



Inspector General
Kirt West

MEMORANDUM

TO: LSC Board Operations and Regulations Committee

THROUGH: Kirt West
Inspector General

Kirt West
11/21/07

FROM: Laurie Tarantowicz
Assistant IG and Legal Counsel

DATE: December 21, 2006

SUBJ: Office of Inspector General Recommendations to the Committee for its
2007 Regulatory Agenda

The Office of Inspector General is recommending that the Legal Services Corporation

[REDACTED]

In support of LSC's need to...

[REDACTED]

under which it receives ISO 9001:2000 certification

As an example, one possible "lesser sanction" would be to impose a non-refundable penalty with minimal procedures, making enforcement quick and effective. The Board may also consider a legislative recommendation, requesting Congress to allow LSC to impose a trustee to replace the executive director, senior management and/or the Board responsible for the violations. A second legislative fix could allow LSC to debar an executive director or senior management that caused the grantee to engage in the

Part 1635 requires grantee attorneys and paralegals to keep contemporaneous time records for all time spent on each case matter and reporting activity. 45 CFR 1635.101

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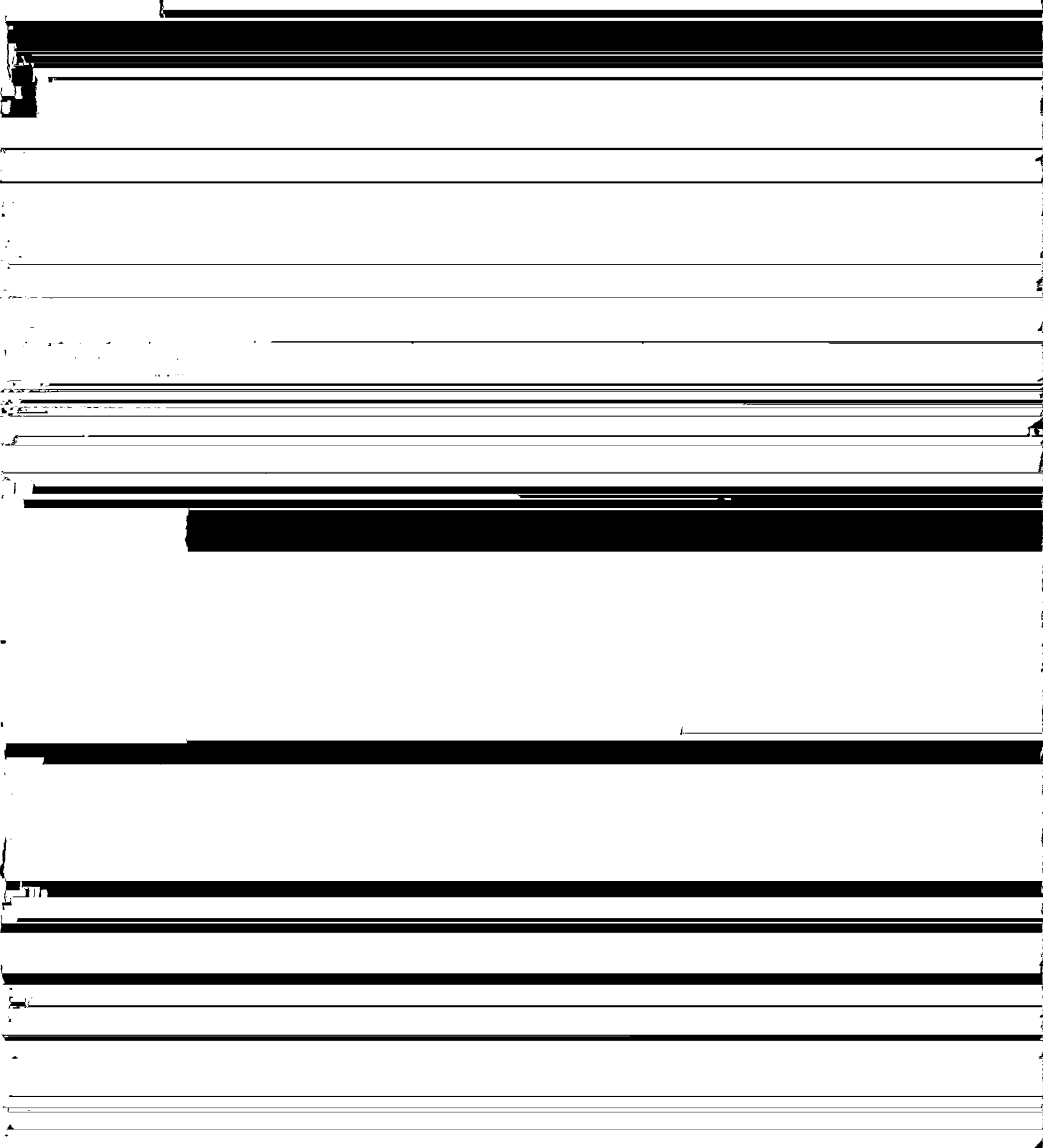
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C. Illustration of Difficulty in the Field

