

## Cato Institute Policy Analysis No. 49: Poverty, Politics, and Jurisprudence: Illegalities at the Legal Services Corporation

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### Executive Summary

We are using taxpayers funds to sue taxpayers themselves, taxpayer funds to have class actions against governments, people, corporations, individuals, and so on, on behalf of special interest concerns that may or may not have been representative of the poor.

Sen. Orrin Hatch  
*Oversight of the Legal Services Corporation, 1983.*

In 1974, Congress enacted legislation to establish the federal Legal Services Corporation (LSC), an "independent, private corporation" funded by taxpayers. The goals established by Congress in the act were reasonable and well intentioned: "There is a need to provide equal access to the system of justice in our Nation for individuals who seek redress of grievances; there is a need to provide high quality legal assistance to those who would be otherwise unable to afford adequate legal counsel."

The Constitution guarantees legal representation to the poor in criminal proceedings, and the LSC appeared to extend the availability of this legal representation to civil cases, including income maintenance problems, health matters, and landlord-tenant disputes. Limitations were placed on client eligibility: only households with incomes less than 125 percent of the poverty threshold were to be represented. Thus, the establishment of LSC did not appear to be a radical departure from past practices, but merely a natural extension of services that had long been provided by government.[1]

However, in practice the LSC has routinely used taxpayer funds not to defend the poor, but to promote radical political objectives that are often irrelevant or detrimental to the poor. In short, the poor have been used as pawns by Legal Services lawyers to procure taxpayer funding for their personal political agendas. These agendas call for radically interventionist governmental policies, many of which would unequivocally make the poor worse off. This paper illustrates the illegal use of taxpayer funds for partisan political purposes by Legal Services attorneys. It explains how the poor would probably be helped more through the abolition of the LSC than through an expansion of its budget, which seems to be the preferred course of the Washington establishment.

### Courting the Poor?

The LSC has always been surrounded by controversy, partly because of the legal activities it has purportedly pursued on behalf of the poor. By any standard, some of the cases taken by LSC grantees seem, at best, dubious in serving the poor or in ensuring that federal taxpayers' funds are well spent. Consider the following examples.

1. Local Legal Services organizations in Montana (1979), Iowa (1980), and Connecticut (1981) sued to force state governments to use tax funds for sex change operations. In the Connecticut case, the attorney for Hartford's Neighborhood Legal Services said that the city has a "legal responsibility to provide medical care." The suit sought between \$7,000 and \$10,000 to relieve the "frustration, depression, and anxiety" caused by a "gender identity condition." [2]
3. A Texas lawsuit established the constitutional right to free public education for illegal aliens, and New York State was required to pay welfare benefits to a parent who was an illegal alien.
5. In Tampa, Florida, the Bay Area Legal Services persuaded the federal district court to prevent the implementation of state-wide functional literacy tests as a prerequisite for high school graduation because the high failure rate among black students was attributable partly to past discrimination.
7. The LSC grantee in Ann Arbor, Michigan, required the school board to adopt a plan to make teachers responsive to problems of students who speak "Black English" and to require teachers to use knowledge of dialect in teaching students to read. [3]
9. In Youngstown, Ohio, the East Ohio Legal Services sued U.S. Steel Corporation to require the company to sell its mill to a community organization that received tax subsidies.
11. Legal Services grantees in Maine, Colorado, Massachusetts, and South Carolina entered litigation to reclaim hundreds of thousands of acres for Indian tribes. According to LSC's grantees, fully two-thirds of the state of Maine should revert to Passamaquoddy and Penobscot Indians. Had the suit been successful, approximately 350,000 people would have been displaced. Another suit on behalf of the Wampanoag Tribe claims ownership of the town of Mashpee, Massachusetts, about 17,000 acres. [4]
13. LSC grantees argued that alcoholics should receive supplemental security income benefits. [5]

Whatever one may think about the goals of these lawsuits, it is clear that none of them involve the mandated function of the Legal Services Corporation: ensuring that the poor have access to legal assistance. Rather, in these cases the LSC is using taxpayers' money to get courts to make decisions on political issues that are clearly the province of legislative bodies.

The same is true for a wide range of other suits: suits seeking disability payments for homosexuals; requiring a new school board election in Hereford, Texas; challenging the way federal agents search for illegal aliens; making expulsions from a junior high school in Newburg, New York, subject to racial quotas; supporting anti-nuclear groups in their attempts to stop power plant construction; blocking increases in transit fares; representing a Ku Klux Klan member in a \$1.5 million civil suit in Chattanooga; overturning regulations that suspend welfare payments to participants who refused jobs offered in a Connecticut workfare program; mandating the payment of compensation to inmates in a Louisiana prison that had no income-producing programs; and seeking the release of prisoners in an Indiana facility because of overcrowding.

One case deserves careful scrutiny: *Simer v. Olivarez*, a class action suit brought by LSC grantees against the Community Services Administration (CSA) in federal district court in Chicago in September 1979. [6] The continuing

resolution that Congress passed to keep the CSA operating in fiscal year 1979 contained a \$200 million appropriation for emergency energy assistance to help the poor cope with rising energy costs. To ensure that the funds were used to pay heating bills, the Office of Management and Budget had stipulated that funds for this purpose could not be spent after June 30, 1980, when all unspent funds would be returned to the Treasury. Even though the CSA had claimed that the poor were in a crisis situation and could not pay their heating bills, \$18 million was not spent by the deadline. Several LSC grantees--each having received between \$285,000 and \$850,000 annually from LSC plus other support from the Department of Health and Human Services--"discovered" these unspent funds and rounded up eight plaintiffs to bring a class action suit contending that returning the unspent funds to the Treasury would violate the Administrative Procedures Act and due process laws. Three of the plaintiffs later said that they had no knowledge of the suit and others claimed that they had been "steered" into the action by "public interest" law firms.[7]

After preliminary hearings, the suit was settled before trial by "arms length bargaining" between CSA and the LSC grantees. Under the terms of the settlement, each poor family in whose name the suit had been brought would receive \$250, the maximum benefit allowed by the energy assistance program. This left \$17.998 million to be distributed. Congress had allocated the money to aid the poor; in their agreement order, the litigants appeared to follow both the letter and the spirit of the law:

So, what we did, your Honor, with the money left over, was to try to provide a program whereby people who would meet all the requirements of the 1979 program would gain the benefits of this money. . . this is . . . a fair and just way of resolving the matter.[8]

But there was no intention of giving any money to poor families or individuals, and no effort was made to identify "people who would meet all the requirements of the 1979 program." Instead,

CSA sought a settlement which would allow it to use the funds to finance pet projects which otherwise might have been terminated because of opposition or lack of interest in Congress. How will the \$18 million (less \$2,000) be spent? As outlined in the legal settlement, \$4 million will go to a hypothermia program run by former CSA grantees to alert people to the dangers of freezing to death; over \$2 million will be spent to subsidize solar power programs; and roughly \$3 million will go to public advocacy and legal services. The remaining \$4 million, originally intended for emergency energy conservation kits, will probably end up in the advocacy kits as well.[9]

CSA was also to receive \$350,000 to fund four positions in its own offices, positions that Congress had not approved.

