorneys to join compensated panels by a
18 combination. The first is that you offer them swift
19 and certain payment, a point that Governor Hynes made
20 this morning. He only pays \$24 an hour, but he pays it
21 within 48 hours. If you are in a small law firm and
22 have a cash flow problem, that is attractive.

23 The second thing you do, is you provide them
24 with support and back up. You tell them, "We've inter-
25 viewed these people -- " What we do. We've interviewed

1 the people. We've determined there is a meritorius
2 legal action. We can tell you what the general perimeters
3 of the action are going to be; and if you need some
4 more assistance and help during the case, we will do it.

5 Now beyond -- in terms of recruitment, we
6 appeal to their ethical responsibilities; we appeal to
7 their avarice; and we appeal to their group spirit by
8 getting as many people involved as we possibly can.

9 In terms of quality control, specifically, we
10 have a requirement that the attorneys submit to us copies
11 of their pleadings and correspondence in all -- and
12 subsequently, correspondence in all cases. I've probably
13 not had more than two attorneys who have, for that
14 specific reason, refused to join a panel.

15 In our Little Rock Office, each of our staff
16 attorneys is assigned one or more of the counties in
17 which we operate; and we keep a parallel file in our
18 office on all of our Judicare cases. The attorneys are
19 required to file monthly -- asked to file monthly
20 cost statements. In the beginning, they tell us an
21 estimate of what the case is going to cost; and each
22 month or periodically, they send us copies of the
23 pleadings and they send us a bill which sets out, in
24 a reasonable amount of detail, what it is that they have
25 done. Those are reviewed by attorneys in our office and

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

The first of these is the fact that the
 number of persons who are employed in the
 service of the Government has increased
 since the war. This is due to the fact
 that the Government has been engaged in
 a large number of projects which require
 the services of a large number of persons.
 The second of these is the fact that the
 number of persons who are employed in the
 service of the Government has increased
 since the war. This is due to the fact
 that the Government has been engaged in
 a large number of projects which require
 the services of a large number of persons.
 The third of these is the fact that the
 number of persons who are employed in the
 service of the Government has increased
 since the war. This is due to the fact
 that the Government has been engaged in
 a large number of projects which require
 the services of a large number of persons.
 The fourth of these is the fact that the
 number of persons who are employed in the
 service of the Government has increased
 since the war. This is due to the fact
 that the Government has been engaged in
 a large number of projects which require
 the services of a large number of persons.
 The fifth of these is the fact that the
 number of persons who are employed in the
 service of the Government has increased
 since the war. This is due to the fact
 that the Government has been engaged in
 a large number of projects which require
 the services of a large number of persons.
 The sixth of these is the fact that the
 number of persons who are employed in the
 service of the Government has increased
 since the war. This is due to the fact
 that the Government has been engaged in
 a large number of projects which require
 the services of a large number of persons.
 The seventh of these is the fact that the
 number of persons who are employed in the
 service of the Government has increased
 since the war. This is due to the fact
 that the Government has been engaged in
 a large number of projects which require
 the services of a large number of persons.
 The eighth of these is the fact that the
 number of persons who are employed in the
 service of the Government has increased
 since the war. This is due to the fact
 that the Government has been engaged in
 a large number of projects which require
 the services of a large number of persons.
 The ninth of these is the fact that the
 number of persons who are employed in the
 service of the Government has increased
 since the war. This is due to the fact
 that the Government has been engaged in
 a large number of projects which require
 the services of a large number of persons.
 The tenth of these is the fact that the
 number of persons who are employed in the
 service of the Government has increased
 since the war. This is due to the fact
 that the Government has been engaged in
 a large number of projects which require
 the services of a large number of persons.

1 approved before they are paid.

2 There is a good deal of informal discussion
3 about cases, both on the front end and during the courses
4 of it, of how it is being handled. Now what we have
5 found over the course of the last two and one-half
6 years is that our attorneys and the local attorneys
7 are getting to know one another; they are beginning to
8 trust one another because the staff attorneys actually
9 practice law in the same courts that these attorneys do; and
10 they develop the same respect that any attorneys do who
11 see one another in court; and, I hope, do a credible job.

12 So it's not a big coming down on someone. It
13 is the same kind of discussion that might go on in a
14 law firm about how to handle the case.

15 MR. DANA: Okay.

16 MR. OLSON: May I just follow up on one of
17 Hal's questions? Very quickly ---

18 MR. HARVEY: One more, Bill, and we are going to
19 stop in three minutes.

20 MR. OLSON: It's not -- When you left the room,
21 I was asking questions, and when you came back; but
22 in between, I didn't ask a single one.

23 (Laughter!)

24 I just want to get this point clear. I think
25 Ms. Ivy mentioned that you had been involved in this

regarding the fact that they are not.

There is a good deal of information

about the matter, both on the part of the court and the parties.

It is not at all clear that the law

is clear on the point of the fact that the

court is not at all clear on the point of the

fact that the court is not at all clear on the

point of the fact that the court is not at all

clear on the point of the fact that the court

is not at all clear on the point of the fact

that the court is not at all clear on the

point of the fact that the court is not at all

clear on the point of the fact that the court

is not at all clear on the point of the fact

that the court is not at all clear on the

point of the fact that the court is not at all

clear on the point of the fact that the court

is not at all clear on the point of the fact

that the court is not at all clear on the

point of the fact that the court is not at all

clear on the point of the fact that the court

is not at all clear on the point of the fact

that the court is not at all clear on the

point of the fact that the court is not at all

clear on the point of the fact that the court

WALTER S. GROSS
COURT REPORTER AND TRANSCRIBER
1200 AVENUE 'C', N.W.
WASHINGTON, D. C. 20004

1 denial of care matter with regard to a hospital and a
2 one-year old child that died. You had said that you
3 had provided some assistance in the preparation of a
4 complaint regarding the wrongful death of the infant or
5 that kind of an action. Is that being litigated by a
6 Legal Services funded grantee, that kind of a classic
7 wrongful death contingency case? Is that being litigated
8 by a ---

9 MS. IVY: Yes, I believe it is. And I assume
10 that the parents weren't able to find local counsel
11 to take the case.

12 MR. OLSON: Do you know what program that is?

13 MS. IVY: Texas Rural Legal Assistance.

14 MR. OLSON: Thank you.

15 MR. HARVEY: Mr. Askew, thank you for presenting
16 these persons before the Board this afternoon. Thank
17 you all for being here. Thank you.

18 The Board is ready to proceed to "Committee
19 Reports", which is Item No. 5 on the agenda. I think we
20 can take the Appropriations and Audit Committee; and
21 then, Clarence, you would like a slight change?

22 MR. MC KEE: Just save "B" and "D" for the end
23 if you are going to do them together.

24 MR. HARVEY: Mr. McKee would like to present
25 both "B" and "D" at the same time. Each is his presenta-

1 tion; and unless I hear an objection from the Board, I
2 will take it that the Board consents unanimously to that
3 modification of the agenda presentation.

4 So, Appropriations and Audit Committee. Harold?
5 the floor is yours.

6 MR. DE MOSS: Mr. Chairman, the Appropriations
7 and Audit Committee has two action matters for the Board
8 today. They are described in your Board handout.

9 At our meeting in Denver in May, the Committee
10 considered the question of auditor for the corporation
11 for the coming fiscal year -- for the present fiscal year.
12 Excuse me. And made the decision to recommend to the
13 Board that we retain the services of Price-Waterhouse,
14 who has been doing the audit for the corporation for
15 some period of time, for fiscal year, 1982. Consequently,
16 Mr. Chairman, I move that the corporation retain the
17 services of Price-Waterhouse as its auditor for fiscal
18 year, 1982.

19 MR. HARVEY: Well, is there a second to that
20 motion?

21 MR. OLSON: Second.

22 MR. HARVEY: The motion is made and seconded
23 that the corporation retain Price-Waterhouse as its
24 auditor for 1982.

25 Any discussion of the motion?

1 (No response.)

2 Hearing none, are you ready to vote on the
3 matter?

4 Those in favor, signify by saying, "Aye."

5 BOARD MEMBERS: "Aye."

6 MR. HARVEY: Opposed, the same sign.

7 (No response.)

8 MR. HARVEY: The motion is carried.

9 MR. DEMOSS: The second matter relates to
10 some changes in our operating budget which have been
11 necessitated by a variety of circumstances; and I think
12 the information is set forth in your Board Member
13 booklet; and I think the simplest way to present the
14 matter is for me to make the motion, and if anybody
15 wants any back-up discussion, I will be happy to go
16 into it. But, Mr. Chairman -- and this matter has been
17 approved by the Audit and Appropriations Committee.

18 I move that the consolidated operating budget
19 for fiscal year, 1982, be modified in the manner set
20 forth in the memorandum from Gary Singing to the
21 Appropriations and Audit Committee, dated May 25, 1982;
22 specifically, that \$47,536 be transferred from National
23 and State Support to field programs on Page 18; and that
24 \$258,000, Page 19, be added to the budget from the "Not
25 Allocated" portion of the Statement of Funds Available as

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

(Continued)

...and you really are very good at it.

...

...and I think you're doing very well.

...

...and I think you're doing very well.

(Continued)

...

...

...and I think you're doing very well.

1 of March 31, '82; Page 17, to be allocated as follows:
2 \$30,000 to the Quality Improvement Project for (Rural
3 Delivery), Page 18; \$128,000 to Management and Adminis-
4 tration, Page 19; and \$100,000 to Unallocated, Page 19.

5 MR. HARVEY: Is there a second to this?

6 MR. OLSON: Second.

7 MR. HARVEY: Discussion?

8 (No response.)

9 Hearing none, are you prepared to vote on
10 the motion?

11 Those in favor, signify by saying, "Aye."

12 BOARD MEMBERS: "Aye."

13 MR. HARVEY: Opposed, the same sign?

14 (No response.)

15 Motion carries.

16 Do you have further business here?

17 MR. DE MOSS: I believe that concludes it.

18 MR. HARVEY: Thank you.

19 We have agreed to take Items "B" and "D"; Mr.
20 McKee presenting each. Clarence, do you want to present
21 "B" first?

22 MR. MC KEE: I can wait because Ms. Weiseman
23 will have a presentation involving one of them.

24 MR. HARVEY; Okay. So what do you want? "D"?

25 MR. MC KEE: Go to "C" and then "E". We'll be

to be repaid by the State, to be allocated as follows:
\$10,000 to the Quality Improvement Project for (Year
1974), \$18,000 for management and admini-
strative costs and \$100,000 to maintain, Page 10.

THE UNIVERSITY is doing a survey to this

THE UNIVERSITY

THE UNIVERSITY

(no response)

Thank you for your response to your re-

questions

There is a very slight by saying "Yes"

THE UNIVERSITY

THE UNIVERSITY

(no response)

Thank you for your

Do you have further questions?

