

LEGAL SERVICES CORPORATION

OFFICE OF THE INSPECTOR GENERAL OVERSIGHT COMMITTEE MEETING
(Open Session)

1:10 p.m.

October 18, 1992

12:00 p.m.

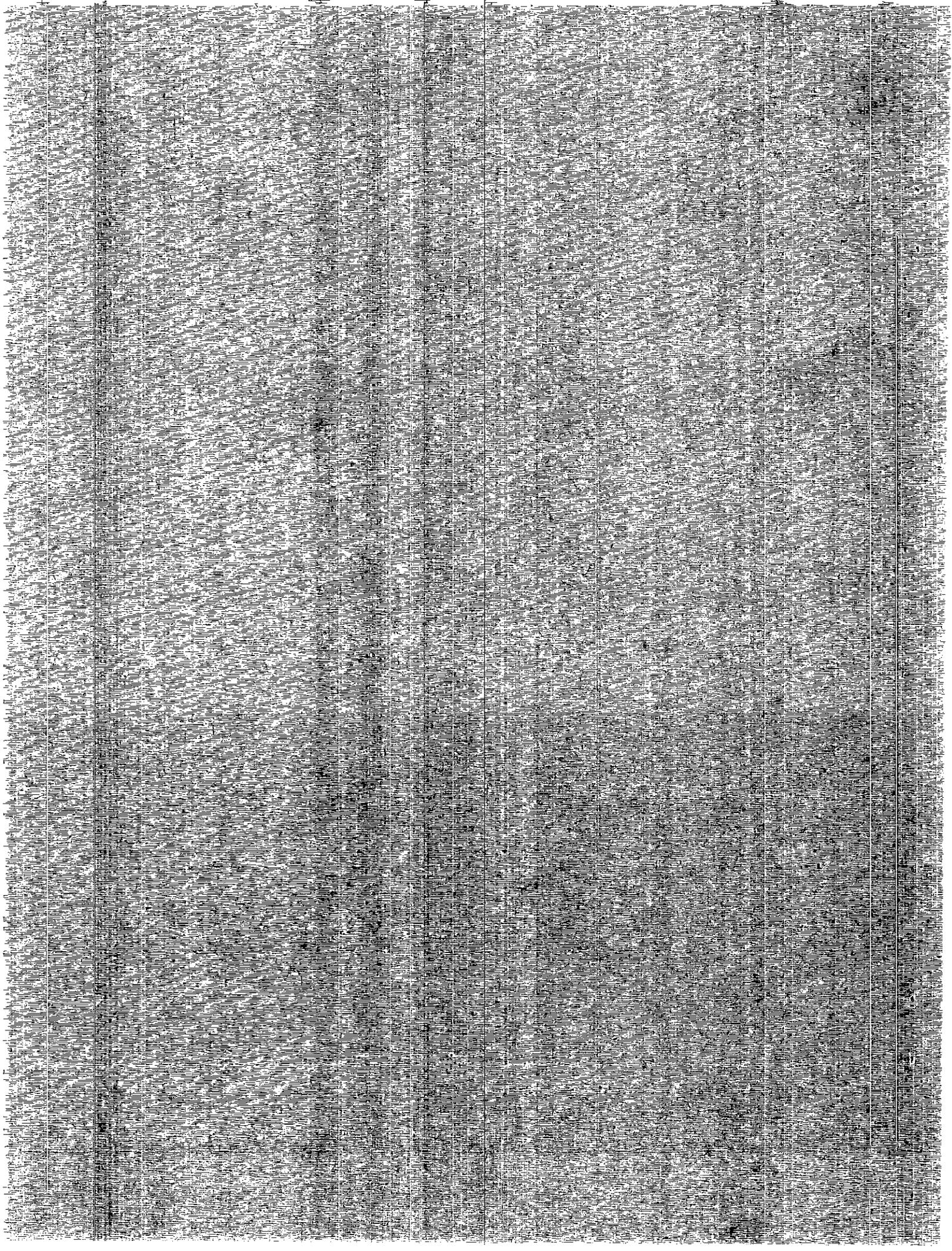
The Legal Services Corporation
750 1st Street, N.E.
The Board Room
Washington, D.C.

Diversified Reporting Services, Inc.

918 16TH STREET, N.W. SUITE 803

WASHINGTON, D.C. 20006

(202) 296-2929



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BOARD MEMBERS PRESENT:

J. Blakeley Hall, Chairman
Howard H. Dana, Jr.
Jo Betts Love
Norman D. Shumway
George W. Wittgraf
Jeanine E. Wolbeck

STAFF PRESENT:

John P. O'Hara, President
Patricia Batie, Secretary
David Richardson, Comptroller and Treasurer
Victor Fortuno, General Counsel
Edouard Quatrevaux, Inspector General
Ken Boehm, Counsel to the Board

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P R O C E E D I N G S

(1:10 p.m.)