The Washington Post's story on the Simer case was headlined "How to Beat Congress by Losing a Lawsuit." [10] The Wall Street Journal likewise noted the CSA's circumvention of congressional intent: "Thus, CSA and the public advocacy and legal services groups may have hit upon a marvelous recipe to render Congress's intentions moot and feather their own nests: Leave money unspent, be sued and settle as thou and they can best profit." [11] Interestingly, the tactics used in the Simer case had been successfully applied the previous year in the same court and with some of the same individuals appearing as litigants in Grieg v. Olivarez.[12]

It seems, then, that LSC and its affiliated grantees do not see the civil legal problems of the poor as their principal concern; rather, their emphasis is on achieving social and political change through the judicial process and on redistributing income and wealth by expanding the welfare system in the courts. They are also attempting to undermine the rights of private property owners and to expand the role of government in the private sector. Earned rewards, such as high school diplomas based on performance, are to be replaced by "rights" to which everyone is entitled. These organizations use taxpayer funds to encourage "alternative lifestyles" and try to obtain judicial approval for such social programs as taxpayer-financed abortions. Under the ruse of providing access for the poor to the justice system, taxpayers are being forced to finance social and economic policy changes that many of them would oppose. In short, those who are connected with the LSC are pursuing their own interests with taxpayers' money.

Marshall Breger has argued that "many Legal Services lawyers perceived themselves as strategists in the War on Poverty and focus[ed] their energies on cases of social significance." [13] Cases with "social significance" are identified solely by the attorneys employed by LSC; they have enormous discretion in selecting the cases that are pursued and can even initiate suits that no client has requested. There is ample evidence that LSC attorneys are politically liberal: "The radicalization of Legal Services has proceeded apace since the late sixties and early seventies. . . . The National

Lawyers Guild, the major organization of radical lawyers in the United States, according to its own report had 1,000 members in 1979 working in Legal Services programs." [14] Legal Services is a radical political movement, and tax-financed politics have permeated the agency since its inception.

### **Politics at the Legal Services Corporation**

The LSC was established as an independent corporation so that, in theory, political pressures could not influence its activities. The act establishing the LSC also banned political activities by the corporation and by its grant-receiving affiliates, but loopholes were added to the law that have permitted the LSC to broadly interpret its mandate in the political arena. Section 1007(a)(5) of the Legal Services Corporation Act of 1974 reads:

[The Corporation shall] insure that no funds made available to recipients by the Corporation shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State, or local agency or to undertake to influence the passage or defeat of any legislation by the Congress of the United States, or by any State or local legislative bodies, or State proposals by initiative petition, except where-- (A) representation by an employee of a recipient for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities (which shall not be construed to permit an attorney or a recipient employee to solicit a client, in violation of professional responsibilities, for the purpose of making such representation possible); or (B) a governmental agency, legislative body, a committee, or a member thereof--

(i) requests personnel of the recipient to testify, draft, or review measures or to make representations to such agency, body, committee, or member, or (ii) is considering a measure directly affecting the activities under this title of the recipient or the Corporation.

Congress also wished to ensure that LSC used no funds for "politically-motivated" training, including in section 1007(b)(6) of the act the proviso that

[no corporation funds may be used] to support or conduct training programs for the purpose of advocating particular public policies or encouraging political activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations, as distinguished from the dissemination of information about such policies or activities, except that this provision shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients.

Congress further banned organizing by the LSC and its affiliates in section 1007(b)(7) of the act, mandating that

[no Corporation funds may be used] to initiate the formation, or act as an organizer, of any association, federation, or similar entity, except that this paragraph shall not be construed to prohibit the provision of legal assistance to eligible clients." [15]

In short, Congress took extraordinary measures to prevent LSC from being influenced by or engaging in political activities. Nevertheless, LSC and its affiliates were determined to use blatant political activism to achieve goals that could not be accomplished through judicial activism.

Ferreting out political activity by LSC grantees is difficult because the Freedom of Information Act does not apply to organizations that receive LSC funding. Nevertheless, abundant evidence of such activity has been uncovered.

### **The LSC-Funded Task Force on California's Proposition 9**

LSC affiliates in California have long been politically active at the state level of government. A staff investigation for the Committee on Appropriations of the U.S. House of Representatives, for example, reported that the San Francisco-based California Rural Legal Assistance maintained a permanent office in Sacramento with five attorneys who were all registered lobbyists. Two were active in the legislature, two dealt with administrative advocacy, and one worked exclusively on migrant worker issues. The Western Center on Law and Poverty, Inc., based in Los Angeles, shared office space with the lobbyists for California Rural Assistance and had four registered lobbyists engaged in legislative

and administrative advocacy in Sacramento.[16]

In 1980 the LSC attempted to defeat California's Proposition 9, which sought to reduce the state's personal income tax rate. Alan Rader, an attorney at the Western Center on Law and Poverty and a coordinator for the Proposition 9 Task Force, requested and received \$61,655 from LSC to finance the activities of the task force.[17] Thirty local Legal Services programs throughout California also participated by supplying staff to work with the media and to register voters in welfare offices. In these ways, federal taxpayers were forced to contribute to the cause, directly through an LSC grant and indirectly through the LSC-funded salaries of the attorneys who participated in the campaign. This grant and the activities of the participants were both illegal.