THE UNIVERSITY

WALTON R. GROSS
COUNTY RESEARCH AND TRAINING
1230 UNIVERSITY AVENUE NW
WASHINGTON, D.C. 20007

1 last.

2 MR. HARVEY: Oh, you want to go last? Okay.

3 MR. MC KEE: Yes.

4 MR. HARVEY: All right. We can change that
5 order by consent of the Board.

6 Let's turn, then, to Item "C"; and we have
7 several resolutions to present from the Committee on
8 Provision of Legal Services. Jerry, are you prepared
9 to present your motion and discussion? I can go
10 forward.

11 The first resolution, Members of the Board,
12 is as follows:

13 Whereas, the Committee on the Provision of
14 Legal Services previously presented a report entitled,
15 "A Plan for the Future" or the Sachs Report to the
16 Board of Directors, Legal Services Corporation; and,

17 Whereas, The Board of Directors of Legal
18 Services Corporation received the report. The report
19 is in the custody of the Board.

20 It is resolved, that the Committee on the
21 Provision of Legal Services, directs its Chairman to
22 move the Board of Directors to return the report entitled,
23 "A Plan for the Future" to the Committee on Provision of
24 Legal Services for further consideration and additional
25 analysis.

1 As Chairman of that committee, I move that
2 the Board direct that the report be returned to the
3 committee, consistent with the resolution presented.

4 Is there a second?

5 MR. DE MOSS: Second.

6 MR. HARVEY: And seconded.

7 All right. Discussion on this?

8 (No response.)

9 All right. Hearing none, we will proceed to
10 vote.

11 Those in favor, signify by saying, "Aye."

12 BOARD MEMBERS: Aye.

13 MR. HARVEY: Opposed, the same sign.

14 (No response.)

15 Another resolution very similar from that
16 Committee to the Board:

17 Whereas, Section 1007(g) of the Legal Services
18 Corporation Act mandated that the corporation shall
19 provide a comprehensive and independent study of
20 existing Staff-attorney Programs under the Act, and/or
21 a study of alternative and supplemental methods of
22 delivery of legal services; and,

23 Whereas, the corporation produced the Delivery
24 System Study of 1980 in response to the Congressional
25 mandate; and,

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 Whereas, the Committee on Provision of Legal
2 Services believes that an analysis of the "Delivery
3 System Study of 1980" would be informative and helpful;

4 It was resolved, that the Committee direct its
5 Chairman to move the Board of Directors that the Board
6 direct the Committee on Provision of Legal Services to
7 conduct an analysis of the "Delivery System Study of
8 1980" and report its analysis and findings to the Board
9 in due course.

10 I so move consistent with the resolution now
11 presented.

12 Is there a second to this?

13 MS. WORTHY: I second it.

14 MR. HARVEY: Discussion on this?

15 MR. DANA: Mr. Chairman.

16 MR. HARVEY: Yes, Howard.

17 MR. DANA: Is this study a study of delivery
18 systems or is it a study of the "Delivery System Study"
19 that you are requesting?

20 MR. HARVEY: It is the latter.

21 MR. DANA: Are we limited in our purpose of
22 this evaluate the study, or ---

23 MR. HARVEY: No. I would not think so. I
24 take it as -- I think maybe some discussion would be
25 helpful on this. Howard, what are your views on this?

1 Should it be a bit more expansive than studying the study,
2 or perhaps comparing the study to other new developments.
3 Is that what you are suggesting?

4 MR. DANA: I would not. I don't know how long
5 the study is going to take, but the study has been
6 around a while and everybody talks about it; and it seems
7 to me that if we are going to study the study, we might
8 study the problem as well, and just deal with the whole
9 question of delivery system alternatives.

10 Much of what we heard today was a discussion
11 of those types of alternatives. I would hate to focus
12 our attention on a study which is rapidly old data.

13 MR. HARVEY: Yes.

14 MR. DANA: And not focus on some of the
15 innovative delivery system alternatives that are being
16 employed today. And there is probably an opportunity
17 to substantially up date a lot of the existing data
18 and I -- whatever comes of the effort, it seems to me,
19 should take advantage of as much current information
20 as possible.

21 MR. HARVEY: I think that is an excellent
22 suggestion, Howard.

23 As the maker of the motion called **Moven**,
24 I think, I'll take that to be the sense of the motion,
25 with your agreement.

1 MR. DANA: Right.

2 MR. HARVEY: Comments?

3 (No response.)

4 Hearing none, we will proceed to vote. Those
5 in favor of the motion in the sense of the motion in
6 which Mr. Dana has well stated, signify by saying, "Aye."

7 BOARD MEMBERS: Aye.

8 MR. HARVEY: Opposed, the same sign.

9 (No response.)

10 The motion is carried.

11 Jerry?

12 MR. CAPLAN: Yes. As I indicated this morning,
13 but for the Board's March 5 resolution, in the ordinary
14 course, Dan Bradley's successor would have reviewed the
15 outstanding grants approximating \$2.5 million and eight
16 awards. Four months have elapsed since the March 5
17 resolution, and I am now asking the Board to repeal
18 Items 2 and 3 of that resolution, which would allow me
19 to commence my own review.

20 As I indicated, I have not reviewed the grant.
21 In response to the inquiry this morning of Mr. De Moss,
22 I believe those under Roman Numeral I would fall outside
23 of 3, and the remainder would be within sub-category 3.
24 That is, first time obligations that are not required
25 under the Minimum Access Formula.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 MR. HARVEY: Jerry, is there a specific motion
2 to that effect?

3 MR. CAPLAN: That the March ---

4 MR. DE MOSS: Mr. Chairman, I will make a
5 motion that the Board relieve the President of the present
6 hold that we have on action on grant requests, and permit
7 him to go forward with taking such action as he deems
8 necessary and appropriate in regard to those requests.

9 Do I need the language in there about getting
10 rid of two and three in the prior motion? Isn't that
11 sufficient?

12 MR. HARVEY: I think that does it.

13 MR. DE MOSS: Okay.

14 MS. WORTHY: I ---

15 MR. HARVEY: Is there a second?

16 MS. WORTHY: --- second the motion.

17 MR. HARVEY: All right. The motion has been
18 made and seconded. Discussion on this motion?

19 MR. DANA: Just a point of inquiry. We are
20 -- At least there is a good chance we will be faced with
21 some very tough funding problems in the weeks and months
22 ahead; and I think we should be cautious about magnifying
23 those defunding problems or restricted funding problems.

24 I would hope that in the exercise of the
25 President's judgment that he would bear that in mind or,

... to the ...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

...

HEALING CROSS
...
...
...

1 if possible -- Many of these grants may be one-time
2 grants, which do not have -- follow along legal liability
3 for the -- or legal responsibility for the corporation.
4 I think that -- I would hope that there would be some
5 sensitivity to those kinds of problems.

6 MR. HARVEY: Okay. Jerry?

7 MR. CAPLAN: Yeah. I think I understand the
8 concerns in this regard, and would have no difficulty,
9 for that matter, in touching base as I review these
10 individually just to make sure I am not out of touch.

11 MR. HARVEY: Bill?

12 MR. OLSON: I think the point is well taken
13 with regard to raising expectations that cannot be
14 fulfilled. But it is clear that in no way are we taking
15 a position on any of these with this resolution. We
16 are just granting the discretion to you.

17 MR. CAPLAN: That's right. And I have not
18 looked at the grants.

19 MR. HARVEY: Further discussion? Bill?
20 Clarence?

21 All right. Those in favor of the motion by
22 Mr. DeMoss, signify by saying, "Aye."

23 BOARD MEMBERS: Aye.

24 MR. HARVEY: Opposed, the same sign.

25 (No response.)

1 The motion is carried.

2 My recollection is, Members of the Board, that
3 we have one more item of business from this committee,
4 don't we Howard? Don't you have a motion?

5 MR. DANA: It was a resolution. I don't know
6 that it needs a full Board action. It was a request
7 that I think we passed of staff to report to both the
8 Provisions Committee and the Audit and Appropriations
9 Committee on their -- on an analysis of the fund
10 balances, and recommendations concerning possible
11 set-offs. It's not really an action item. It's really
12 a request of staff, which was passed in the Provisions
13 Committee.

14 MR. HARVEY: Then you are reporting to the
15 Board?

16 MR. DANA: I'm reporting to the Board.

17 MR. HARVEY: The report will be accepted.
18 Thank you, Howard.

19 I have no further business. Is there any
20 other business or questions concerning the Provisions
21 of Legal Services Committee?

22 Clarence, are you prepared to go forward?

23 MR. MC KEE: If we can, I thought we would
24 go to Presidential Search.

25 MR. HARVEY: All right ---

1 MR. DANA: I would ---

2 MR. HARVEY: Howard, before we go to Presidential
3 Search or your annual report -- The annual report?

4 MR. DANA: Yes.

5 MR. HARVEY: Members of the Board, in the
6 March meeting that President Caplan referred to a moment
7 ago, a motion was adopted by the Board to vest in the
8 Chairman of the Board, the discretion to review and
9 publish the Annual Report for 1981. In consultation
10 with then President Bradley, and of course, his successor,
11 President Caplan, I insert, sort of in the agenda at
12 this time --

13 It is, perhaps, in the nature of the Provision
14 of Legal Services, the report that the Report is now
15 published.

16 So the motion has been -- The Report is
17 published; the motion is fulfilled; and that is the end
18 of the matter.

19 And I want to thank President Caplan and his
20 staff for a fine report which is before each of you.

21 MR. HARVEY: Let's see. Howard, I think we
22 are ready for Item "D". I'm sorry. Item "E".

23 MR. DANA: Mr. Chairman, the Presidential
24 Search Committee, which is a -- substantially, a committee
25 of the whole, has had, since our last Board meeting, one

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1330 VERMONT AVENUE, NW

WASHINGTON, D.C. 20005

... [mirrored text]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

[mirrored text from reverse side of page]

1 formal meeting in Denver on, I believe, May 5. We've
2 had two or three sessions since that time in which we
3 read resumes.

4 We have received a total of 341 resumes, and
5 I report to you that I, personally, have reviewed all
6 of them to date, and well over 70 percent of the resumes
7 have been read by at least three Board members.

8 We are -- At a point in time last month, it
9 became clear that the, what you might call the confirmation
10 process and the Presidential selection process were starting
11 to get confused, and I -- After consulting with other
12 members of the committee, I decided to postpone the
13 meeting until the confirmation process was behind us.

14 I think one of the things that we will be
15 doing in the next few hours, preferably tonight, is I
16 will be consulting with members of the committee, and
17 before we adjourn tomorrow, have a series of dates for
18 continuing that review, and probably there will be at
19 least one public meeting.