CHAIRMAN HALL: I'm going to call to order this meeting of the Office of the Inspector General's Oversight Committee meeting.

The Chairman, Bud Kirk, has asked me to sit in for him today, and I am. Today is the 18th of October, 1992. At the table we have committee members George Wittgraf, Jeanine Wolbeck and myself. And non-committee members, Howard Dana, Norm Shumway, Jo Betts Love are with us. And our President O'Hara is here, members of the staff are in the room, as well.

APPROVAL OF AGENDA

Our first item on the agenda is to approve the agenda. Bud Kirk has expressed some interest in being present when we undertake Agenda Item No. 4, which is Consideration of Inspector General's Report on it's budget request. And I think Bud is in trial, or preparing for trial, and can't be here today. And so, unless there is objection, I'm going to ask that that be deleted until our next meeting, which I understand is sometime in mid-November.

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1 Without objection and with the deletion --

2 MR. DANA: Mr. Chairman?

3 CHAIRMAN HALL: Howard.

4 MR. DANA: I'm not a member of the committee, but
5 not having this discussion causes some real fiscal problems
6 for, I think, the Corporation. The meeting that is scheduled
7 for November is just a committee meeting, there is no board
8 meeting.

9 The next opportunity for us to deal with a report
10 from OIG is sometime in December, and we are facing a serious
11 fiscal problem at the Corporation and it seems to me that all
12 departments of this Corporation may need to take cuts in
13 numbers that we're currently dealing with, and if the Office
14 of Inspector General keeps this process from closure until
15 January, or December, it's going to give us that much less
16 flexibility.

17 CHAIRMAN HALL: Ed, any response to that?

18 MR. QUATREVAUX: Yes, Mr. Chairman.

19 I am looking now at the guidelines recommended to
20 the Board by the Audit and Appropriations Committee,
21 preparation of budget. It says for the 1993 budget that in
22 December of '92 the staff will finalize operating budget, and

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1 that's the guideline I've been going on and I, too, have
2 serious concerns about the Corporation's fiscal posture at
3 the moment, and I intend to be talking with the Board in the
4 next few weeks about that problem.

5 CHAIRMAN HALL: Well, do we have time if that is
6 deleted from today's agenda for the full Board to still
7 consider it in a timely fashion?

8 MR. QUATREVAUX: Well, as Mr. Dana has pointed out,
9 the next opportunity before the full Board would, in fact, be
10 in December.

11 CHAIRMAN HALL: When is our December meeting? The
12 seventh and eighth, Howard, that would be sufficient, would
13 it not?

14 MR. DANA: It would not. I mean, I sense that's
15 what is going to happen, but I believe that the Corporation
16 should as quickly as possible come to grips with reality,
17 which is that we need to make serious cuts.

18 I'm assuming at the next meeting we're going to be
19 discussing that with the President and the staff. And the
20 Office of the Inspector General has a budget of -- in this
21 year just past -- something in the \$700 range. They have put
22 in a request for a \$500,000 increase, roughly, and a level no

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1 new higher budget of a little over a million, which is a
2 \$300,000 increase.

3 And I'm disappointed, frankly, that we come down
4 here to deal with this budget only to discover that we can't.
5 I think it is going to put the Corporation in between a rock
6 and a hard place, more so than we are now. So, I for one, at
7 least -- if this issue is not going to be discussed by your
8 committee I think we will at least endeavor to discuss it in
9 our committee and --

10 CHAIRMAN HALL: Well, my question is can the full
11 Board not circumvent the committee and discuss it tomorrow?
12 Whether the committee has a recommendation or not, I don't
13 know that we would. Apparently Bud has something important
14 to say about it, and I feel kind of reluctant to go forward
15 without him, but --

16 MR. DANA: That's fine.

17 CHAIRMAN HALL: -- I understand the urgency. If we
18 discussed it and received a full report and had the comment
19 that we might have commented on today, I don't know that
20 we're leaving Bud out. And I'm not sure that the committee
21 would have a real strong recommendation one way or the other
22 on it that wouldn't prevent the Board from going forward

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1 tomorrow with a full discussion on it.

2 MR. QUATREVAUX: Mr. Chairman, perhaps I can assist
3 there. The request from Mr. Kirk is also to cancel a
4 consideration at tomorrow's full Board meeting.