### **LSC's Survival Campaign**

President Reagan's election and the prospect of major changes in the Legal Services Corporation resulted in a near panic at the organizations's headquarters. LSC president Dan J. Bradley appointed Alan Houseman, then director of the Research Institute on Legal Assistance of LSC, to head a "survival task force" to respond to this new threat. LSC's political nature and activities were revealed in a series of memorandums that Houseman wrote in an effort to develop a campaign that would nullify the effects of any changes in LSC operations that the Reagan administration might attempt to implement. Even though the voters had elected a president who had campaigned on a platform of a different direction for government, LSC was determined that its political directions were not going to change. Among the changes that Houseman and others at LSC feared most were "controls on social activism of legal services staff who are engaged in aggressive advocacy including restrictions on case types and restrictions and limitations on the scope of representation." [18]

On December 1, 1980, Houseman wrote a memorandum entitled "Coalition Building and Strengthening Presence in Community," urging that

it is essential to broaden the political base of local programs for short term and long term survival. In the short term, a strong local political base will be critical if we are to successfully obtain support from Congress for the continuation of an aggressive legal services program. Lobbying in Washington will only be successful if local programs have established credibility and a base in their communities and developed allies who can and will assist them in persuading their Congressmen and Senators to support legal services. A critical means of strengthening the local political base is to develop the coalitions and working relationships with local organizations and individuals who would see it in their interest to assure the continuation of an aggressive legal services program.[19]

In Houseman's view, an "aggressive" legal services program meant the "survival of committed . . . political staff" and the survival of aggressive advocacy, (i.e., advocacy which utilized the full scope of representation including legislative and administrative representation, litigation and community education; advocacy which seeks all possible remedies; and advocacy which is not restricted in what defendants can be sued, e.g. government entities).[20]

Houseman conceived a survival strategy consisting of three elements: (1) an outside entity to lobby on behalf of LSC, (2) a grass roots lobbying campaign directed primarily at members of Congress, and (3) a "corporation in exile" to wage the ideological battle against the Reagan presidency.

The Coalition for Legal Services. Even though Congress had prohibited the LSC from forming associations and organizations, LSC officials actively participated in establishing the Coalition for Legal Services. As Houseman described in a memorandum:

We are attempting to unite and join together in this struggle. We have formed a coalition with PAG [the Project Advisory Group], the National Clients Counsel [sic] (NCC), NLADA [National Legal Aid and Defenders Association], the National Organization of Legal Services Workers (NOLSW) and the Minority Caucus. It will be expanding to include others from within the legal services community, such as National Association of Indian Legal Services (NAILS), migrant farm workers groups, women's caucus, Organization Legal Services Backup Centers (OLSBUC), state support and others. It will also expand to include organizations who are allies and supporters of legal services. The coalition members will be forming an outside entity to lobby and coordinate survival activities on behalf of the legal services community. This entity will be established soon and will begin to function in early 1981.[21]

The coalition's first formal activity was to mail a fundraising letter on February 20, 1981, outlining its purpose: "to provide accurate information about LSC, to develop a network of support for legal services, to advocate in Congress and the media for legal services to the poor, and generally to coordinate the activities designed to preserve the Corporation and legal services." [22]

Several individuals associated with the coalition had close financial ties to LSC. Melville D. Miller and Bernard A. Veney, for example, were both members of the coalition's first board of directors. Miller was also the chair of the Project Advisory Group, which had received about \$180,000 per year of taxpayers' funds via voluntary contributions from LSC's program affiliates. Veney, the secretary of the coalition, was also the executive director of the National Clients Council, which had received almost three-quarters of a million dollars from LSC in 1981. The National Legal Aid and Defenders Association was also receiving large amounts of tax dollars; in 1981 it received \$2.195 million from LSC. [23] Some of these funds were used to hire a "full-time experienced lobbyist to work on legal services." [24] Thus this coalition, which was specifically designed to lobby Congress on behalf of LSC, was being supported by tax dollars.

The Coalition for Sensible and Humane Solutions (CSHS). The Coalition for Legal Services was the brainchild of officials at LSC headquarters in Washington; apparently, LSC affiliates believed that additional coalitions were needed to oppose the Reagan administration, especially if the effort could be funded with tax dollars. On April 29, 1981, Joseph Lipofsky of Legal Services of Eastern Missouri wrote to Rhonda Roberson at LSC requesting a LINC's grant:

On behalf of the Coalition for Sensible and Humane Solutions, I would like to make application for funding under the Law in Neighborhoods and Communities Study (LINC's). The enclosed packet gives you some information on this Coalition. It is our intention to use our LINC's funding for four activities: 1. To publish a handbook for the "Peoples Lobbyists." 2. To conduct . . . a "People College of Law" to continue training of community activists in both substantive issue and the process of community education and action, legislative and administrative advocacy as well as their relations to litigation. 3. To research and to publish a "Peoples Alternative" to budget cuts and tax issues on a state and local level. 4. To develop an ongoing bimonthly communication on a Statewide basis to focus on budget and tax questions and ways to impact them. [25]

The materials Lipofsky enclosed left little doubt as to the organization's aims. According to one enclosure, CSHS was "formed in February 1981 in direct response to President Reagan's budget message to the country." [26] CSHS adopted two basic positions:

1. We will oppose all federal, state and local budget cuts in programs that meet human needs.
2. We will oppose the transfer of funds to the states; the so-called "block grants" which endanger the rights and resources of women, minorities, and the poor. [27]

CSHS had wasted no time. Lipofsky's material included a list of activities it had engaged in during its short life, including the attendance of 500 coalition members at Rep. Richard Gephardt's hearings on the budget held in St. Louis; the attendance of 150 low-income people at a "People's Forum" to give testimony to representatives of Sen. John Danforth and Sen. Thomas Eagleton; the sponsorship of "massive" letter-writing campaigns to congressmen and senators; and attendance at a meeting with Senator Danforth on budget cuts. [28]

Despite the blatantly political nature of these activities and of CSHS's objectives, LSC approved Lipofsky's request for funding. On July 17, 1981, LSC paid Legal Services of Eastern Missouri \$17,475 for "community based training" programs that it had "co-sponsored" with CSHS. [29] Two one-day programs were held: one on June 19 in Caruthersville, Missouri, and the other on July 2 in St. Louis. At these training programs, sessions were held on "basic community education," legislative lobbying, referendums and initiatives, "community action," and community/media "outreach." [30] The Narrative Summary that Lipofsky had submitted to support his grant request indicated that the training program in St. Louis would

Educate and inform community activists about current federal, state and local budget cutting activities.

Share and develop strategies for fighting back.