20 Our next meeting will be a public meeting,
21 and it is not clear to me, as yet, because I have not
22 consulted with them, where and when that will be. But
23 my hope is that it will be soon.

24 I think that concludes my report.

25 MR. HARVEY: Thank you very much, Howard.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

...in the ... of the ...

...the ... of the ...

HEAL R. CROSS
COMMUNICATIONS AND TRANSPORT
1111 ...
WASHINGTON, D.C.

Scott
vb
T4
L23
7-17-82

1 Further discussion of this special committee
2 report?

3 MR. DE MOSS: Mr. Chairman, I might add to
4 Howard Dana's report, and I hope I am adding correctly,
5 that the door is still open; and we are desirous if
6 there are any additional applicants, that they get their
7 application in. There has been no action to terminate
8 consideration of applications.

9 MR. DANA: Thank you very much, Hal.
10 As a matter of fact, we have purposely left the door open,
11 and there is no deadline; but the deadline will be, I
12 suspect, shortly after Senate confirmation.

13 MR. HARVEY: Howard, just a comment or question.
14 There are a large number of persons here from around
15 the country. If there is an interest to express, it
16 should be sent to Leigh Ann Bernstein, at corporation
17 headquarters in Washington. Is that not so?

18 MR. DANA: That is correct. Or to me.
19 In either event, it will go to Leigh Ann.

20 MR. HARVEY: Thank you very much, gentlemen.
21 Now, Clarence, we've got to "B" and "D"
22 finally.

23 MR. MC KEE: Mr. Chairman, my special committee
24 in Grants and Contracts, we had a voluminous record
25 compiled from the May 10th meeting. Those minutes are

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

ΑΝΥΠΟΧΡΩΤΗ ΔΕΛΤΑ ΧΡΟΝΟΣ
ΓΙΑ ΤΟ ΔΕΛΤΑ ΤΑΧΥΤΗΤΑ ΚΑΙ
ΤΟΝΙΟ ΣΥΜΒΕΒΗΚΑ ΤΗΣ ΔΕΛΤΑΧΡΟΝΙΑΣ
ΗΜΕΡΑ 11 ΟΚΤΩΒΡΙΟΥ

30
34
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99

Δελτα 05
214
28
49
1001

1 still being developed because some of the materials
2 are still coming in.

3 What I'll do is give you a very brief synopsis
4 of that meeting; and then I will go to the Operation
5 and Regulations Committee. Mr. Stubbs, the Chairman
6 of that committee is tied up and had previous commitments;
7 and has asked me to give the subcommittee report, as well
8 as, proposed and recommended two action items, which the
9 subcommittee recommended for the Board.

10 In terms of the Committee on Grants and Contracts,
11 Mr. Olson is a member of that committee, and Mr.
12 Satterfield. On May 10, we met; Mr. Satterfield was
13 ill that day and tied up; and Mrs. Worthy, who joined in.
14 We had a group of 11 witnesses, which was a broad
15 cross section of the Legal Services community in many
16 ways.

17 The main items of concern that we addressed,
18 were fund balances, contracts and grants, support centers,
19 and the concept of unresolved questions of cost. Unresolv-
20 ed questions of cost did not turn out to be a major
21 problem or consideration that we thought we would look
22 at any more.

23 On fund balances, that has always been a major
24 concern of mine; and that is why it was listed as the
25 first item on our agenda that day. And I am very pleased

the... to... of...
of... the...

1 that the committee on Provision of Legal Services has
2 taken the action to follow up on that, and perhaps,
3 maybe, we will be looking at it again.

4 I note that Mrs. Holmes, this morning, from
5 Detroit, expressed the concerns of many people around
6 the country as to these balances; and determining, I guess,
7 down the line what the Board will do on it.

8 In Contracts and Grants, we discussed the subject
9 of affirmative action for our contractees and our
10 grantees; who gets -- in terms of these outside services
11 and training programs -- decides who gets what.

12 As they related to support centers, there was
13 a question raised. If a support center or a local
14 project gets a grant for a year of, say, \$500,000 or
15 \$600,000, then why was it that maybe the same group or
16 groups would come in eight, six, seven months later and
17 ask for a supplemental grant on a different area of say
18 \$50,000 or \$60,000?

19 For example, we saw a lot of those in terms
20 of training programs; two-day training programs in the
21 area of migrant labor; but that was a question that we
22 had looked at and thought would be in the future.

23 In support centers, always a very controversial
24 area, it turned out we had a person very strongly opposed
25 and a person strongly in favor of the concept of support

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1330 VERMONT AVENUE, NW

WASHINGTON, D.C. 20005

(202) 234-4433

1 centers. The idea always being expressed that they
2 should be continually monitored and evaluated; and one
3 support representative suggested that we try to give
4 them as much guidance as we could on the subject of
5 this concept of lobbying. When a center sends out a
6 newsletter, what is grass roots lobbying and what is
7 just basic client instruction.

8 Issues of policy advocacy came up. Training
9 versus lobbying; what is the fine line? And I am
10 hoping that Ms. Weiseman, later on, will give us some
11 clarification as to what the GC's office is working
12 on and looking at on that. Scrutinization of local
13 funds that are used to finance outside organizations and
14 to what extent it agrees, if any.

15 And in this area, -- It wasn't specifically
16 mentioned that day, but something that had been a
17 concern to myself in talking to the President, and that
18 was the idea of an inspection -- inspector general. Does
19 this Board need one? There are just so many things
20 to look at, and maybe we do need an inspector general;
21 and Ms. Weiseman will talk about that.

22 We probably will have another meeting in six
23 to eight weeks. I'm not sure exactly when; but there
24 are several issues in co-ordination with the Committee
25 on Operations and Regulations as well as the Provision of

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 Legal Services Committee that I wanted to look at, Mr.
2 Chairman.

3 The subject that came up this morning of the
4 per capita expenditures. In one city, or one state, or one
5 region you'll have a great majority of poor people;
6 however, that region may be getting \$8 or \$9 a person
7 and some other city in some other area of the country
8 with a lower proportion of poor persons are getting
9 \$10, \$12, \$13. That might be looked at later on.

10 I would hope that the next meeting of that
11 committee will address some of the concerns that Ms.
12 Worthy had expressed earlier. We will have persons
13 before the committee representative of local Board
14 members, and clients to give their views on all these
15 subjects that we've heard and all the meetings of the
16 Board and various committees since the -- last March
17 so we will get a good cross section.

18 That was pretty much an outline. We didn't
19 take any actions. We'll probably do that, maybe, at
20 our next meeting in terms of a Board policy in some of
21 these areas.

22 Turning now to Mr. Stubbs's Committee on
23 Operations and Regulations ---

24 MR. HARVEY: Before you do, Clarence, any
25 questions from any Board members about grants and contracts?

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

...the ...

...

...the ...

...

...the ...

...

...the ...

...

FRANK R. CROSS
COMM. SECRETARY AND TREASURER
1000 ...

1 MR. MC KEE: Mr. Olson was at that meeting,
2 as I recall.

3 MR. OLSON: I just have one brief comment, which
4 is that I would think that since Clarence started the
5 ball rolling on the whole issue of the fund balances that --
6 and the Board's investigation of them, that when staff
7 prepares the paper that Hal -- that Howard was discussing,
8 that that certainly ought to go to Clarence, too; so we
9 can get that -- We don't want to have too many
10 committees doing too many things, and Clarence has been
11 on this for quite a while; so I would just mention that.

12 MR. MC KEE: We are going to send it to every--
13 body.

14 MR. HARVEY: Clarence, the testimony you heard
15 in your committee, was that similar to what we have heard
16 this morning concerning this carry-over from '81 to '82?
17 Did you touch upon that?

18 MR. MC KEE: The carry-over issue was addressed,
19 basically, by the staff. Some of the witness that did not
20 -- they expressed their need to look at it, but it didn't
21 get into the depth in terms of what was needed to be
22 done about it. We just raised the issue and got kind of
23 the paper that Mr. Lyons presented this morning, as a
24 matter of fact. It was the paper that he presented to
25 us to get into the whole subject matter of fund balances.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1330 VERMONT AVENUE, NW

WASHINGTON, D.C. 20005

1 But no specific actions were requested to be taken at all.

2 The comments from the audience: There were
3 those who thought we shouldn't look into any of these
4 matters. Of course, I don't know why, but there were
5 no specific comments like we got this morning, which were
6 very helpful.

7 I've gotten more comments when we have gone to
8 different parts of the country on fund balances from
9 clients and members of local Boards who have expressed
10 a concern about it. I think the work that was done
11 this morning will answer a lot of questions and satisfy
12 a lot of concerns that existed out in the field

13 MR. HARVEY: One of the concerns I've had,
14 Clarence; or at least, areas of intellectual interest is
15 -- relates directly to your committee, and I will state
16 it to you; however, inarticulately.

17 I do observe that in 1981 and '82, we are
18 functioning still in a minimum access concept, which is
19 a concept wedded to the census report of 1970.

20 We discussed this once before. I recall, Mr.
21 Bradley was here. They said, "Yes, that's right. We
22 are now 12 years out of date." I think there is still
23 a whole new census report has now been produced.

24 Apparently it was a case that when this was
25 done, no reference was made to the interim census data

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 which comes every five years; and one would have been
2 available in 1975, at about the same time minimum access
3 was developed. But I guess no use was made of it.

4 It seems to me, in Congress, that we are
5 functioning on a data base which is soon to be 13 years
6 old.

7 And I simply say that to you. You know it
8 anyway, but I want to say it. I like my talk.

9 MR. MC KEE: I think, when I was talking in
10 terms of per capita expenditures, I was thinking of that
11 concept. I think that would be a good subject for us
12 to get into at the next meeting; the whole subject of
13 minimum access.

14 MR. DE MOSS: Mr. Chairman, I might comment that
15 the last meeting of Audit and Appropriations got into
16 that in some detail; and the general recollection that I
17 have is that the 1980 census data, while it is complete,
18 it has not yet been compiled and published; and we
19 probably don't have access to it right now; and probably
20 won't have access to it for purposes of utilizing it
21 until some considerable time into the future, probably
22 next year at the earliest, which will create a problem
23 for us; i.e. that it is not purely a matter of the fact
24 that we haven't updated ourselves. It is, in part,
25 the fact that the data is just not yet available.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 The studies and the determination of low
2 income population and what shifts have occurred in
3 that population in this 10-year cycle, and what impacts
4 you can obviously see that those shifts may have on
5 grant programs that have been premised on 1970 data.

6 So your comment is well taken that there is a
7 need to get ourselves updated, but I just felt that it
8 was important to make clear that the staff tells me,
9 and unless somebody has got something new since our
10 last Audit and Appropriations Committee, that that
11 data of the 1980 census is not yet available in the
12 form by which we could utilize it in the manner that it
13 had -- that the '70 data was utilized previously.