In the CBI A investigation the OIG found instances of CBI A staff contacts with agency



B. Task Force Recommendation

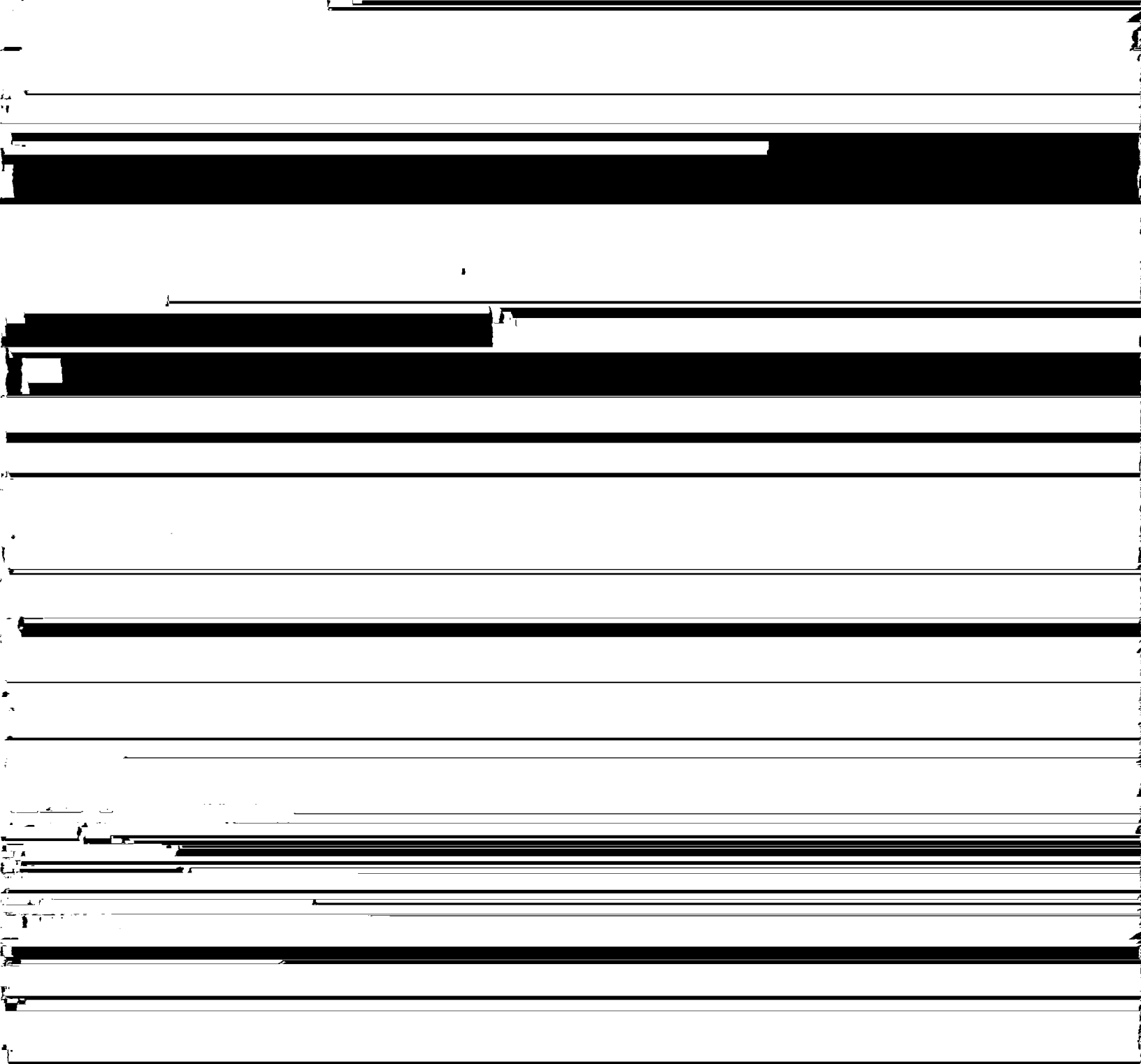
The LSC Task Force recommended action on the Political Activities regulation to make clarifying and structural changes in order to make the rule easier to use and apply. LSC Task Force Report at p. 6.