Plan for a follow-up statewide conference in August.[31]

Legal Services of Eastern Missouri would remain a favored recipient of federal funds, receiving more than \$1.2 million in fiscal year 1983.[32]

Grass Roots Lobbying. The survival campaign's second stratagem was a carefully orchestrated organizing effort at the grass roots. Each LSC regional office designated an individual to coordinate survival activities within the region; each local affiliate was to have its own survival coordinator; and state coordinators were commissioned.[33] The network had four objectives: (1) to generate a flood of letters to members of Congress urging reauthorization of LSC; (2) to generate newspaper editorials praising the Legal Services program; (3) to urge local bar associations to pass resolutions in support of LSC; and (4) to arrange meetings with legislators to lobby for the reauthorization legislation.[34]

The Chicago Region meeting was held in St. Louis on December 11-12, 1981. During the opening session Dan Bradley, then president of LSC, gave the "Call to Battle," citing the Proposition 9 Task Force in California as an excellent example of what a concerted political effort could achieve. The long-term goal of the task force was to "insure the continuation of effective, locally controlled legal assistance effort which are [sic] free from political interference." Strategies were to be developed for the media and the political community, covering local officials, congresspersons, state officials and other individuals who make or influence decisions.[35]

Rep. James Sensenbrenner asked the General Accounting Office to investigate LSC's grass-roots organizing effort. The GAO reported that on April 30, 1980, LSC had

sent out a packet of material addressed to: "Persons Coordinating Congressional Relations" that included instructions on effective lobbying of members of Congress at the local level for LSC legislation. The materials provided were as follows: 1. A statement of "what needs to be done" and "what to send us." 2. A Legislative update on April 3, 1980. . 3. Fact sheets and background information on the LSC reauthorization and appropriation, including membership lists of the appropriate House and Senate Committees. 4. One page fact sheet/handouts on possible restrictive amendments. 5. Examples of supportive Bar letters and resolutions. 6. Examples of favorable editorials. 7. Examples of supportive letters from public officials . 8. A list of state coordinators for the legislative effort. (State coordinators will also receive materials excerpted from the Congressional Staff Directory, indicating the Washington and local office addresses and phone numbers and the key staff of each member of their state's Congressional delegation.)[36]

The brochure, entitled "What Needs to Be Done," gave instructions for visiting members of Congress; for securing support from local and state bar associations; for obtaining editorial support in newspapers; for alerting constituents and other concerned groups, including local and state labor organizations, church groups, the League of Women Voters, Common Cause, civil rights organizations, social service organizations, and anti-hunger coalitions; and finally, for informing LSC headquarters about "problems." [37] Lobbyists in the LSC cause were directed to report every contact they made with members of Congress and their staffs and to assess their attitude toward Legal Services and toward any provisions of the legislation or amendments.[38] Detailed information was provided on all aspects of the reauthorization of LSC funding, and lobbyists were urged to oppose any amendment that would restrict legislative representation, the ability of LSC affiliates to represent aliens, the right of Legal Services programs to receive court-awarded fees, the right of employees to join labor unions, representation in abortion cases, and representation that would require attorneys to negotiate prior to the initiation of litigation.[39]

The comptroller general concluded: "There is little question that [these activities]. . . constitute 'lobbying', as the term is used in the applicable restrictive legislation." [40] In a report issued a year earlier, the GAO had charged LSC affiliates with lobbying and recommended that the corporation take steps to "more specifically define the legislative restrictions on grantees' lobbying activities and the types of lobbying activities that are not permissible." [41] Although tax funds were being used illegally for political activity, the GAO did not believe that there was any way to recover those funds:

Because LSC's regulations and current policies appear to authorize recipients to expend appropriated funds for prohibited lobbying activities in derogation of the . . . restrictions, we do not think, as a practical matter, that the

Government would be successful in attempting to recover the illegally expended sums from the recipients.[42]

**The taxpayer, it seems, is out of luck.**

Congress has often attempted to limit LSC's activities, but LSC officials are expert at dodging such restrictions. The Legal Services Act of 1974 placed restrictions on lobbying activities, and Congress stipulated additional limitations on LSC political activities in 1976, 1979, and 1980 to restrict the use of appropriated funds for publicity or propaganda relating to legislation.[43] In each instance, LSC officials publicly stated that the corporation and its affiliates would abide by the congressionally ordered limitations, and then they continued to flout the law. After the GAO issued its report in May 1981, Dan Bradley, president of LSC, sent a letter of compliance to the comptroller general:

Your opinion indicates that the Legal Services Corporation and its [grant] recipients have engaged in prohibited grass roots and lobbying activities. You concluded that these activities were carried out pursuant to Corporation regulations and legal opinions that erroneously interpreted the Legal Services Corporation Act and its relationship to riders that have been attached to various appropriations bills. You have further requested that I take immediate action to halt such grass roots legislative activities. . . . while we disagreed with GAO's view of the interpretation of the various related provisions of existing law, and thus draw different conclusions about possible violations, we are making certain changes in our present activities. Prior to receipt of your opinion, I directed all personnel of the Legal Services Corporation to stop any and all activities coming within the GAO definition of grass roots lobbying activities.[44]

The "changes" were being made, but they were not the sort that might have been expected. Rather than ceasing political activity, LSC officials decided that alternative organizational structures had to be developed to carry out activities that Congress had expressly prohibited and activities that it was likely to prohibit in the future.

Mirror Corporations. Prior to President Reagan's election, LSC had been able to maneuver around various congressional mandates by using a variety of subterfuges. If a new board of directors were appointed that were hostile to LSC's political machinations, however, then the old stratagems would no longer work. LSC officials thus conceived the third element of the survival campaign: "mirror corporations."

The Boston Regional Office of LSC was actively involved in the search for alternative organizations through which it could direct political advocacy operations. This is evident in a memorandum from Friends of Advocacy, Inc., a nonprofit corporation formed to provide legal assistance to the poor, written to the board of directors of Connecticut Legal Services:

As early as January of 1981, persons within LSC began to discuss the notion of programs creating alternative entities calculated to circumvent the anticipated limitations. Within LSC's New England Region, project directors held meetings for the purpose of discussing potential responses to anticipated federal restrictions, including the creation of alternative corporations. In fact, these regional meetings have continued since then, the next one to take place October 22nd and 23rd. On June 18, 1981, our fears unfortunately became reality when the U.S. House of Representatives passed H.R. 3480, a reauthorization of the Legal Services Corporation which included numerous amendments severely restricting the activities of legal services programs and their employees. The CLS Board of Directors was informed of the House's action at a meeting held that very same evening.[45]

LSC headquarters, which was deeply involved in the search for "alternative mechanisms," contracted with the Institute for Non-Profit Management Training, Inc., to study various options. The proposal was written as a "management training curriculum," so that funding could be provided under the LINC's program. The training program

will address two specific areas . . . 1) locating and obtaining funding for community based organizations; and 2) training programs for client/ community advocates. The goal of the proposed management training programs is to improve the capacity of clients (and thus their communities) to productively advocate for themselves and use sound management [sic] principles and practices to structure and solidify that advocacy and the informed involvement that it gives rise to.[46]

The core of the program was a session on "establishing feeder organizations" to examine "specific strategies for stabilizing the NPO's [Non-Profit Organization's] funding base throughout the development of a for-profit arm or



'feeder' organization." The NPO's objective was "to maintain compliance with federal regulations while engaging in certain types of advocacy activities such as lobbying."[47]

LSC also hired a consultant, Gregg Krech, to do a study entitled "Alternatives to Retrenchment." Among other things, Krech recommended the "establishment of an independent 'sister corporation which provides services on a fee-for-service basis to ineligible clients [for tax-funded legal services] and donates all the profits back to the legal services program; or the establishment of public interest law firms and social welfare organizations which can provide a wider range of services to poor people with less restrictions." [48] In effect, the fees generated from providing legal services to clients who were not poor would not be subject to congressional restrictions on federal funds; they could be used for lobbying and for financing cases and representing clients that Congress had disallowed.