14 MR. HARVEY: Harold -- Clarence, one of the
15 things that was a predicate for my comments to you is
16 a speech made by former President, Tom Urlich, at the
17 Cassidy University of Law School, April 3, 1981.

18 The first reading of the day was an address,
19 the Pope John XIII lecture. And in this, he says -- he's
20 addressing the question how, really, to allocate funds
21 to persons who need legal assistance; generally he is.
22 Then he says this: He says that the terms of the Legal
23 Services, and I quote -- "The terms of the Legal Services
24 Corporation Act say little that give much help on the
25 question of why legal services for poor people. Indeed,

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 the Act does not even refer to poor people or to poverty
2 at all. Rather, former President Urlich tell us, the
3 Act appears that it is designed "-- to provide high
4 quality legal assistance to those who otherwise would
5 be unable to afford adequate legal counsel."

6 Taken literally, this conclusion is that
7 category includes a majority of all Americans, an issue
8 I wish there was a little more time to discuss.

9 Then he goes on, and I quote, "It was the
10 Legal Services Corporation Board --", this Board, "--
11 which, with the full approval of the working local
12 programs which concluded that priorities should be given
13 to poor people; and it chose to use the Federal
14 Government's annually adjusted poverty level as a base
15 for determining how local programs should define income
16 eligibility.

17 The Act requires the Board to adopt some
18 eligibility standards, but does not specify which ones.
19 The Board decided to focus on poor persons not only
20 because of their relative economic status, but also,
21 although this was not often articulated because it was
22 generally thought that legal problems impact on the lives
23 of the poor persons more seriously than any of the group."

24 Now I am not intimating disagreement with the
25 way in which the Board allocated its resources and the

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 corporation resources to assist poor persons; but I am
2 quoting former President Urlich, and I assume he is
3 correct in this. We've not -- well, never mind about
4 that. But in any event, I assume he is correct in what
5 he is saying that it is the Board's responsibility to
6 do this. It's the Board that selected those data
7 base in which it may, indeed, develop the entire
8 superstructure which now exists.

9 MR. MC KEE: I would think that what Mrs. Mary
10 is doing in the terms of the eligibility costs across
11 this area, too. Some -- touching some ---

12 MR. HARVEY: I think so, too.

13 MR. MC KEE: In a ---

14 MR. HARVEY: Any comments on that particular
15 point, Clarence?

16 MR. MC KEE: No.

17 MR. HARVEY: Do you want to proceed to your
18 other committee report?

19 MR. MC KEE: Let me get my committees straight
20 here.

21 The Committee on Regulations and Operations
22 met in Atlanta on May 14, 1982. The Chairman is Robert
23 Stubbs. Mrs. Worthy is on that committee. I am on
24 that committee, and I believe, Mr. Paras and Mrs. Slaughter
25 are on that committee.

1 We sat up four subcommittees, which I think
2 are very important: The Project Development Subcommittee,
3 chaired by Mrs. Slaughter. Mrs. Worthy is on that.
4 Different projects and programs. We felt that based
5 on Mrs. Slaughter's background, that would be very
6 helpful for her to take over and look into those areas
7 of structural project developments that the committee
8 or the Board would want to look into.

9 An Internal Organization and Operations
10 Committee, dealing, basically, to assist and work with
11 in the closest manner possible, Mr. Caplan and the future
12 President; chaired by Ms. Worthy. On that committee is
13 myself.

14 Then because of trying to get a touch upon
15 everything that is going on in the regions in terms of
16 state activities across the board, we established a
17 Regional and State Activities Subcommittee, of which
18 I am the chairman. The members are Mr. Paras and Ms.
19 Slaughter.

20 Then finally, a Regulations Review Committee
21 to take a look at all of our regulations in terms of
22 what can and cannot be done. We get many conflicting
23 stories. Some saying that the legislative history of
24 the statute says one thing, and others say another.
25 Mr. Paras is chairman of that and I am on that committee.

1
 2
 3
 4
 5
 6
 7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27
 28
 29
 30

WASHINGTON, D. C. 20540
 1300 PENNSYLVANIA AVENUE, N.W.
 UNITED STATES DEPARTMENT OF JUSTICE
 FEDERAL BUREAU OF INVESTIGATION

1 The other proposal and resolution relates to
2 creation of a position, as the Board has authority to do,
3 of an office of Vice-Chairman of the Board. Right now,
4 the Chairman is the beginning and middle ground of the
5 Board. If something happens to our poor Chairman, he
6 gets sick or gets tired then what do we do in terms of
7 a leader? So, we thought what is needed is a Vice-
8 Chairman or a position of Vice-Chairman of the Board.

9 These two resolutions would propose those
10 By-Law revisions; that they would be published in the
11 Federal Register, those revision proposals 30 days prior
12 to -- at least prior to our next meeting for public
13 comments; and then be, again, presented to the Board
14 for final action.

15 And I have -- They are rather lengthy, and
16 I will read them to you. The one on the Board of
17 Directors --

18 Well, let's first do the one -- Which one
19 do I want to do first? Number two. -- of the date of
20 the meeting.

21 And also, Mr. Chairman, we might also take
22 care of agenda item, I think it is Number 7, which
23 discusses the date of our next meeting because that
24 was also included in our resolution here.

25 Do you have a copy of the resolution?

of other people and members of the
 nation of a country in the world is an activity to do
 in an effort to make the world a better place. Right now,
 the situation in the fighting and unstable world of the
 world. If something happens to our world, it will be
 just like a game. And from what we do in terms of
 a student in the world, it is a student in a world
 that is a student in a world of a student in a world.
 There are two main things that should be done
 in the world that they would be able to do in the
 world. Right now, there are many things that are being
 done in the world that are being done in the world.
 to be able to do in the world that are being done in the world.
 in the world that are being done in the world.
 to be able to do in the world that are being done in the world.
 in the world that are being done in the world.
 to be able to do in the world that are being done in the world.
 in the world that are being done in the world.
 to be able to do in the world that are being done in the world.
 in the world that are being done in the world.
 to be able to do in the world that are being done in the world.
 in the world that are being done in the world.

WILLIAM J. BROWN
 COURT REPORTER AND INTERPRETER
 1200 VERMONT AVENUE, N.W.
 WASHINGTON, D.C. 20005

1 MR. HARVEY: -- materials. Got it.

2 MR. MC KEE: I will just read this briefly
3 to you. This is in terms of the dates of the Board
4 meeting;

5 Whereas, Section 1601.15 of the corporation's
6 By-Laws requires inter alia that regular meetings of the
7 Board of Directors "shall be held at least four times
8 a year on the first Friday of March, June, October, and
9 December if not a legal holiday. Or, if a legal
10 holiday, then on the next business day following at
11 10:00 a.m. or et cetera on the date and time that shall
12 be determined by the majority of the members of the
13 Board."

14 And whereas, the Board of Directors has
15 determined that the corporation's annual budget review
16 process would be better served by holding a regular
17 Board meeting in September rather than October,

18 Be it therefore resolved, that the next
19 regular meeting of the Board of Directors of the Legal
20 Services Corporation will be held on Friday, September
21 3rd, 1982, at 10:00 a.m.

22 And be it further resolved, that the following
23 proposed revisions in Section 1601.15(a) of the corporation's
24 By-Laws dealing with regular meetings of the Board be
25 published in the Federal Register in accordance with

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 Section 1601.44(d) of the By-Laws, at least 30 days
2 prior to the September 3, 1982, meeting of the Board
3 to afford interested parties a reasonable opportunity
4 to comment thereof.

5 I do not -- Well, I'll read the fourth --

6 The proposed revision of 45 CFR 1601.15(a) is
7 as follows:

8 A. Regular meetings of the Board shall be
9 held at least four times a year on the first Friday of
10 March, June, September, and December if it is not a
11 legal holiday; or if a legal holiday, then on the next
12 business day following at 10:00 a.m., or such other
13 date and time as shall be determined by the majority of
14 the members of the Board. Such regular meetings
15 shall be held in the District of Columbia unless a
16 majority of the members of the Board otherwise determine.

17 Notice of the place of the regular meeting shall
18 be mailed to each Director at least seven days before
19 the date of the meeting unless a majority of the members
20 determines that corporation business requires a meeting
21 on fewer than seven-days notice. In that event, notice
22 shall be mailed at the earliest possible time.

23 And, Mr. Chairman, I would move that this
24 resolution be adopted by the Board to have this printed
25 in the Federal Register at least 30 days prior to the

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

Section 1001 (b) of the law, it shall be

to the Board of Directors, and the Board

shall have the authority to

to amend the

and the Board shall have the authority

to amend the law to read as follows:

Section 1001

At regular meetings of the Board shall be

held at least four times a year on the first day of

each January, February, and August, and at such

special meetings as may be called by the Board

whenever the Board shall deem it necessary

and the Board shall have the authority to

to amend the law to read as follows:

Section 1001 shall be amended to read as follows:

Section 1001 of the law shall be amended to read as follows:

Section 1001 of the law shall be amended to read as follows:

to read as follows: Section 1001 shall be amended to read as follows:

Section 1001 of the law shall be amended to read as follows:

Section 1001 of the law shall be amended to read as follows:

Section 1001 of the law shall be amended to read as follows:

Section 1001 of the law shall be amended to read as follows:

Section 1001 of the law shall be amended to read as follows:

Section 1001 of the law shall be amended to read as follows:

Section 1001 of the law shall be amended to read as follows:

1 September 3rd meeting.

2 MR. HARVEY: The motion is made. Is there a
3 second, please?

4 MS. SLAUGHTER: I second the motion.

5 MR. HARVEY: And seconded.

6 Discussion on the motion? Harold.

7 MR. DE MOSS: I have two comments, Mr.
8 Chairman. First of all, I want to be clear that the
9 action we are taking is simply an authorization for
10 publication and not a final decision in any way by
11 this motion.

12 MR. MC KEE: That's correct.

13 MR. DE MOSS: Is that correct?

14 MR. MC KEE: That's correct.

15 MR. HARVEY: That is my understanding.

16 MR. DE MOSS: Okay. Secondly, I would like
17 to raise the problem that the first Friday in September
18 can occur in association with a holiday of Labor Day
19 occurring on the first Monday in September. And I don't
20 think it is good for us to have a mandatory meeting
21 on the Friday that precedes the Labor Day weekend, which
22 I think, is the problem that we have in this particular
23 year.

24 I would feel that it would be appropriate
25 (1) that the motion about -- we meet on September 3rd

1 ought to be changed to some other date; and that the
2 general amendatory language of our regulation ought to
3 make provision for, by some parenthetical expression
4 perhaps, that in the case of September, when the first
5 Friday would fall preceding the Labor Day weekend, that
6 it would then be the second Friday in September.