5 CHAIRMAN HALL: Unfortunately, that's not up to me.

6 MR. QUATREVAUX: Well, I understand that. But I
7 just wanted to --

8 CHAIRMAN HALL: Are you prepared to give a report
9 on it?

10 MR. QUATREVAUX: I certainly can if I'm sitting at
11 the Audit and Appropriations committee --

12 CHAIRMAN HALL: Do you plan to --

13 MR. QUATREVAUX: However, we do have additional
14 data that's being developed now, but I just can't speak to it
15 at this point. I think it will be crucial to the Board's
16 decision.

17 CHAIRMAN HALL: Is that because you anticipated
18 that it would be deleted from this committee's agenda?

19 MR. QUATREVAUX: I'm not sure I follow, Mr.
20 Chairman.

21 CHAIRMAN HALL: Are you not prepared to discuss it
22 because you thought that it would be deleted today, or are

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1 you prepared to discuss it?

2 MR. QUATREVAUX: Well, I can discuss it as it
3 stands today. I think what I'm saying is that there will be
4 additional information coming in in the next few weeks that
5 will put it in a lot clearer perspective. I'm prepared to
6 discuss it with this committee, in the Audit and
7 Appropriations committee. I think Mr. Kirk's desire is to
8 participate in the decision and to receive the presentation.

9 CHAIRMAN HALL: Well, I will respect Bud's wishes
10 in that concern. Are there any committee members that have
11 objection to deleting item No. 4? It's my understanding that
12 the Board can go forward with it tomorrow, unless I'm wrong
13 on that, even if we don't discuss it today.

14 If no objection to that deletion, I'll ask for a
15 motion to approve the agenda as printed, except for the
16 discussion of item Agenda No. 4.

17 M O T I O N

18 MR. WITTGRAF: So moved, Mr. Chairman.

19 CHAIRMAN HALL: Is there a second?

20 MS. WOLBECK: I'll second it.

21 CHAIRMAN HALL: It's been moved and seconded. Is
22 there a further discussion?

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1 (No response.)

2 CHAIRMAN HALL: All in favor of the motion say aye.

3 (A chorus of ayes.)

4 CHAIRMAN HALL: Opposed, no.

5 (No response.)

6 CHAIRMAN HALL: The motion seems to carry, it does
7 carry.

8 APPROVAL OF MINUTES

9 CHAIRMAN HALL: We'll move on to item Agenda No. 2,
10 which is approval of the minutes of August 10, 1992.

11 I'll ask for a motion to approve those minutes as
12 they're printed in the Board book.

13 M O T I O N

14 MS. WOLBECK: So moved.

15 CHAIRMAN HALL: And for a second to that motion?

16 MR. DANA: Second.

17 CHAIRMAN HALL: It's been moved and seconded. Is
18 there a discussion?

19 (No response.)

20 CHAIRMAN HALL: All in favor of approval of the
21 minutes from August 10th as printed say aye.

22 (A chorus of ayes.)

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1 CHAIRMAN HALL: Opposed, no.

2 (No response.)

3 CHAIRMAN HALL: The motion carries, they're
4 approved.

5 CONSIDERATION OF THE INSPECTOR GENERAL'S REPORT
6 ON THE GENERAL ACTIVITIES OF THE OFFICE OF INSPECTOR GENERAL

7 CHAIRMAN HALL: The third item on the agenda is
8 consideration of the Inspector General's Report on the
9 General Activities of the Office of the Inspector General.

10 For that report I'll recognize Ed Quatrevaux. Ed.

11 MR. QUATREVAUX: Thank you, Mr. Chairman. As
12 usual, I'll try to keep it brief.

13 The OIG fraud hotline was opened on the 30th of
14 September, it became operational on that date. It is both an
15 800 number and a local number. The materials are at the
16 printer, they will be distributed in the next week or two to
17 both the LSC staff and to the field. Those materials are
18 posters, flyers, we even have a rolodex card and a wallet
19 card with the 800 number, and that sort of thing.

20 Are there any questions on the hotline?

21 (No response.)

22 CHAIRMAN HALL: Are there questions? None.

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1 Do you get any calls?

2 MR. QUATREVAUX: Well, no one knows the number. In
3 fact, that's a good idea, perhaps I should, for the record,
4 read the number: 800-678-8868.

5 CHAIRMAN HALL: Okay. Howard.

6 MR. DANA: Is that 800-678-FRAUD, or something --

7 MR. QUATREVAUX: No, no.

8 (Laughter.)