Krech proposed five alternative organizational structures, all of which could "launder" funds so that congressional restrictions on political advocacy and representation could be subverted.[49] Section 1010(c) of the LSC Act had made alternative structures necessary, as Krech noted in his report:

Interpreted strictly, this provision [1010(c)] attaches all LSC restrictions and prohibitions to any non-public monies of a legal services grantee. Given redirections in LSC funding and expected efforts of programs to develop private sources through fund raising and/or fee for service, it might not be unusual to find a legal services program receiving only 10 percent of their funding from LSC but having all funding subject to the LSC restrictions. . . . As stated earlier, private funds will almost certainly be subject to the same restrictions as LSC funds according to section 1010(c) of the Act. If you contemplate the potential use of new funds for activities which are not a permissible use of LSC funds, these new funds still have to be raised and used outside of the LSC corporate entity. Raising money through the LSC entity will provide additional money, but that money will become subject to the same restrictions as the LSC money. Raising money through a separate entity allows the money to be raised while discretion is maintained as to its use. . . . There are inherent limitations on 501(c) (3) corporations with respect to the conduct of unrelated business activities and legislative influence. Other corporate forms provide greater flexibility to charge fees and lobby.[50]

There are indications that the "mirror corporation" strategy was implemented. In 1982, the New Haven Legal Assistance Association (LAA) transferred its annual grant of \$543,000 to the South Central Connecticut Legal Services Corporation. New Haven LAA continues to operate as a separate structure, funded through "alternative funding sources" and free of any restrictions Congress might impose on recipients of federal funds. But South Central handles no cases; it simply acts as a screening and referral entity, primarily for New Haven LAA. South Central pays New Haven a set rate for every case it handles. Although the two programs are legally separate, they are "operationally integrated," sharing the same office, the same phones, the same attorneys, and are managed by the same executive director. The legal separation, however, has made it possible for the New Haven LAA to ignore congressional restrictions on taxpayers' funds.[51]

Using similar tactics, on January 4, 1982, Texas Rural Legal Aid transferred \$760,000 to a separate entity, Texas Rural Legal Foundation, Inc., to provide legal services to eligible clients.[52] Texas Rural Legal Aid was very active politically and had brought suit to prevent the special election in Texas won by conservative congressman Phil Gramm.[53] It is anyone's guess how stopping a congressional election would have served the legal needs of the poor.

LSC affiliates were also concerned about the fund balances that had accumulated. At a meeting on August 27, 1981, there was a panel discussion on "creative ways of using fund balances," including "hiding fund balances." [54] Evidently, there was some fear that Congress might use the balances to justify cutting the LSC's appropriation or that members of a new LSC board of directors would recall the balances to headquarters.

### **Training and Organizing for Political Advocacy**

LSC headquarters was also concerned about the allocation of the corporation's funds under the Reagan administration and in 1982 decided to spend considerable sums on "training manuals." LSC's Office of Program Support awarded contracts to produce "between 35 and 50" training manuals to be made available to grantees, regional training centers, and client groups "in connection with education and training programs." [55]

Given the mandate of the Legal Services Corporation, one would expect LSC training manuals to focus on helping

attorneys represent the poor in the courts. But most of the manuals emphasize organizing for political activism, and references to the judicial process are typically made only in the context of how the courts may be used to further such organization. For example, consider "The Law and Direct Citizen Action," a training manual developed by the Institute for Social Justice using taxpayer funds provided by the LSC's Advocacy Training and Development Unit. The preface to the manual states:

This handbook is written for community organizations and the legal workers who advise them. It is a guide to the areas of the law that affect direct citizen action. The law both creates rights and restricts them. Some laws--for example, the First Amendment, the Freedom of Information Acts--can be very useful to organizations seeking to bring about social change. But often the law can stymie action-- whether by permit requirements or by mass arrests. This handbook is a guide to how to use the law and not let the law be used against you.[56]

"Social change" is a recurrent theme throughout these manuals and is a code word for the left-wing political activity that characterizes LSC, its affiliated groups, and the network of organizations that LSC helps to fund. According to this particular manual, social change can be achieved only by power, and power is obtained by organizing.

It takes power to achieve significant social change. People get power by organizing. Social change organizations provide a power base from which people can take systematic collective action on their own behalf. The strategies and tactics of such organizations may vary, but whether they engage in electoral politics or direct action, community education or militant disruption, consumer boycotts or picket lines, their ultimate strength lies in their ability to mobilize and empower large numbers of people.[57]

Organizing is viewed as the only way that problems may be effectively addressed. In fact, the role of the individual attorney in helping an individual client is derogated: "A victory won through direct action by fifty members is more meaningful in the long run than a triumph achieved by a single leader (or lawyer)."[58] Moreover:

Organizers--good organizers--are trained to empower people to take collective action on their own behalf. Lawyers, on the other hand, are trained to be advocates who act on behalf of their clients. As a result, many lawyers are oriented toward solving specific problems by using the legal system to win individual cases--instead of helping people solve their own problems by direct action. But there are other lawyers who believe in the basic principles of organizing to achieve social change. They want to know what kinds of assistance they can provide and how best to provide it. This handbook is intended to help them and to help community organization leaders and members as well, by helping them understand the limitations the law imposes, the opportunities it provides and the reasons behind the advice their lawyer is giving them.[59]

A lawyer's role, then, is to "protect the members of the organization" and to "fight back," not to represent individuals. An attorney can force opponents of the organization to "cave in" by "imposing liability and money costs on others." [60] Evidently, the ends justify the means, for the manual indicates that "exposure" is a useful tool and "the threat of scandal and ridicule is a powerful one." [61] If lawyers follow the appropriate prescriptions, they "have a unique opportunity to help give real 'power to the people'." [62]

In essence, the LSC, chartered by Congress and charged with using the law to help the poor, has spent tax dollars to finance a study that advocates illegal activities.