7 MR. MC KEE: I was going to offer an amendment
8 myself. You took most of it right there.

9 MR. DE MOSS: Meeting Friday or ---

10 MR. MC KEE: I was going to say September 10th
11 for this particular ---

12 MS. SLAUGHTER: Changing the date.

13 MR. MC KEE: Or just leaving a specific date
14 out. We could always determine a specific date. Just
15 leave it as months. What do you think?

16 MS. SLAUGHTER: I think ---

17 MR. MC KEE: We can always set the day, the
18 specific date or day.

19 MR. OLSON: I think the resolution -- regulation
20 really focuses on a day so that I think that you would
21 need to specify a day. You have to rewrite the whole
22 thing.

23 MR. MC KEE: That can be changed later. Mary,
24 do you have --- I was going to have Mary give her comments
25 on these comments.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 MRS. WEISEMAN: There --

2 MS. SLAUGHTER: I was ---

3 MRS. WEISEMAN: Oh, I'm sorry.

4 MS. SLAUGHTER: Go ahead, Mary.

5 MRS. WEISEMAN: The By-Laws currently in
6 effect and the amendment to the By-Laws which is proposed
7 leaves in the authority of the Board, for any reason,
8 to change the date of any meeting they want. This is
9 just to give notice as a regular matter of when the
10 meeting will be.

11 This year, it may be better, at this point,
12 to say for the Board that they do not want to have the
13 meeting the Friday before Labor Day, -- to say, at this
14 time, "We resolve that meeting will be held September 10th."
15 But in the future years, we could leave it the first
16 Friday or even the second Friday, if that would be
17 preferable, and we still have the authority to make
18 whatever changes, or the Board does, they want.

19 MR. HARVEY: So offer it as an amendment.

20 MR. OLSON: I would delete September -- I'm
21 going to see how this sounds. September 3rd, delete
22 that. You were suggesting the 10th.

23 MR. MC KEE: The 10th. A week later.

24 MR. OLSON: That's pretty much the only one
25 we have to deal with. That's the only amendment.

1 MR. MC KEE: I think that's all --

2 MR. OLSON: Right on the --

3 I would amend the motion to delete September
4 3rd and revise it to September 10th.

5 MR. HARVEY: Very well. Any proposed discussion
6 or comments on this resolution as offered?

7 MR. MC KEE: Is everybody clear?

8 MR. HARVEY: I'm just confused. Are we ---

9 MR. OLSON: Be it therefore resolved, that
10 the next -- one, two, -- third paragraph on the date
11 resolution, that it would read that, "The next regular
12 meeting of the Board of Directors of the Legal Services
13 Corporation be held on Friday, September 10, 1982, at
14 10:00 a.m."

15 MS. WIESEMAN: As a suggestion, Mr. Chairman,
16 that in consultation with Mr. Lyons, there should be --
17 or the suggestion is that there should be a separate
18 resolution to change this particular Board's September
19 meeting from the first Friday, because that is a notice
20 for the year's schedule of meetings. So you could
21 accept the resolution as written and make a separate
22 resolution that for this year, the September meeting
23 will be held on September 10th.

24 MR. DANA: We haven't changed it. It is
25 still scheduled for October until we change the regulation.

1 MS. WEISEMAN: That's true. That's true.

2 MR. DANA: However, I think that still we
3 could make the meeting. Let's do it this way, then: --

4 MR. DE MOSS: Mary, is the power of the Board
5 to change the four annual meetings; it is not in this
6 particular subparagraph that we are dealing with here?

7 MS. WEISEMAN: No. It's in the By-Laws,
8 themselves, that the Board ---

9 MR. DE MOSS: A separate paragraph says that
10 we may change any ---

11 MS. WEISEMAN: Except ---

12 MR. DE MOSS: --- annual ---

13 MS. WEISEMAN: --- as the Board otherwise rules.
14 They can have a meeting at any other time that they want.
15 These are the regularly scheduled meetings, but they
16 have the authority to have a meeting to change the dates
17 of any of the meetings as they resolved.

18 MS. WORTHY: That's what I was going to
19 say, Clarence. That the Board has the authority to
20 change as they so deem.

21 MR. DE MOSS: Is there any requirement that
22 if we change any of those four days, we have to give
23 any more notice than we do for calling a special
24 meeting of the Board?

25 MS. WEISEMAN: No.

1 MR. DE MOSS: I mean, a special meeting of
2 the Board?

3 MS. WEISEMAN: No.

4 MR. DE MOSS: I mean, what I am concerned about is
5 is there any understanding that these four meetings will
6 be held on these days unless the Board changes them
7 "X" days in advance?

8 MS. WEISEMAN: No, there is no such under-
9 standing. In fact, as I understand the previous
10 history, they usually have not been held in October.
11 They have normally been held in September; and that
12 is why the resolution was adopted or recommended by
13 the subcommittee to conform to the practice as has
14 occurred in the past.

15 MR. MC KEE: Why don't I break it into two
16 separate -- Do you still want to --

17 MR. DANA: The first three paragraphs. That
18 change gets us changed to the 10th.

19 MR. HARVEY: The motion was made and seconded
20 as to take the entire page with an amendment to the 10th.
21 Do you want to withdraw that?

22 MR. MC KEE: No.

23 MR. HARVEY: -- do it again?

24 MR. MC KEE: No.

25 MR. HARVEY: Go with that one?

1 MR. MC KEE: Go with that one.

2 MR. HARVEY: Okay.

3 Any further discussion?

4 (No response.)

5 Hearing none, those in favor signify by saying,
6 "Aye."

7 BOARD MEMBERS: Aye.

8 MR. HARVEY: Opposed, the same sign.

9 (No response.)

10 MR. HARVEY: The resolution is carried. The
11 motion is carried. I am sorry.

12 Clarence?

13 MR. OLSON: I am sorry, Mr. Chairman, but
14 did we just adopt the whole thing or ---

15 MR. HARVEY: I hope we deal with more complex
16 issues more easily than the simple ones, but we adopted
17 the whole thing.

18 And if we need to change the -- after comment
19 and everyone in the room writes to us about the way
20 in which we scheduled this week, then we can change it
21 at the next meeting.

22 MR. MC KEE: It could be done.

23 MR. HARVEY: It could be done. Thank you.

24 MR. MC KEE: Now we will try the second one.

25 As I stated, the feeling of the committee was

1 that there should be, and for some reason, there was
2 either an oversight or a very powerful Chairman of the
3 first Board when they drafted the regulations because
4 there was never any provision put into the regulations
5 -- the By-Laws, rather -- for an office of Vice Chairman.
6 That in case of illness or any other problems that might
7 develop into the inability of the particular Chairman
8 for a particular meeting, that it does not necessarily
9 mean that the Board could not function. So we prepared
10 the following resolution. I will read all of it very
11 quickly to you.

12 Whereas, the Board of Directors of the Legal
13 Services Corporation has determined that it is desirable
14 to create the position of Vice Chairman of the Board of
15 Directors,

16 Be it therefore resolved, that the following
17 proposed revisions of 45 CFR Section 1601: Amending the
18 corporations By-Laws be published in the Federal Register
19 pursuant to Section 1601.44, at least 30 days before
20 the next meeting of the Board of Directors to afford
21 interested parties a reasonable opportunity to comment
22 thereon.

23 And the proposal is as follows: 1601.9,
24 Chairman and Vice Chairman of the Board.

25 A. The initial Chairman of the Board, during

1 the period of July 14, 1975, to July 13, 1978, shall
2 be a member of the Board, initially designated as
3 Chairman by the President of the United States, or
4 if he should resign or otherwise vacate his office or
5 his Board Membership, the member subsequently so
6 designated by the President of the United States.

7 Thereafter, annually or at such other time
8 that there may be vacancies in such offices, the Board
9 shall elect a Chairman and a Vice Chairman of the Board
10 from among its voting members who shall serve in such
11 capacities until their successors have been duly elected
12 and qualify, or until they shall resign or otherwise
13 vacate their offices or Board membership.

14 B. The Chairman of the Board shall, at
15 present, preside at all meetings of the Board; shall
16 carry out all other functions required of him by the
17 Act and these By-Laws, and shall perform such other
18 duties as from time to time may be assigned to him by
19 the Board.

20 C. The Vice Chairman of the Board shall, in
21 the absence of the Chairman, preside at meetings of the
22 Board; and shall, for purposes of these By-Laws, be
23 considered the Chairman of any meeting at which he so
24 presides.

25 In addition, the Vice Chairman shall carry

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 out all other functions required of him by these
2 By-Laws, and shall perform such other duties as from
3 time to time may be delegated to him by the Chairman
4 or assigned to him by the Board.

5 Section 1601.10, "Qualification": A person
6 shall be deemed to have qualified as a Director or as
7 the Chairman or Vice Chairman of the Board, but upon
8 his appointment or selection, as the case may be, he
9 has affirmed or executed a statement, on a form provided
10 by the Board, to discharge his duties faithfully.

11 And finally --

12 Section 1601.20, "Organization of Director's
13 Meeting": At each meeting of the Board, the Chairman
14 of the Board or, in his absence, the Vice Chairman shall
15 preside.

16 The Secretary of the organization shall act
17 as Secretary at all meetings of the Board. In the
18 absence of any such meeting by the Secretary, the Chairman
19 of the meeting shall appoint a person to act as Secretary
20 of the meeting.

21 Mr. Chairman, I would move that the above
22 stated resolution to change our By-Laws to set forth
23 a provision for a Vice Chairman of the Board be published
24 in the Federal Register 30 days prior to our meeting
25 to receive public comment.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 MR. HARVEY: The motion is made. Is there
2 a second to the motion?

3 MR. OLSON: Second.

4 MR. HARVEY: Discussion thereon?
5 Harold?

6 MR. DE MOSS: Mr. Chairman, I have a pet peeve
7 about historical anachronism continuing to appear; there-
8 fore, I --

9 MR. MC KEE: So stated..

10 MR. DE MOSS: Therefore, I move the first
11 sentence of 1601.9(a) be deleted; that the word, "thereafter"
12 be deleted; and that the word, "annually", have a capital
13 A.

14 MR. OLSON: As Mr. Dana and I came up with
15 the identical change from the other end of the table,
16 I think we could both jointly second that amendment.

17 MR. MC KEE: So in essence, 1601.9(a) would
18 begin with basically -- Be just basically one sentence.
19 Annually, or at such time other -- et cetera.

20 Correct. I would accept the modified ---

21 MR. HARVEY: Accept the amendment as ---

22 MR. MC KEE: Yes.

23 MR. HARVEY: Is this also agreeable with
24 Robert Sherwood Stubbs II?

25 MR. MC KEE: I would assume that he would go

1 with the integrity of the Board.