C. Illustration of Difficulty in the Field

CRLA investigation, the OIG found that a high level CRLA employee who works as a fair housing advocate in her position at CRLA publicly identified herself as a sponsor of a fund raising event in 2004 by "Fair Housing Advocates for Kerry." The Fair Housing Advocates for Kerry website identified this employee not only as a sponsor of the event but as a sponsor affiliated with CRLA, thus indicating that her sponsorship was in her capacity as a CRLA fair housing advocate. LSC's Office of Compliance and Enforcement, to which the OIG referred the CRLA findings, concluded this did not violate the prohibition; OCE found the situation to fall outside the parameters of what it means to "intentionally identify" the recipient, CRLA, with the political activity, the fund

needed. We recommend LSC work closely with the United States Office of Special Counsel in formulating the clarifying guidance.

Even if the Board ultimately were to disagree with the OIG's interpretation in the situation described above, the example presented in the example below is

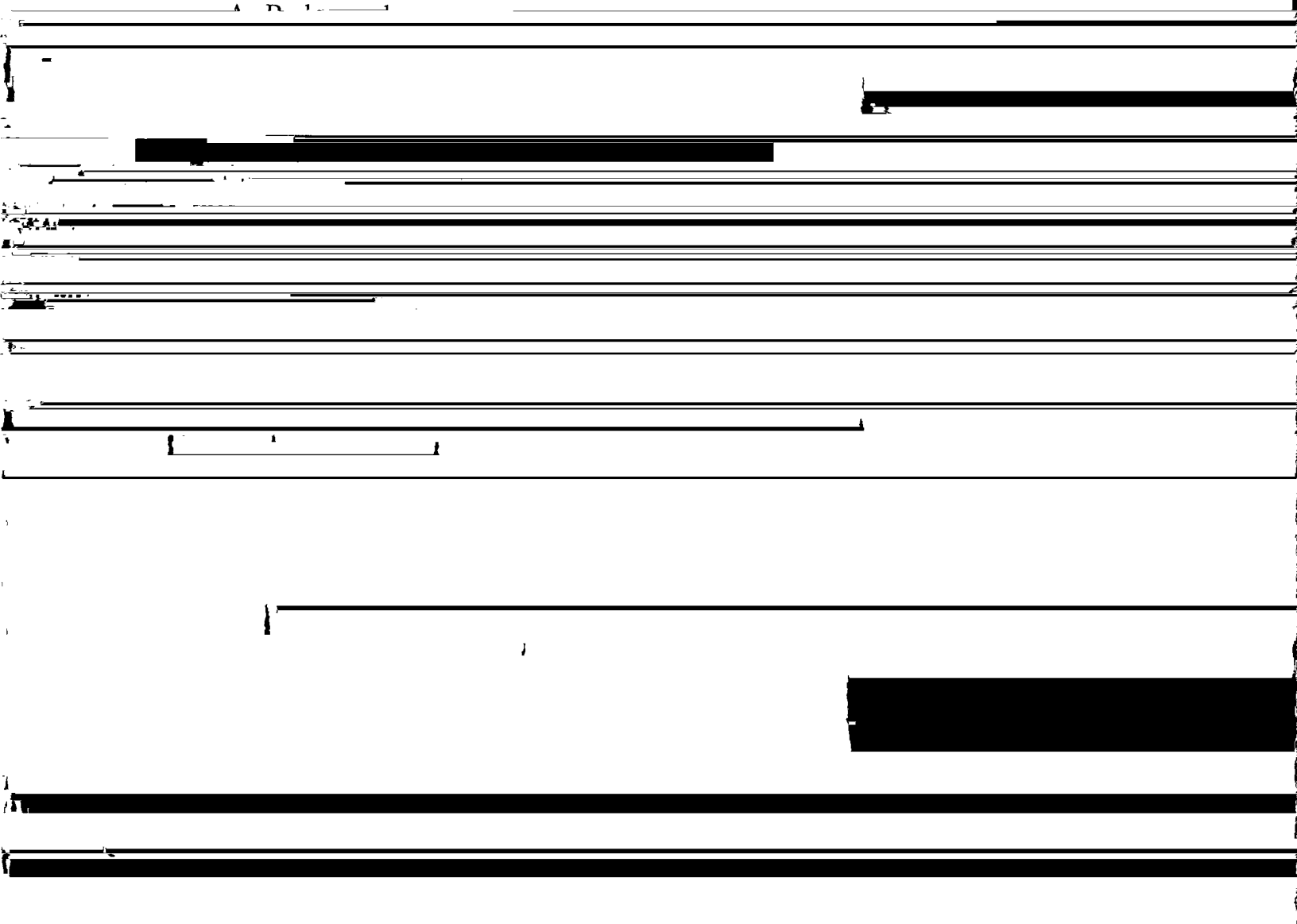


would be required to perform an extensive, time consuming, and likely unnecessary review of all case files before providing any client names, in part to protect against disclosure of names subject to the attorney-client privilege. The OIG ultimately issued a subpoena for the client names and other requested records. The OIG has had to resort to subpoenas and judicial enforcement in the past to access client names from other grantees.