## **The Verdict on the Legal Services Corporation**

The Legal Services Corporation has clearly been riddled with illegal political activity. Hundreds of millions of taxpayers' dollars have been used to fund the political goals of a determined group that has used the needs of the poor as a pretext to obtain vast sums of money from the government. Tax monies have been diverted to elect candidates to office, to defeat or support legislation at all levels of government, to finance administrative and congressional lobbying, to organize at the grass roots for political purposes, and to fund a host of allied organizations. Many of the cases pursued by LSC and its affiliates are bizarre and have nothing to do with alleviating the legal problems of the poor. Attorneys associated with Legal Services have sought to impose on the nation their version of political utopia, even though their interventionist policies would reduce economic growth and opportunity. There is an abundance of poverty in the socialist world, but the leaders of socialist nations prosper while others suffer. The LSC proselytizers

may be convinced that their expertise would place them in leadership positions if the political changes they are advocating with tax funds were actually made.

For years, LSC has been criticized for its blatant and illegal political activity. While LSC officials were publicly denying any wrongdoing or any untoward political action, [63] internal memorandums and other documents show that they were fully aware of and concerned about the propriety and legality of their activities. The corporation's president was seeking increased funding from Congress, but the organization was diverting, for its own uses, tens of millions of dollars originally intended to help the poor. When testifying about LSC's fiscal year 1982 budget, Dan Bradley stated that "the painful reality is, however, that legal services programs already operate at the margin. There is little that can be done to meet rising costs, short of reducing available service." [64]

LSC affiliates, however, had amassed tens of millions of tax dollars in unspent balances between fiscal years 1980 and 1982 and had purchased \$15.5 million in real property and \$17.8 million in equipment during the same period. LSC headquarters openly encouraged the diverting of program resources away from services for the poor by hiring consultants to develop "alternative corporate forms" and to find "creative ways" to use fund balances. LSC even drafted sample documents to be used in acquiring real estate. [65] During the same period, \$2.257 million was spent for dues to various organizations, including labor unions, and payments were made to the Committee on Political Education (C.O.P.E.), the AFL-CIO political action group, and similar organizations. [66] Bradley also failed to mention the interest income from unspent fund balances that had been invested or the millions of dollars in legal fee awards that LSC grantees were collecting from their lawsuits--awards that taxpayers also paid when the suit was brought against local, state, or federal governmental agencies.

There might not have been much money to provide legal services, but that did not stop officials associated with LSC affiliates, such as National Clients Council executive director Bernard Veney, from living well at taxpayer expense. During the first nine months of 1983, Veney's expense account tabs included:

- \$177.90 for a stay with his wife at an inn a few blocks from his Washington office;
- a \$180-a-day suite at the Burbank Airport Hilton during a California training seminar;
- \$171.60 for lodging at a Jackson, Wyoming, resort;
- a \$419.47 tab at the posh Georgetown Hotel in Washington during another training seminar;
- \$10,069.51 in car and limousine rentals when Veney commuted between Washington and his home in Columbia, Md. [a suburb of Washington];
- a \$6,456 salary advance which was still outstanding from August, 1982; and,
- a \$738 plane ticket for his son who was not employed by the Clients Council. [67]

So much money was diverted to political activity, frivolous lawsuits, the organization of campaigns and "training," slush funds, real estate, and other purposes that it is reasonable to question whether LSC and its affiliates were concerned at all about the legal problems of the poor. Apparently, their greatest concern was to use the poor to obtain resources that would support their own interventionist agenda and spread their propaganda. At the same time that LSC was furthering its political causes in the courts and legislatures at taxpayer expense, the organization's "survival campaign" was undertaken to keep the corporation free from "political interference," as if the assertion of such interference could justify the subterfuges and stratagems devised under that scheme. Their real problem was that a board of directors appointed by the Reagan administration might have a different view of LSC's purpose and might try to alter the corporation's policies toward legal services for the poor.

In 1982, the worst fears of LSC officials were realized when President Reagan appointed new board members and officers. The response was a campaign of smear and innuendo whose purpose was to divert attention from the LSC and its activities and focus on the new appointees. Many files from the period 1980-82 in the LSC's Washington office were destroyed, and appointees had to scour regional offices to obtain copies of important correspondence and memorandums. [68] The denial of information to Reagan appointees was only a small skirmish in the major battle over the integrity of the appointees, which focused on the consulting fees and travel expenses the Reagan board members had charged to LSC. LSC bureaucrats and their allies orchestrated a major media campaign to discredit the board members and to preserve the corporation. The media rose to the bait and produced a barrage of articles questioning the propriety of the board members' behavior. [69] A GAO investigation concluded, however, that no impropriety had been

committed by the president's appointees:

- . payments to Board members complied with the law and LSC's regulations and policies,
- . LSC's practices for compensating Board members were comparable to those followed by other Government corporations,
- . the new LSC president's contract was properly negotiated and consistent with the contracts of past LSC presidents and presidents of other Government corporations, and
- . LSC Board members, appointed by the President while the Senate was in recess, were entitled to compensation.[70]

Although the charges were without substance, the damage had been done. The smear campaign had produced a smoke screen -behind which LSC's congressional allies could maneuver. LSC continues to receive funding under continuing resolutions that keep the corporation's activities from being closely examined.[71]

Some intimidation was also brought to bear on the Reagan appointees when death threats were made against the board chairman and the corporation's president.[72] Evidently the pressure tactics worked, for LSC still exists, which is no small accomplishment after three attempts by President Reagan to end its financing. The corporation is also prospering: in January 1984, the board of directors voted to request a budget of \$325 million for fiscal year 1985, an increase of 18 percent over 1983 and the largest budget the LSC has ever sought.[73] The process was an interesting one: "Board members had planned to seek a 4.4 percent increase, but agreed to increase it after protests last month that the amount was not enough and after accusations that board members were trying to destroy legal aid programs." [74] One would think that the board's first objective should be to dismantle some of LSC's activities. No budget increase would be necessary if the resources devoted to illegal activities were used instead for their intended purpose: providing legal services to the poor.

Despite abundant evidence of blatant wrongdoing, virtually nothing has been done to correct LSC's abuses of its mandate. Congress has placed various restrictions on the corporation's operations from time to time, but it has never effectively brought the organization under control, and no attempts have ever been made to enforce the restrictions. Sen. Orrin Hatch has offered an explanation:

To question the activities of the Corporation and its 326 grantees is, of course, politically disadvantageous. One is led to believe that the nobility of the Corporation's purpose makes any question as to the propriety of some of its activities nothing less than a vicious attack on the poor themselves. This misinformed, oversimplified presumption has scared away much needed review and has provided the Corporation with a congressional carte blanche to operate without oversight, without review, and without criticism.[75]

The "apostles of the poor" have carefully cultivated the notion that questioning a program intended to help the poor is an attack on the poor. This attitude serves LSC interests and the interests of those in Congress who benefit from the political activities and the organizing that LSC has so generously funded with taxpayers' money.