2 MR. HARVEY: All right. Very well.

3 MR. MC KEE: If it is agreeable with Ms.
4 Weiseman and the General Counsel.

5 MS. WEISEMAN: Just language from the statute
6 that was incorporated in the regulations and I don't
7 see why it has to be continued.

8 MR. MC KEE: It's a good time to start changing
9 this thing.

10 MR. HARVEY: Any further discussion?

11 All those in favor, signfiy by saying, "Aye."

12 BOARD MEMBERS: Aye.

13 MR. HARVEY: Opposed, with the same sign?

14 (No response.)

15 MR. HARVEY: The motion as amended is carried.

16 MR. MC KEE: Finally, Mr. Chairman, at this
17 time I would like to have Ms. Weiseman give a brief out-
18 line and discussion of the matters which the subcommittee
19 asked the General Counsel's office to look at; mainly,
20 the issue of lobbying, 3480, and it's potential
21 implications and changes in our procedures, as well as
22 the concept of inspector general.

23 MR. HARVEY: Mary, the floor is yours.

24 MS. WEISEMAN: Thank you, Mr. Chairman.

25 To reverse, a little bit, Mr. Mc Kee's format,

1 I would start first with the Office of Inspector General.
2 This concept was one that we began working on in March
3 at the direction of President Caplan. The idea was
4 to gain as much information as we could from other
5 agencies which had an Inspector General or similar
6 concept, how they operated.

7 The thought was, at that time, and it has
8 remained still the thought of the staff of the corporation,
9 and I believe, others also that the corporation needed
10 a central and responsible official to handle and resolve
11 complaints about the operation of the corporation and
12 the grantees.

13 As a result of President Caplan's direction,
14 we did have interviews and discussions with the Inspector
15 General's Office at the Department of Labor, which --
16 and also, with the Office of Professional Responsibility,
17 of the Department of Justice, both of which are different
18 models for the same idea of policing from within an
19 agency, its own performance.

20 The concept was then circulated or the
21 information that we had received was circulated among the
22 staff at the corporation. Comments taken from various
23 Division Directors on -- and input from each of them
24 on the concept.

25 An initial draft of the proposal was submitted

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 to President Caplan approximately 10 days ago. That
2 initial draft has been redrafted, and I have copies of
3 our proposal -- our first proposal. I have 40 copies
4 with me here today for distribution.

5 The central concepts are this:

6 1. The name we have selected tentatively,
7 at least, is not Inspector General because one reason
8 that implies the -- the -- the focus is more on the
9 fraud and misappropriation of funds. We felt that the
10 focus should be more on oversight of the corporation's
11 operations. So we have named it, tentatively, the Office
12 of Compliance and Review.

13 The office will have, or is proposed to have
14 three functions; the first of which is oversight of the
15 corporation and the recipients for compliance with the
16 statute and the regulations.

17 The second function is complaint co-ordination.
18 That is currently and historically, complaints that
19 come to the corporation concerning grantees or the
20 corporation are handled by a variety of offices; depending
21 on who it is addressed to by the complainer or policy
22 of the corporation.

23 We believe that this complaint resolution should
24 be co-ordinated. There should be one central person
25 and office responsible for it; and that this co-ordination

1 opposed to the President because -- It was viewed for
2 two reasons: (1) The President makes the ultimate
3 decision in 1011 de-funding procedures; so therefore,
4 we wanted the Complaint Resolution Director to be one
5 step below the President. Again -- And also, of course,
6 the Vice President has day-to-day responsibilities and
7 should have for the operation of the corporation and
8 the staff.

9 And the office has anticipated to have at
10 least two staff assistants.

11 A couple of things we haven't been able to
12 resolve or can't resolve until the operation actually is
13 in effect: How much do we really need? I think that
14 is going to be the function of the person who takes over
15 this job. It's going to be a job that will be made by --
16 initially, I think, by the person who is performing it
17 and will evolve as the office is set up.

18 It is the kind of thing that will necessarily
19 evolve because there is a lot of co-ordination that
20 must be done nationally with the regional officers and
21 such. But we envision at least two staff assistants
22 for the Director of Office of Compliance and Review.

23 And the position -- the description also
24 requires each of the divisions of the corporation to
25 co-operate with the Office of Compliance and Review and

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 to lend their resources to that office for the purpose
2 of -- so that the office can perform its functions.

3 It will have its own budget; and that is
4 another issue we have to -- we can't resolve, I don't
5 think, at this point, what that budget will be. We do
6 envision it as having its own budget because if it doesn't,
7 it's not going to have any authority and won't be able
8 to do anything on its own. It will need to have its
9 own budget.

10 But it will need, also, to be able to call on
11 the other divisions of the corporation.

12 We hope that the -- when the office is set up
13 that experience will probably show that it needs changing
14 and it needs revision; and it may need more authority.
15 It may need more staff. It may need other things at
16 other -- It may need, actually, some other -- some other
17 rules and regulations to guide it; but at the beginning,
18 I think the future can only -- that it will evolve in
19 the future, but that it needs to be set -- Our thought is
20 that it needs to be set up now. It needs to be started,
21 and, as I say, I have copies of our proposal here.
22 I brought 40 copies for anybody who is interested in looking
23 at it.

24 It is a staff document, and we would certainly
25 be interested in the Board's reaction. It is a staff

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

Scott
vb
T5
7-17-82
L14

1 position, and ---

2 MR. HARVEY: What is the date of that, please,
3 Mary?

4 MS. WEISEMAN: I believe it is July 10th.
5 It was last Friday, I believe. In fact we -- No, I'm
6 sorry. It was last Tuesday, the 15th or 16th.

7 MR. HARVEY: Three days ago. Yeah.

8 MS. WEISEMAN: Yes.

9 MR. HARVEY: I don't think anybody has seen
10 it but myself. Why don't you distribute some of these
11 copies here.

12 MS. WEISEMAN: All right. It is a revision
13 of the draft that was initially ---

14 MR. MC KEE: Mary ---

15 MS. WEISEMAN: Yes.

16 MR. MC KEE: You said, first of all, report
17 to the Vice President?

18 MS. WEISEMAN: That's right.

19 MR. MC KEE: My view, I think, was -- I haven't
20 looked at it yet, of course -- Even though it is not
21 called I.G., but the Office of Review and Compliance, --
22 Usually the policy of different agencies has been
23 to as much as possible, keep it rather independent from
24 line people.

25 My first thought, without actually reading it

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 is that that person should just report directly to the
2 President as opposed to an intermediate, but I'm not
3 sure about that. I'm not sure -- That's my first
4 thought because of the nature of the work, and who the
5 problems would arise with in terms of the other staff,
6 and in terms of the things discovered. That's just my
7 initial feeling.

8 MS. WEISEMAN: Well, the reason we suggested
9 the Vice President is because the President does have
10 the power in the defunding procedures to make a determina-
11 tion whether there is reason for defunding.

12 Therefore, we are attempting to insulate
13 somewhat, -- Of course, the President runs the corporation,
14 so you are not insulating. It's not an Inspector
15 General in the concept of the Inspector General
16 statutorily created. They are independent. They are
17 independent from even the secretaries of the various --
18 by statute, secretaries of the various agencies.

19 One reason -- the Department of Justice does
20 not work that way. The Office of Professional Responsibil-
21 ity is under the Attorney General or the Deputy Attorney
22 General. They are not statutorily set up as the Office
23 of Inspector General.

24 We think because of the, and it is outlined
25 somewhat in the proposal -- because of the relationship

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 of the President and the defunding procedure, that it
2 would be better to have, and also for -- because the
3 Vice President has responsibility over audit, over several
4 other corporation division; that that same responsibility
5 and the right of the Vice President to require the other
6 divisions to co-operate; especially Audit, it would be
7 the right place to put the office under the Vice
8 President.

9 MR. CAPLAN: I view that as a close question
10 myself. It's a difficult one. I don't think it is
11 finely set, but the staff feels quite strongly that
12 the Vice President makes more sense given the President's
13 I think that's where we are today.

14 MR. DE MOSS: Is this a question of tainting
15 the President in some way to make a defunding decision?
16 Is that ---

17 MS. WEISEMAN: I don't think -- I think -- I
18 surely don't think the President would be tainted, but
19 the Vice President does have authority over other
20 division of the corporation; and the Vice President, in
21 overseeing the other division, does -- would have the
22 power, not only to require the other divisions to
23 co-operate; the Vice President does have a great deal
24 of power in running the daily operations of the corporation;
25 and that -- it would be better co-ordinated in the staff

1 to have this Director report to the Vice President.

2 I might -- Clint Lyons, being the Vice
3 President, may have something to add to this.

4 MR. LYONS: In my view, it is also a question
5 of prejudgment. If, in fact, the President, who may
6 be the final arbiter under 1011 of a defunding situation --
7 If the President has ultimate responsibility in the
8 beginning to receive reports regarding a particular
9 complaint and there is a finding that there is a violation,
10 that may be challenged, and the President supports that
11 finding in the beginning, and then in the end, as to
12 arbitrating, and make a final decision at the hearing
13 as to whether or not the hearing officer's findings
14 will be accepted. Now this is under our current
15 statute.

16 If the President has to make a final decision
17 it may be argued that the President's involvement in the
18 beginning may be, in fact, tainted at the tail end when
19 it has gone to Ulrich and he has made a determination.

20 So we felt that to provide just that arm's
21 length between the President's involvement initially,
22 and his involvement at the tail end, was preferable
23 to avoid any real challenge to a proper determination
24 and fair hearing on the issues; so that was the main
25 concern from my prospective.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 MR. MC KEE: Doesn't the President already --
2 We didn't even create this. Isn't that the situation
3 now? The President gets a recommendation from the
4 staff about defunding or termination, and then he is
5 going to, in the end.

6 MR. LYONS: No. The procedure now is that
7 the General Counsel and the Director of Field Services
8 make the initial terminate -- determination with respect
9 to defunding.

10 MR. MC KEE: Then, do they recommend that
11 to the President?

12 MR. LYONS: No, no, no. The decision is in
13 the hands initially of the Director of Field Services
14 and the General Counsel to begin defunding proceedings;
15 and the President selects a hearing officer if that
16 defunding decision is challenged. And the President makes
17 the final decision as to whether or not to accept the
18 recommendations by the hearing officer on that defunding
19 situation that was initiated by the Director of Field
20 Services, and the regions, and the General Counsel.

21 MR. MC KEE: Would this new office, then,
22 take over that determination policy of GC and Field
23 Services, or you now would have three making a decision?