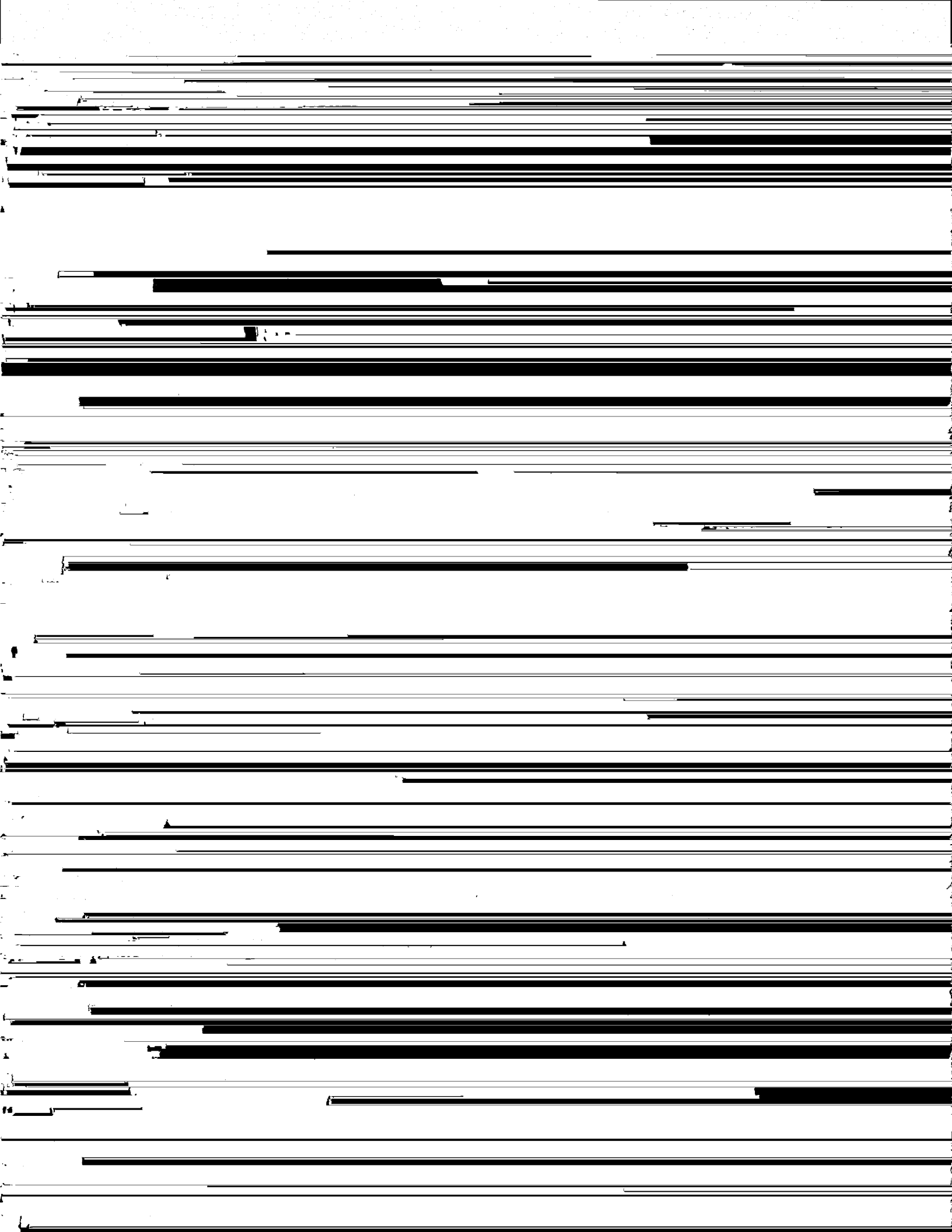
C. OIG Recommendation

The situation described above benefits neither LSC nor its grantees. To guard against future problems of this nature, the OIG recommends the LSC Board promulgate a regulation requiring grantees to maintain records in such a manner as to identify the rare case in which a client's name is protected from disclosure by the attorney-client privilege.⁵