LSC and its affiliates do not deal only with political issues, but also with candidates. Those in Congress who support LSC appropriations and do not question how the funds are spent are supported at election time by the grass roots organizations nurtured by LSC. Thus, a cozy relationship has developed between those in Congress who appropriate funds and those who spend them. The taxpayers are the losers, for they finance the grass roots political activity that sends to Congress those individuals who benefit from the illegal use of tax money and who have every incentive to continue this practice. The poor also lose, for funds originally allocated to benefit them are shamelessly diverted for political purposes that primarily benefit the "apostles of the poor."

Every group that receives funding from government is implicitly threatened whenever efforts are made to eliminate or reduce the funding of even one recipient. For this reason, enormous pressures are brought to bear on politicians whenever spending cuts are contemplated. These pressures are all but irresistible, for individual taxpayers rarely mount a determined resistance to the special-interest groups that surround every legislative body. At the very least, however, politicians have an obligation to ensure that public funds are spent only for the purposes for which they were

appropriated and to determine if alternative methods of delivering public services exist or can be developed to avoid the abuses that are so common when bureaucracies pursue their own interests at public expense.

## FOOTNOTES

- [1] For an extensive discussion of the theory and practice behind civil legal services for the poor, see Marshall Breger, "Legal Aid for the Poor: A Conceptual Analysis," *North Carolina Law Review* 60 (1982): 282-363.
- [2] "City Asked to Pay Bill for Man's Sex Change," *Washington Post*, January 15, 1981, p. B-3.
- [3] See Reginald Stewart, "Court to Decide if Black English Is a Learning Barrier," *New York Times*, June 12, 1979, p. A-12.
- [4] "Indians on the Warpath," *New Republic*, April 30, 1977, pp. 16-21.
- [5] Shirley Scheibla, "Bar Sinister: The Legal Services Corporation Stretches its Mandate," *Barron's*, January 24, 1977, pp. 5, 12.
- [6] The discussion of Simer is based on Heather Stuart Richardson, "A Sweetheart of a Lawsuit?" *Wall Street Journal*, August 20, 1980, p. 18.
- [7] *Ibid.*
- [8] Justice Grady, "Memorandum Opinion," *Elsie Simer et al. v. Graceila Olivarez, et al.*, Northern District of Illinois, Eastern Division, Civil Action no. 79 C 3960, October 29, 1980.
- [9] Richardson.
- [10] Heather Stuart Richardson, "How to Beat Congress by Losing a Lawsuit," *Washington Post*, August 31, 1980, pp. D-1, D-2. Reprinted from the *Wall Street Journal*, August 20,
- [11] Richardson, "A Sweetheart of a Lawsuit?"
- [12] H. Peter Metzger and Richard A. Westfall, *Government Activists: How They Rip Off the Poor* (Denver: Public Service Company of Colorado, 1981), p. 15. Fortunately for the taxpayer, the judge in the Simer case saw through the ploy being used by CSA and LSC and refused to accept the settlement arranged out of court. The funds were returned to the Treasury.
- [13] Breger, p. 302.
- [14] Rael Jean Isaac and Eric Isaac, *The Coercive Utopians: Social Deception by America's Power Players* (Chicago: Regnery Gateway, 1983), p. 238. Even the *New York Times* has described legal aid attorneys as "liberal" and "activist." See Stuart Taylor, "Conservatives Press Fight to Curb Legal Aid," *New York Times*, July 31, 1983, p. E-5.
- [15] 42 U.S.C. Sec. 2996f(a)(5).
- [16] House Committee on Appropriations, Departments of State, Justice, and Commerce, The Judiciary, and Re ate Agencies Appropriations for 1980, Hearings before a Subcommittee on the Departments of State, Justice, and Commerce The Judiciar pp. 477-78.
- [17] Mary Thornton, "Former Employees of Legal Services Faulted," *Washington Post*, September 21, 1983, p. A-6. For further information on LSC involvement with Proposition 9, see Tom Diaz, "Probe Sought of Legal Services Campaign Activity in California," *Washington Times*, October 21, 1983, p. 5-A; *idem*, "Jarvis Plans to Sue California Legal Services," *Washington Times*, December 20, 1983, p. 3-A; and "Illegal Services," *Wall Street Journal*, September 29, 1983, p. 30.

[18] Alan Houseman, LSC memorandum, December 9, 1980. Reprinted in Senate Committee on Labor and Human Resources, oversight of the Legal Services Corporation, 1983, p. 50. For further detail on the LSC Survival Campaign, see Tom Diaz, "Video Reveals Legal Services Corp. Drew 'Survival Plans'," Washington Times, August 29, 1983, p. 5-A; George Lardner, Legal Services Agency Lobbied Hard to Save It, Washington Post, July 13, 1983, p. A-17; "Survivalists at Legal Services," Washington Times, July 21, 1983, p. 11-A; and Tom Diaz, "Misuse of Legal Aid Fund Revealed," Washington Times, July 12, 1983, pp. 1-A, 12-A.

[19] Alan Houseman, LSC memorandum, December 1, 1980. Reprinted in Oversight, p. 39.

[20] Idem, LSC memorandum, December 29, 1980. Reprinted in Oversight, p. 67.

[21] Ibid., p. 73.

[22] Coalition for Legal Services, letter, February 20, 1981. Reprinted in Oversight, p. 84.

[23] Ibid., p. 551. Also, see Tom Diaz, "Legal Aid Unit Said Barring U.S. from Monitoring Grant," Washington Times, April 12, 1984, p. 5-A. NLADA officials refused to permit Reagan appointees to audit the association's expenditures of funds, claiming that the LSC has "no right" to information from its grantees.

[24] Houseman (December 29, 1980), p. 75.

[25] Joseph Lipofsky of Legal Services of Eastern Missouri, letter to Rhonda Roberson of Legal Services Corporation, April 29, 1981. Reprinted in Oversight p. 121. Also, see "Legal Services Corporation: Limits Sought on Lobbying Funds," Washington Post, July 16, 1983, p. A-4.

[26] Oversight, p. 123.

[27] Ibid.

[28] Ibid.

[29] LSC payment approval form, account no. 14-1160-000004, July 17, 1981. Reprinted in Oversight, p. 633.

[30] Coalition for Sensible and Humane Solutions, "Community Based Training Agenda, July 2, 1981, St. Louis, Missouri." Reprinted in Oversight, p. 631.

[31] Joseph Lipofsky, attachment to letter to Lilian Johnson, July 8, 1981. Reprinted in Oversight, p. 630.