24 Field Services and General Counsel now do it.
25 Correct?

1 MS. WIESEMAN: I don't see the Office of
2 Compliance and Review making defunding decisions. This
3 is the office which will investigate; and it would seem
4 to me that under this proposal that the General Counsel
5 the Office of Field Services will be making a determination
6 whether defunding will be recommended as a result of the
7 recommendation, perhaps, in the investigation of the
8 Office of Compliance and Review; but the decision on
9 that will still be made on the same level of the General
10 Counsel and the Office of Field Services.

11 This is a complaint investigation and oversight
12 for the entire corporation; but the other functions of
13 the other divisions will still remain intact.

14 MR. CAPLAN: Certain cases that would now
15 be investigated only by complaint that would be investigated
16 by Field Services will now come under this new unit, which
17 can make a thresh-hold inquiry on its own without any --
18 There's really no standard. It just decides an area
19 needs looking into; but it is not a policy making
20 unit and it's not a decision making unit. It's simply
21 an investigative unit; so one can, if one wants to know,
22 find out what is going on. That would be the underlying
23 idea with the limitations expressed.

24 MR. HARVEY: I would like to comment, Bill.
25 I would like to -- I want to read this memorandum, Mary,

1 and Clint, indicating a tentative decision on this
2 question of whom or what oversee our reports.

3 I'm not convinced that it should report to
4 the Vice President. As of this time, I'm not. That's
5 Number 1.

6 Number 2, I think this is a critical step
7 to take in what I call the rehabilitation of Legal
8 Services Corporation. I'm very pleased that you folks
9 are here from Washington today because in the interlines
10 of America, there is a fire storm of criticism at this
11 corporation, and we need to have it rehabilitated.

12 I think that this is a step in that direction, s

13 I would prefer to call it Inspector General
14 to make certain that there is compliance with the
15 Congressional statutory restrictions imposed on this
16 program in all instances; and without any exceptions
17 anywhere. That might save us.

18 So those are my sentiments, and I want to
19 express them.

20 Bill?

21 MR. OLSON: I think I agree with a great deal
22 of that, Bill. I don't really care so much, I think,
23 where it is placed or what it is called; although I keep
24 thinking whenever you mention OCR of optical character
25 readers, and I can't get that out of my head. I think

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 Inspector General has a certain umph to it. You can
2 have an Inspector General. It doesn't have to be
3 created by a separate statute. You can call it that
4 and it would fairly describe what we are trying to do.
5 In fact, it would better describe what I would like
6 to see done than, perhaps, this other toned down kind
7 of name. I think that the essential things that we
8 have provided to this office are, first of all, the person
9 being considered, a member of the senior staff of the
10 organization, that it be a strong person selected for
11 that position; that they have adequate staff to do the
12 job; and an adequate budget to do the job; and that
13 they know they have the support of the Board.

14 And I would anticipate that since this is
15 the one area -- one of the areas, anyway, that we
16 receive substantial -- each of the Board members receive
17 substantial input, we're going to be, in terms of
18 criticisms of the corporation in the past, of people
19 believing that they have sluffed off complaints; not
20 fully investigated them, minimized them, and such; I
21 think this is something that presumably we would be
22 looking to the President to have this person report
23 to us directly occasionally down the road.

24 So applaud the effort. I haven't read this
25 particular document, but I would like to echo Bill's

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 comments about the name; and most importantly, the way
2 in which it is structured.

3 MR. HARVEY: Further comments? Howard?
4 Harold?

5 MR. DE MOSS: Can you give us any estimate of
6 time and, secondly, of procedures? Is this a By-Law
7 matter?

8 MS. WEISEMAN: No. We ---

9 MR. DE MOSS: No?

10 MS. WEISEMAN: I'm sorry. We view it as the
11 authority of the President -- within the authority of the
12 President because it is a staffing. It's a reorganization,
13 if you will, or a directorship being created; but the
14 President, in our view, has the power to do that to
15 manage the corporation.

16 MR. CAPLAN: It's something that can be
17 implemented fairly quickly. This is in the nature of
18 a working paper; but I am listening with both ears
19 wide open to suggestions, and these changes will -- your
20 suggestions will be carefully considered so we can move
21 quite quickly on it, I think.

22 MR. DE MOSS: Is it possible to anticipate
23 that it could be moved upon so that, for purposes of
24 our next budget, appropriate amounts could be included
25 in the budget to ---

1 MR. CAPLAN: We are talking about a substantial
2 amount of money, I think, at any level of staffing.
3 You are talking about three professionals, a secretary,
4 and some budget for investigators.

5 MR. MC KEE: I think ---

6 MR. HARVEY: Clarence?

7 MR. MC KEE: -- I agree with your concept and
8 Bill's. I think it is a great idea, particularly from
9 comments we all get from local Board members and clients
10 about -- There's a feeling that they sometimes have no-
11 where to go in terms of complaints; so I think that is
12 very important; and I am sure this office would have that
13 kind of a linkage.

14 But one comment on Page 15 which you can think
15 about: When you have any kind of a compliance review
16 operation or investigation, the idea is, theoretically,
17 is that it is best functioning when it is rather
18 independent. The language in 15, the last sentence,
19 you are saying: with the concurrence of the Vice
20 President, OCR may utilize its own investigative
21 research to initiate investigation; or it may refer it
22 to an appropriate division.

23 It seems that if you are going to have a unit
24 of that sort, and if they deem an investigation is
25 necessary, that maybe they -- unless they -- after a good

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1330 VERMONT AVENUE, NW

WASHINGTON, D.C. 20005

1 deal of time, it may show they are not exercising it
2 correctly.

3 Initially, it seems that if this group -- for
4 individuals to make a determination, we need to look at
5 X, Y, and Z problem, that they should not have to get
6 a concurrence, or almost a write off or sign off from
7 another side of the corporation at that stage. But
8 I'll put my comments in writing to Jerry.

9 MR. CAPLAN: Mr. Earl?

10 MR. MC KEE: It's like it is softening ---

11 MR. CAPLAN: You have a point. It's a tough
12 issue.

13 MR. EARL: Just on the name issue, in light
14 of what Bill and the Chairman have said ---

15 Having been subject to an Inspector General
16 in the military, I don't know that that is appropriate.
17 It might even be counter productive in our context,
18 in a professional context, with, perhaps, a court looking
19 at the actions of this office.

20 I don't think you need the militaristic ring
21 of Inspector General. I think whatever you call it, you
22 can imbue it -- imbue that office with whatever powers
23 are necessary; but I think that militaristic ring could
24 be viewed by a lot of people as inappropriate and
25 unnecessary.

1 MR. OLSON: Well, I don't think that that
2 has a militaristic ring to anyone unless you've been
3 under -- like you say, with a gun in the service; but it
4 is a common term throughout civilian branches of
5 government, departments of government; and, indeed, some
6 nondepartments, some independent agencies, and such;
7 and it doesn't have that connotation to me anyway.

8 MR. EARL: Well, for example, the Justice
9 Department, they did not utilize the term. They used
10 professional -- What was the term?

11 MS. WEISEMAN: Office of Professional
12 Responsibility.

13 MR. OLSON: Well, they have a -- There are a
14 lot of -- There is a lot of pending legislation with
15 regard to the IG concept: The Department of Justice,
16 The Treasury, and a few others that don't have a classic
17 IG; so you are right.

18 MR. CAPLAN: We've gone back and forth on it;
19 and haven't reached a final decision. Originally, it
20 was Inspector General, and then the feeling was that
21 those offices spoke so much on fraud and waste, and that
22 wasn't our focus; but more on a conformity with the
23 Act -- policing the Act; that something called Office
24 of Compliance made more sense; but let us reconsider it
25 in light of your comments.

1 MR. HARVEY: Howard?

2 MR. DANA: I think that the -- this whole
3 effort is healthy. I like all the comments that have
4 been made today.

5 It is very important that Congress and the
6 public understand that this Board is going to enforce
7 the law and the regulations vigorously.

8 I also think that a centralized approach
9 to complaints is going to help deal with the mythology
10 of some of what has been going wrong; and it may be
11 that there is a problem and we will investigate it, and
12 we will have a corporate position for that problem, and
13 we'll have packaged it and solved it. And at headquarters,
14 we'll know that when -- well, we've discovered that there
15 is not a problem, and that we will have a corporate
16 position; and that we can cut down on the perpetuation
17 of the same story, which turns out to be false.

18 By co-ordinating and consolidating our approach
19 to our mistakes, we can, maybe, reduce the impression
20 that we are making them all the time, which I sense
21 that probably not the case. I think that we have made
22 some mistakes and they get repeated, and repeated, and
23 repeated, and repeated.

24 By dealing with it in one centralized
25 opportunity, we can maybe bring it into proper perspective

1 and cut them out.

2 MS. WORTHY: I just would like to have a few
3 comments on this. I haven't read the report completely,
4 and I would just hope that this was set up because of
5 the fact that the press did and other staff people heard
6 that we have complaints: Where do we go from here, where
7 do we go to, well, you know, with our complaints, and
8 coming from what.

9 And I had some concern this morning as I talked
10 to a client and she had had a problem; and I said, "How
11 long have you had this problem."

12 She said, "Quite a while. I've been complaining."

13 And I said, "Has any action been taken? What
14 has been done?"

15 She said, "Nothing."

16 So I am feeling that with this, and once I
17 read it, I'll see if I'm in agreement, but having a
18 centralized area to go to with complaints, that we won't
19 be getting letters saying that, "I came to such and
20 such a person with a complaint and no action was taken;
21 so I am going to take it to court." and those kinds of
22 things.

23 But we can look back and say, "Yes, your
24 complaint did come through. It came through our
25 Complaint Department, and action was taken." But we are

1 always receiving letters to that effect. Or, I don't
2 even know who answers complaints because the people I
3 sent it to, it seems as though they didn't even listen.
4 So I think this might be a good thing.

5 I don't think I would like to call it Inspector
6 General kind of thing. I think we can find a real good
7 name that would offer some support to us and not have to
8 think of a name.

9 But I would like to see something like this.

10 MR. EARL: Well, one final thought. I know
11 later on we are going to hear a little bit about some
12 of the proposed Congressional prohibitions on Legal
13 Service Corporation activities. I think an effective,
14 responsible objective office such as being proposed can
15 go a long way to avoiding those prohibitions; some of
16 which I don't favor at all.

17 But if we don't do it, I think it is fairly
18 certain that someone else is going to do it for us; and I
19 would like to avoid that absolute prohibition problem.

20 MR. HARVEY: Further comments?

21 Just a minute here. There was a Board --
22 It's five minutes of the hour. I would like to ask the
23 Board's consent to going into executive -- I think Mary is
24 sort of midstream. But maybe come back in the same
25 position, the same breath of air in the morning. Executive

1 session at five o'clock and recess until 9:00; and come
2 back.

