



**LEGAL SERVICES CORPORATION**

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**PROGRAM LETTER 96 - 1**

TO: All LSC Program Directors

FROM: John A. Tull, Director  
Office of Program Evaluation, Analysis and Review

DATE: May 17, 1996

RE: New Restrictions on LSC Grantees

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As you know, Public Law 104-134, signed into law on April 26, 1996, has established new restrictions on the work that LSC recipients are able to do. Many questions have been raised about the interpretation and application of these new provisions. In this letter, we attempt to provide guidance on some of the most frequently asked questions. These interpretations state what we believe is the intent of Congress. Please note, however, that many of the restrictions will be implemented through regulations. This letter is intended to provide interim guidance until the Board takes action.

We recognize that this letter does not address every issue. Policy matters that will require Board action to resolve are not addressed. We urge you to proceed cautiously and to seek advice in areas where the authority of the program to operate is unclear.

All but the last of the topics covered here are restrictions that apply to all the work that a recipient or a subgrantee does regardless of the source of funds. The only generally applicable exception is that recipients receiving Indian tribal funds can expend these funds for the specific purposes for which the tribal funds are provided. In addition, there are some limited exceptions described below that pertain to legislative and administrative advocacy. Further, the section

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defining LSC funds as federal funds for certain purposes and the prohibition on the payment of dues apply only to the use of LSC funds. Because the bill prohibits both recipients and any subgrantees from engaging in restricted activities, regardless of the source of funds, we request that you provide a copy of this letter to all of your program's subgrantees.<sup>1</sup>

We call your attention to the fact that the appropriations act requires grantees to take certain affirmative steps.

- Recipients need to withdraw immediately from activity the law restricts including: redistricting; proscribed administrative and legislative advocacy activity; proscribed public policy training; abortion cases; welfare reform advocacy; and drug-related public housing eviction cases. Recipients must withdraw from any class action case and any cases involving the representation of specified aliens and litigation on behalf of incarcerated persons by August 1, 1996.
- In accordance with §504(d)(1), recipients must notify their other funders that non-LSC funds cannot be expended for any activity prohibited by P.L. 104-134 or otherwise prohibited by the LSC Act. We will follow up with a letter describing the actions we believe are appropriate to notify funders.
- Recipients must have priorities that cover the cases and matters they will be handling and emergency procedures detailing the circumstances under which the recipient can take a case not specified as a priority. §504(a)(9). It is no longer acceptable to handle cases that are not identified as priorities except in accordance with emergency procedures adopted by the recipient's board.
- Recipients must have a statement from each case handler agreeing not to take cases unless within the program's priorities or within the emergency provisions established by the board. We will follow up with a letter describing what is required to implement the priority setting requirements.

On the following pages we present the legislative wording and any interim guidance that we may have on each restriction.

### **Redistricting and Census.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this*

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<sup>1</sup>Transfer by an LSC grantee of non-LSC funds is not a subgrant.

*section as a `recipient`)*

*(1) that makes available any funds, personnel, or equipment for use in advocating or opposing any plan or proposal, or represents any party or participates in any other way in litigation, that is intended to or has the effect of altering, revising, or reapportioning a legislative, judicial, or elective district at any level of government, including influencing the timing or manner of the taking of a census....*

- This section applies the prohibition of 45 CFR Part 1632 to all of the recipient's funds.

### **Administrative Rule Making.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a `recipient`)*

*(2) that attempts to influence the issuance, amendment, or revocation of any executive order, regulation, or other statement of general applicability and future effect by any Federal, State, or local agency;*

*(3) that attempts to influence any part of any adjudicatory proceeding of any Federal, State, or local agency if such part of the proceeding is designed for the formulation or modification of any agency policy of general applicability and future effect....*

*(6) that pays for any personal service, advertisement, telegram, telephone communication, letter printed or written matter, administrative expense or related expense, associated with an activity prohibited in this section....*

*504(b) Nothing in this section shall be construed to prohibit a recipient from using funds from a source other than the Legal Services Corporation for the purpose of contacting, communicating with, or responding to a request from, a State or local government agency, a State or local legislative body or committee, or a member thereof, regarding funding for the recipient, including a pending or proposed legislative or agency proposal to fund such recipient.*

*504(e) Nothing in this section shall be construed to prohibit a recipient from using funds derived from a source other than the Legal Services Corporation to comment on public rulemaking or to respond to a written request for information or testimony from a Federal, State or local agency, legislative body or committee, or a member of such an agency, body, or committee, so long as the response is made only to the parties that make the request and the recipient does not arrange for the request to be made.*

Advocacy regarding administrative rule making is generally prohibited. This prohibition applies to all administrative rule-making (including the drafting or modification of any agency's executive order, regulation or other statement of general applicability and future effect) at all levels of government. Recipients may not initiate contact with administrators or their staff concerning rule-making and may not engage in any grass-roots lobbying.