[32] Data obtained from Freedom of Information Act requests.

[33] For information on activities in Arizona, Colorado, New Mexico, and Texas, see General Accounting Office, Statement of Franklin A. Curtis, Associate Director of the Human Services Division, before the Senate Committee on Labor and Human Resources, April 11, 1984, mimeo.

[34] Alan Houseman, LSC memorandums, December 8, 1980. Reprinted in Oversight, pp. 46-47.

[35] Hulett H. Askew, LSC memorandum, December 4, 1980. Reprinted in Oversight, pp. 60-61.

[36] Acting Comptroller General Milton J. Socolar, letter B-202116 to Rep. F. James Sensenbrenner, Jr., May 1, 1981. Reprinted in Oversight, pp. 24-25.

[37] Oversight, pp. 25-26.

[38] Ibid., p. 27.

[39] Ibid.

[40] *Idid.*, p. 28.

[41] General Accounting Office, Review of Legal Services Corporation's Activities Concerning Program Evaluation and Expansion (Washington: General Accounting Office, 1980), p. 17.

[42] Socolar, p. 33.

[43] Breger, pp. 308-10.

[44] Dan J. Bradley, LSC letter to Milton J. Socolar, May 11, 1981. Reprinted in Oversight, pp. 18, 21.

[45] Friends of Advocacy, Inc., memorandum to the Executive Committee of the Board of Directors of Connecticut Legal Services, in the files of the Senate Committee on Labor and Human Resources.

[46] Calvin C. McCants, Jr., "A Proposal for a Management Training Curriculum and Manual" (Washington: Institute for Non-Profit Management Training, 1981), p. 1. Reprinted in Oversight p. 385.

[47] *Ibid.*, pp. 390-91.

[48] Gregg Krech, "Alternatives to Retrenchment" (Washington: Legal Services Corporation, 1982), p. 2.

[49] These are described in pp. 400-410.

[50] Krech, pp. 4, 23.

[51] Paul Newman, "LSC Program Report for South Central Connecticut Legal Services Corporation, October 13, 1982" (Washington: Legal Services Corporation, 1982), p. 8.

[52] Oversight, p. 413.

[53] *Ibid.*, p. 436. Texas Rural Legal Aid aggressively pursued its advocacy projects. The organization placed the following classified advertisement in the Austin American-Statesman on November 5, 1980:

**WANTED: PROJECT** coordinator for Legislative Advocacy Project for farm workers, job includes proposal writing, reports, staff supervision; coordination with advocacy groups. Must have experience with governmental agencies and knowledge of problems of farm workers; bilingual preferred. Salary \$18,000- \$28,000; commensurate with experience and skills. Submit resume to Texas Rural Legal Aid.

[54] Oversight, p. 301.

[55] *Ibid.*, p. 401.

[56] Iris Rothman, ed., *The Law and Direct Citizen Action* (Washington: Legal Services Corporation, 1981), p. i. Also see Tom Diaz, "Legal Services Manuals Press Political Advocacy," *Washington Times*, July 26, 1983, p. 3-A.

[57] Rothman, p. 1.

[58] *Ibid.*

[59] *Ibid.*, p. 2.

[60] *Ibid.*, pp. 2-3.

[61] *Ibid.*, p. 3.

[62] *Ibid.*, p. 4.

[63] See William Rusher, "A Legal Fiefdom Fighting the Law," Washington Times, August 31, 1983, p. 2-C; Tom Diaz, "Funds Held Misused for Lobbying," Washington Times, July 15, 1983, p. 3-A; idem, "Conservatives Press Fight on Legal Services Abuses," Washington Times, July 14, 1983, p. 3-A; and idem, "Official Denies Legal Aid Fund Used for 'Survival'," Washington Times, July 13, 1983, pp. 1-A, 12-A.

[64] Oversight, p. 169.

[65] Senate Committee on Labor and Human Resources, *Legal Aid Act Amendments of 1983*, pp. 392-97.

[66] *Ibid.*, pp. 256-58.

[67] Jack Anderson, "Legal Services Mismanagement Is Uncovered," Washington Post, April 11, 1984, p. F-16.

[68] William Kucewicz, "A Little Larceny in Legal Services?" Wall Street Journal, August 19, 1983, p. 18; also, see Tom Diaz, "Shredding of Files in LSC Probe Disclosed," Washington Times, September 23, 1983, p. 2-A.

[69] For example, the Washington Post published a number of articles on the board members' travel and consulting fees: "Legal Services Appointees Get Fat Fees," December 15, 1982, pp. A-1, A-11; "Legal Services Head's Contract Sweet," December 16, 1982, pp. A-1, A-8; "Sabotaging Legal Services," December 16, 1982, p. A-22; "Reagan Outlines Inquiry on Legal Services," December 17, 1982, p. A-2; "Recovery of Legal Fees Paid Legal Officials Demanded," December 18, 1982, pp. A-1, A-5; "Legal Disservice," December 19, 1982, p. C-6; "Hill Group Asks GAO Inquiry Into Legal Services Board Fees," December 21, 1982, p. A-3; "Legal Board Members Avoid Joining 'Em by Representing 'Em," December 21, 1982, p. A-2; "Reagan Aid Meese Defends Members of Legal Services Panel on Fee Charge," December 24, 1982, p. A-2; "July Memo Warned Legal Services Officials on Fees," December 31, 1982, p. A-5; and "The Dubious Deals of Reagan's Crowd," January 2, 1983, p. A-1.

[70] General Accounting Office, Letter B-210338 from the comptroller general to Rep. Robert Kastenmeier, August 31, 1982, p.1. In light of the flood of articles published by the Washington Post on the payment "scandal," it is interesting to note that it took eight days for the newspaper to report on the GAO investigative report: Howard Kurtz, "No Violations Found in Legal Services Fees," Washington Post, September 8, 1983, p. A-6; also, see Tom Diaz, *LSC to Stop Funds for Clients Council*, Washington Times, January 4, 1984, p. 4-A.

[71] See Tom Diaz, "Press Held 'Used' in Legal Services Ploy," Washington Times, August 4, 1983, p. 2-A; and idem, "Story Behind the Story on Smokescreen' Attack in Legal Service Hassle," Washington Times, September 12, 1983, p. 4-A.

[72] Idem, "Legal Services Flap Produces Charges of Death Threats," Washington Times, July 20, 1983, p. A-2.

[73] Pete Early, "Legal Aid Board Votes to Request Budget Increase," Washington Post, January 7, 1984, p. A-5.

[74] *Ibid.*

[75] Sen. Orrin Hatch, "Opening Statement," in *LSC Act Amendments of 1983*, p. 1.