3 Is there any objection to that? Is that
4 compatible with you, Mary? Are you about done on this
5 particular item?

6 MS. WEISEMAN: Yes. On this issue, yes.

7 MS. WORTHY: I know we have people in ---

8 MR. HARVEY: No, I'm coming back to them.

9 MS. WORTHY: No, no, I'm not talking about
10 today. If it is possible, they will be around for
11 tomorrow. Because we do have to go into executive
12 session.

13 MR. HARVEY: Ah ---

14 MS. WORTHY: We don't want to turn them off.

15 MR. HARVEY: So the Board agrees that in 10
16 minutes, I would like to go into executive session.

17 This gentleman has a comment? Please identify
18 yourself.

19 MR. DORSEY: Mr. Chairman, Members of the
20 Board, my name is Charles Dorsey. I am the Chairman of
21 a project advisory group. This is the first opportunity
22 I've had to appear before the Board.

23 I guess, going back to the discussion about the
24 Office of Compliance and Review opposite Attorney General,
25 caused me some difficulty because the Board seemed to be

1 coming from the point of view that field programs in
2 the corporation had not been abiding by the law, by
3 the regulations over the years; and that there has been
4 a fire storm of criticism about wholesale violations
5 of the Act and the law.

6 I've been in Legal Services for 12 years and
7 this has not been the fact; and I felt that it is
8 necessary that this be brought to the attention of this
9 Board. This might well be something that will be
10 very beneficial to Legal Services, for this Board.

11 This is the first time that we in the field
12 have had an opportunity to look at this document; and
13 we certainly would like to have an opportunity to comment
14 on it to the staff and to the Board; but my point is,
15 I think it would be unfortunate if this Board went down
16 this road characterizing the Office of Compliance and
17 Review and the Office of Inspector General as being needed
18 to whip the corporation and the field programs in line.

19 That has not been a necessity in the past.
20 Complaints have been adequately dealt with; dealt with
21 honestly, forthrightly, and there is no need, I submit
22 at this time, for some method to whip programs in line.
23 Thank you.

24 MR. HARVEY: Thank you, Mr. Dorsey. This
25 gentleman right here.

1 MR. COFFMAN: Richard Coffman, Detroit, Michigan.
2 I rise to offer a different opinion. I spoke in Boston,
3 Massachusetts, to the Board relative to their implementa-
4 tion of policies of defunding -- prior to the promulgation
5 of any rules or regulations to the setting up of a due
6 process procedure.

7 In other words, when we complain about the
8 lack of due process in terms of defunding, what they did,
9 they say, "Well, we have a policy. There is no rule,
10 but this is the policy we are using." The next thing
11 we know, they have the rule. So we need some mechanism to
12 enjoin the implementation of policies that, in effect,
13 negate the intent of that.

14 And I think this needs to be considered. I
15 don't care whether you set up an office, but you need
16 a mechanism to cover --

17 People out there have concerns. They bring
18 them and there is a deaf ear turned, and there seems
19 to be nowhere to go. You know, you go to the President
20 of the United States and can't get any help. So I'm
21 saying there needs to be something to satisfy those kinds
22 of concerns. Thank you.

23 MR. HARVEY: Thank you. Down on the far right
24 side here. This lady with her hand up. Mrs. Moore.

25 MRS. MOORE: I do respect what the board has

1 has to work with --

2 MR. OLSON: Right. That's ---

3 MRS. MOORE: I've run through this ground for
4 about 12 years, and I'm a little scarce on time today.

5 But I have only two comments I would like to
6 make. I had some earlier questions, but I'll restyle
7 them until another day.

8 But why, in relation to what Ms. Worthy said,
9 as far as client reaction to State Support Centers, and
10 services in general. I think the Board is making
11 a great mistake when you don't include our comments.
12 This is what we've got to say.

13 I have found our State Support Center --
14 organization -- I can't say those words, but anyhow,
15 whatever, you know what I say-- the Support Center, okay,
16 to be very effective in helping their clients. We have
17 client -- State Client's Council and we have Local
18 Client's Council that require fulfillment of our client
19 needs, the training and the resources that we need to
20 do what we have to do on the local scene.

21 Our State Chaplin is doing that. I sit on that Board
22 and I have a client that could come to you and say I
23 couldn't pay, and this could go on forever.

24 And the other comment that I wanted to make
25 relationship with what the gentleman said over there, from

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 Michigan. What I am concerned about the private bar
2 delivery is how we are going to monitor how our clients
3 are going to be treated? We raised that question in
4 our Board meeting. Our lawyers on our Board said,
5 "Oh, you can never scrutinize a lawyer. You can't ask
6 him to sit on a grievance committee."

7 I welcome this type of subcommittee or suboffice
8 or whatever you want to call it; because we do not have
9 any place to redress our concerns after we have raised
10 them on our Board. I feel that the way our clients
11 are going to be treated by the private bar is going to
12 make a lot of difference as to how it's going to be
13 accepted. You just put 10 percent of your funds
14 aside from now on, but if you are worried about the
15 private attorney is going to treat you like dirt when
16 you are in his office like it is when you go for Medicaid,
17 your Medicaid patients, you go in the doctor's office
18 last. If you are there for the pro bono or the 10 percent
19 or whatever they are getting and you are the last one
20 to go in the office, that word is going to get out.

21 So if you ever utilized it personally and
22 having been a client with Legal Services for many years,
23 I happen to know that the regulations are not always
24 adhered to unless the Board is apprised of the type
25 of people who are going to enforce the regulations.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 You have Boards out of compliance now because
2 every Board should have the minorities, the age groups,
3 or whatever it is -- **the one third** -- that represent
4 the Board should be there if you lack a lawyer because
5 **that's their business.**

6 And you have Boards that are not in compliance
7 now because after we got into the turmoil of whether
8 Legal Services is going to exist or not,--It seems to
9 me that some **offices** -- or some Boards decided they
10 weren't going to **give us no time.**

11 So we need some place to write to and have
12 **an independent body come out and make an investigation,**
13 **and if there is no reason for concern, then -- -- --**
14 **that** body can state whether they were legitimate
15 complaints or not, **as opposed to the local people --**
16 **you know, having raised the concern.**

17 MR. HARVEY: Thank you. This gentleman over
18 here in the back?

19 FROM THE FLOOR: You'll get absolutely no
20 disagreement from me with what you are trying to do;
21 that is, seek compliance with the Act and regulations.
22 However, I think the greatest discussion growing up here
23 over the label indicates something. Are we more concerned
24 with a perception that we are creating, or are we truly
25 trying to meet the needs.

1 I haven't seen the document. I won't comment
2 on it. I won't jump to conclusions; but I always
3 operated under the assumption that Regional Offices
4 were there to assure compliance with the Act and
5 regulations, to give out grants, to insure that we
6 were being fair with those grants, and provide technical
7 assistance to us as needed.

8 My statement is: Is this office really needed.
9 When we are cutting back our staffs and reducing our
10 staffs, do you add on to yours? Do you create another
11 level. You talk about a centralized depository for
12 Complaints. You just can't sit and watch and conceive
13 this. Someone is going to have to go out and do the
14 actual investigation; and I don't think you are going
15 to do it with two staff people. But, I don't think
16 that is needed.

17 Again, not having seen the document, and
18 your rationale behind it, my opinion is that you have
19 a regional office in your region which knows programs
20 very well. Where is the problem? I know that in my
21 region, if people are dissatisfied with --- --- ---
22 what happens in our local projects and they complain to
23 me, and it still goes unresolved, they will complain
24 to our regional office; and our regional office will
25 investigate; and they are zealous in their investigation.

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 And I can tell you that aside from some of
2 the horror stories that we hear nationwide, the common
3 complaints that we see developed were knocking the
4 stuffings out of their opponents; and he starts claiming
5 that we are representing an ineligible client.
6 I, in all these instances, tell these people, "I don't
7 want to represent ineligible clients, but we are turning
8 away eligible clients every day. We are satisfied this
9 person is eligible. Present evidence to us. We are
10 not going on a fishing expedition."

11 These are the kind of complaints that you are
12 going to find -- you are going to end up getting in
13 Washington, a lot of nonsense. And I'm saying that your
14 Regional Offices, if they are run correctly, are capable
15 of handling that. I don't see the necessity of creating
16 this additional level of bureaucracy.

17 MR. HARVEY: Thank you. One more comment.

18 MR. LAWRENCE: Yeah. Just a couple of quick
19 comments. My name is Dwight Lawrence. I am with the
20 National Organization of Legal Services Workers.

21 One, on the search process for the President
22 of the corporation; I know that some time ago, there
23 was correspondence and some dialogue with respect to
24 participation in the input; and frankly, you've hit
25 -- you've expressed . Our concern that the documents

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 that we've seen so far have not provided us with the
2 kind of input participation that we think is required
3 under the circumstances. I am talking about staff
4 participation and I'm talking about client participation.

5 Another thing, I didn't get a chance to
6 comment this morning on some of the reports about the
7 delivery systems; and just very quickly, one thing
8 that I was disturbed about was, frankly, a number of
9 statements, which I think malign the character of and
10 the integrity of many of the staff people that work
11 in the program; particularly the statement that questioned
12 whether or not these programs are staffed by "real"
13 attorneys. Whether that is attributed to somebody else
14 or not, my point is that I would not come here -- would
15 not expect anybody to come here and suggest that private
16 attorneys who don't, for instance, meet their pro bono
17 obligations in some respects -- I've heard comments,
18 for instance, about -- from clients who say they cannot
19 get help from private attorneys, questioning their
20 character and integrity, and, I certainly would not
21 come here and make that kind of representation.

22 MR. HARVEY: Thank you.

23 Ladies and gentlemen, we are going to stand
24 in recess until tomorrow morning at 9:00 o'clock when
25 the Board will meet in this room at that time for the

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

1 same debate.

2 (Whereupon, at 5:10 p.m. the Board meeting
3 was adjourned to reconvene on Sunday, July 18, 1982,
4 at 9:00 a.m.)

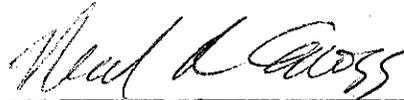
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(202) 234-4433

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005

C E R T I F I C A T E

1
2
3 This is to certify that the attached proceedings
4 of the Legal Services Corporation, Board of Directors
5 Conference, first day, held on July 17, 1982 at the Moot
6 Court Room of Indiana University Law School, Room 101,
7 735 West New York Street in Indianapolis, Indiana, were
8 had as herein appears and that this is the true and
9 accurate record thereof.
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25



NEAL R. GROSS

NEAL R. GROSS
COURT REPORTERS AND TRANSCRIBERS
1330 VERMONT AVENUE, NW
WASHINGTON, D.C. 20005