9 MR. QUATREVAUX: No need to pay extra premium
10 prices for catchy phrases that everyone already knows.

11 MR. WITTGRAF: The line has been operational for
12 three weeks, then?

13 MR. QUATREVAUX: That's correct. The next item I
14 have, I had the opportunity to speak to the California and
15 Nevada regional private directors meeting on the 2nd of
16 October. Once again, as in Toledo, it was a very good
17 exchange. They understood, and indicated their
18 understanding, of the mutual interests that we all have in
19 combating fraud. They said that they were encouraged by my
20 message.

21 I told them that the agenda was good government and
22 we parted that way. And that's all I have to report to you

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1 today.

2 CHAIRMAN HALL: Committee members with questions?

3 MR. WITTGRAF: Mr. Chairman.

4 CHAIRMAN HALL: George.

5 MR. WITTGRAF: Mr. Quatrevaux, in that meeting with
6 the directors, did they characterize or describe any
7 particular kinds of problems or any particular kinds of
8 assistance with which they might need your expertise, and if
9 so, I'm just curious what problems or what kinds of technical
10 assistance needs.

11 MR. QUATREVAUX: Two areas. The first, physical
12 security aspects, I brought it up -- it came up in the
13 conversations. There are, obviously, a number of programs
14 located in areas that are high crime areas, and they tend to
15 experience a lot of minor break-ins. So, they asked if our
16 office could provide tips or advice in minimizing that risk.

17 They also seemed to be curious about how to
18 interact with law enforcement individuals, and that gets to
19 be quite complicated. But I told them, as well, that
20 certainly in the event of a situation advice was a phone call
21 away, we would be glad to help them. We are, in fact, going
22 to put together some sort of package of advice tips, that

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1 sort of thing, on dealing with the problem.

2 CHAIRMAN HALL: Mr. President.

3 MR. O'HARA: Thank you, Mr. Chairman.

4 Mr. Quatrevaux, just the question, did the
5 California and Nevada project directors ask any questions
6 with regards to the operations of the Corporation,
7 specifically monitoring work and compliance, since there is
8 somewhat of a relationship between what they do and what you
9 do?

10 MR. QUATREVAUX: Yes. As I recall, a number of --
11 lots of discussion about the differences between MAC and OIG,
12 who does what, and that sort of thing.

13 MR. O'HARA: I wonder if you might provide me at
14 some time with some kind of a paper on that, because I'd like
15 to know what kind of questions they were asking --

16 MR. QUATREVAUX: Sure.

17 MR. O'HARA: -- because it does deal with
18 operations, which is separate from your department.

19 MR. QUATREVAUX: I'd be happy to.

20 CHAIRMAN HALL: Other questions?

21 (No response.)

22 CHAIRMAN HALL: If not, we'll move to item Agenda

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1 No. 5, which is listed under the closed session, but I've
2 been advised, I guess by hearsay, from Vic Fortuno that we
3 can approve that in open session if there's no discussion

4 MR. FORTUNO: Correct.

5 CHAIRMAN HALL: So, provided the committee members
6 assure me there's no discussion, we will move directly to
7 that and I'll ask for a motion for to approve the minutes
8 from the closed session from the August 10th meeting of the
9 Inspector General's Oversight Committee.

10 M O T I O N

11 MS. WOLBECK: So moved.

12 MR. WITTGRAF: Do the committee members have copies
13 of the draft minutes?

14 CHAIRMAN HALL: I read them on the airplane.

15 MR. WITTGRAF: I just had a so-called fax copy.

16 CHAIRMAN HALL: Do you need them?

17 MR. WITTGRAF: No, I have mine.

18 CHAIRMAN HALL: I think everyone does have copies.
19 Is there anyone that does not?

20 (No response.)

21 MR. WITTGRAF: I second the motion, Mr. Chairman.

22 CHAIRMAN HALL: I understand there is no

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1 discussion. We'll move directly to a voice vote. All those
2 in favor of approval of those minutes, vote by saying aye.

3 (A chorus of ayes.)

4 CHAIRMAN HALL: Opposed, no.

5 (No response.)

6 CHAIRMAN HALL: The ayes have it and those minutes
7 are approved.

8 The last item on our Agenda is No. 6, consideration
9 of motion to adjourn. I'm sure I have a motion from someone.

10 M O T I O N

11 MS. WOLBECK: So moved.

12 CHAIRMAN HALL: Second? George?

13 MR. WITTGRAF: Second.

14 CHAIRMAN HALL: Discussion?

15 (No response.)

16 CHAIRMAN HALL: All in favor say aye.

17 (A chorus of ayes.)

18 CHAIRMAN HALL: Opposed, no.

19 (No response.)

20 CHAIRMAN HALL: The motion is approved. We're
21 adjourned.

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