- Recipients may not participate in an agency advisory board when it makes recommendations that are intended to or are likely to result in rule making. If an advisory board's principal function is to make recommendations in rule making, recipient's staff members should not be on the board.
- Use of non-LSC funds is allowed: (1) to respond to written requests for information or testimony on rules and policies from officials at all levels of government. The responses must be directed only to those who requested them and must not have been solicited by the recipient; (2) to comment on public rule making; and (3) to advocate for funding for legal services at the State or local level by contacting government agencies.
- Section 504(a)(3) applies to administrative rule making done through an adjudicatory proceeding. It does not apply to administrative representation where an individual's rights are being adjudicated, such as a welfare fair hearing. Except where otherwise prohibited, recipients may challenge agency rules or policies through litigation and may challenge such rules or policies in the course of representing a client in an administrative proceeding. A recipient may negotiate with an agency or agency personnel on behalf of a client in order to resolve that client's specific legal problem, whether in response to an adverse action, in the course of an administrative proceeding or in the course of litigation.
- These provisions do not prohibit a recipient from commenting on LSC regulations or negotiating with LSC.

## Legislative Lobbying.

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient')*)

*(4) that attempts to influence the passage or defeat of any legislation, constitutional amendment, referendum, initiative, or any similar procedure of the Congress or a State or local legislative body;*

*(5) that attempts to influence the conduct of oversight proceedings of the Corporation or any person or entity receiving financial assistance provided by the Corporation...*

*(6) that pays for any personal service, advertisement, telegram, telephone communication, letter printed or written matter, administrative expense or related expense, associated with an activity prohibited in this section....*

*504(b) Nothing in this section shall be construed to prohibit a recipient from using funds from a source other than the Legal Services Corporation for the purpose of contacting, communicating with, or responding to a request from, a State or local government agency, a State or local legislative body or committee, or a member thereof, regarding funding for the recipient, including a pending or proposed legislative or agency proposal to fund such recipient.*

*504(e) Nothing in this section shall be construed to prohibit a recipient from using funds derived from a source other than the Legal Services Corporation to comment on public rule making or to respond to a written request for information or testimony from a Federal, State or local agency, legislative body or committee, or a member of such an agency, body, or committee, so long as the response is made only to the parties that make the request and the recipient does not arrange for the request to be made.*

- Lobbying and legislative advocacy are generally prohibited. This prohibition applies to all legislative processes (including initiatives and referenda) at all levels of government. Recipients may not initiate contact with any legislators or their staff and may not engage in any grass-roots lobbying. Recipients may not use LSC funds to testify or otherwise

participate in legislative hearings.

- Recipients may use non-LSC funds to respond to a written request for information or testimony from a legislative body or committee, or member thereof, so long as the response is only to the party that made the request and the request was not itself arranged by the recipient.
- Recipients may use non-LSC funds to advocate at the state or local level concerning their funding.
- A recipient's staff may not be a member of a legislative task force if the task force will be making recommendations that are intended to influence legislation.

#### **Class Actions.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient')*

*(7) that initiates or participates in a class action suit...*

- Recipients should take immediate action to withdraw from pending class actions. Those actions should be concluded or disposed of by August 1, 1996. No new class actions may be commenced. LSC is required to report to Congress on the termination of or withdrawal from these cases. It would facilitate this reporting requirement for recipients to keep easily accessible records relating to withdrawals from these cases. Please see the May 8, 1996 letter from John A. Tull requesting information on your pending class actions.
- "Class actions" are all cases filed as a class action under Federal Rule 23 or comparable state rule. This includes cases that were filed as class actions, where class certification is pending. This section does not bar the filing of mandamus, injunctive or declaratory relief actions unless also filed as class actions.
- Although not originally filed as a class action, a case is a "class action" for purposes of this restriction if the judge, sua sponte or on motion of another party, determines the case will proceed as a class action.
- Whether activity related to enforcement of a final order entered in a class action amounts

to "participation" in a class action will have to be determined on a case by case basis. Among the factors to be considered are whether the court has relinquished or only nominally retained jurisdiction, and the extent to which the assistance is limited to individual beneficiaries of the class as opposed to activities to benefit the class as a whole.

- "Participation" in a class action includes filing an amicus curiae brief or representing a non-class member in a class action. It does not include advising clients about the pendency of a class action or its effect on the client, and what the client needs to do to benefit from the case.