VI. Issue a Regulation Addressing when it is Permissible for Grantees to Perform Work Without a Client



The 1996 reforms appear to have been intended to refocus legal services delivery on the day-to-day legal problems of the poor who seek legal assistance. The statutory

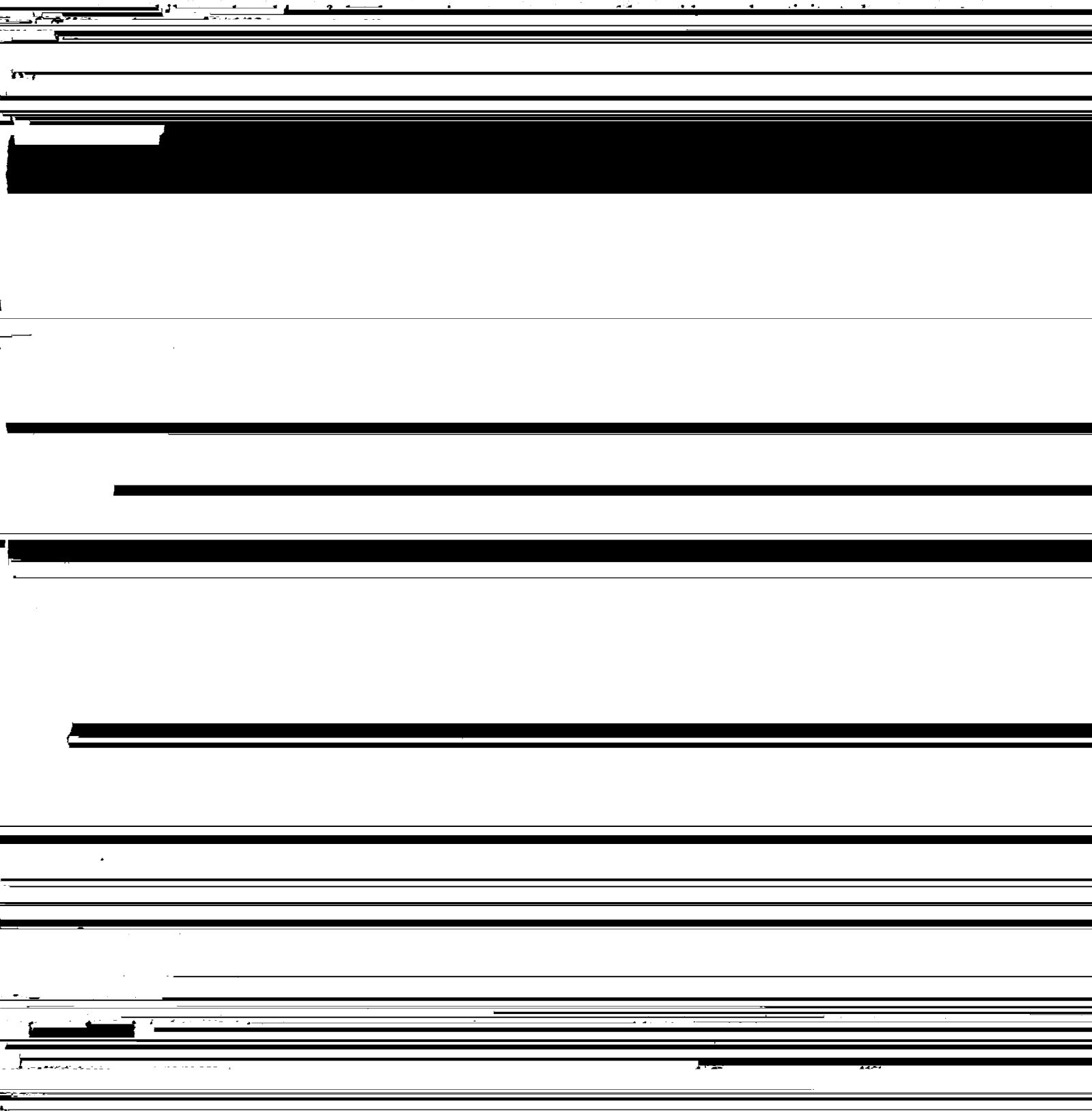


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Therefore, we do not believe that you knowingly or willfully violated the Act and we are closing this matter.

Please be advised that if in the future you engage in Hatch Act prohibited activity



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For your information, I am enclosing a copy of our publication that explains the Hatch Act's application to federal employees. Please call me at 800-855-4824 if you have any questions concerning this matter.

Sincerely yours,

Mariana Liverpool
Attorney
Hatch Act Unit

Enclosure