#### **Client Identity and Statements of Fact.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient'))*

*(8) that files a complaint or otherwise initiates or participates in litigation against a defendant, or engages in a pre-complaint settlement negotiation with a prospective defendant, unless*

*(A) each plaintiff has been specifically identified, by name, in any complaint filed for purposes of such litigation or prior to the pre-complaint settlement negotiation; and*

*(B) a statement or statements of facts written in English and, if necessary, in a language that the plaintiffs understand, that enumerate the particular facts known to the plaintiffs on which the complaint is based, have been signed by the plaintiffs, are kept on file by the recipient, and are made available to any Federal department or agency that is auditing or monitoring the activities of the Corporation or of the recipient, and to any auditor or monitor receiving Federal funds to conduct such auditing or monitoring, including any auditor or monitor of the Corporation:*

*Provided, That upon establishment of reasonable cause that an injunction is necessary to prevent probable, serious harm to such potential plaintiff, a court of competent jurisdiction may enjoin the disclosure of the identity of any potential plaintiff pending the outcome of such litigation or negotiations after notice and an opportunity for a hearing is provided to potential parties to*

*the litigation or the negotiations: Provided further, That other parties to the litigation or negotiation shall have access to the statement of facts referred to in subparagraph (B) only through the discovery process after litigation has begun....*

- The plaintiff's signed statement must enumerate the particular facts known by the plaintiff on which the complaint is based. It must include the facts, provided by the client, that are sufficient to support a complaint in the jurisdiction in which the complaint would be filed.
- This requirement is prospective. It does not apply to litigation that was filed prior to April 26, 1996. However, where there were pre-litigation settlement negotiations before April 26, 1996 and litigation is to be filed after April 26, 1996 a statement should be prepared before the filing of the claim.
- The requirement applies only to plaintiffs and not to defendants.
- There is no need to obtain a written signed statement in administrative proceedings unless the filing is initiating a legal action rather than responding to an action a government has taken. For example, signed statements are not required of clients aggrieved by unfavorable disability, welfare, unemployment or housing authority decisions. Statements would be required prior to the filing of a plaintiff's EEOC or an Agricultural Worker Protection Act administrative action.
- The requirement does not apply to situations where the program is giving advice or brief assistance. It is not necessary to obtain a signed statement of fact prior to contact with another party if the contact is to clarify the facts, to gauge the potential for later negotiation, or to resolve a matter the recipient does not intend to litigate. If, however, the case has progressed to the point that a complaint would be filed if such a call is unsuccessful in resolving the matter, then a signed written statement should be obtained prior to contacting the other party.

#### **Priorities.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a `recipient`)*

*(9) unless,*

*(A) prior to the provision of financial assistance)*

*(I) if the person or entity is a nonprofit organization, the governing board of the person or entity has set specific priorities in writing, pursuant to section 1007(a)(2)(C)(I) of the Legal Services Corporation Act (42 U.S.C. 2996f(a)(2)(C)(I)), of the types of matters and cases to which the staff of the nonprofit organization shall devote time and resources; and*

*(ii) the staff of such person or entity has signed a written agreement not to undertake cases or matters other than in accordance with the specific priorities set by such governing board, except in emergency situations defined by such board and in accordance with the written procedures of such board for such situations; and*

*(B) the staff of such person or entity provides to the governing board on a quarterly basis, and to the Corporation on an annual basis, information on all cases or matters undertaken other than cases or matters undertaken in accordance with such priorities;*

- The recipient should adopt priorities specifying the cases and matters the recipient will address in accordance with §1007(a)(2)(C)(I) of the LSC Act and 45 CFR Part 1620.
- A priorities list cannot include an "other" category to allow work otherwise not listed unless the category is defined with sufficient detail to specify the types of cases that are appropriate. For instance, a program might specify "other cases that substantially affect the individual's access to shelter or personal health and safety."
- An emergency is not limited to a need for immediate legal action. It may include a circumstance involving the necessities of life and a significant risk to the health or safety of the client.
- On May 20th, the LSC Board will be promulgating a suggested list of priorities that program boards may use in setting priorities. As noted above, the Corporation will send a letter describing what is required to implement the priority setting requirements.

#### **Timekeeping.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient')*

*(10) unless)*

*(A) prior to receiving the financial assistance, such person or entity agrees to maintain records of time spent on each case or matter with respect to which the person or entity is engaged;*

*(B) any funds, including Interest on Lawyers Trust Account funds, received from a source other than the Corporation by the person or entity, and disbursements of such funds, are accounted for and reported as receipts and disbursements, respectively, separate and distinct from Corporation funds; and*

*(C) the person or entity agrees (notwithstanding section 1006(b)(3) of the Legal Services Corporation Act (42 U.S.C. 2996e(b)(3)) to make the records described in this paragraph available to any Federal department or agency that is auditing or monitoring the activities of the Corporation or of the recipient, and to any independent auditor or monitor receiving Federal funds to conduct such auditing or monitoring, including any auditor or monitor of the Corporation;*

- This requirement is addressed in 45 CFR Part 1635.

#### **Aliens.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a `recipient`)*

*(11) that provides legal assistance for or on behalf of any alien, unless the alien is present in the United States and is*

*(A) an alien lawfully admitted for permanent residence as defined in section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20));*

*(B) an alien who*

*(I) is married to a United States citizen or is a parent or an unmarried child under the age of 21 years of such a citizen; and*

*(ii) has filed an application to adjust the status of the alien to the status of a lawful permanent resident under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), which application has not been rejected;*

*(C) an alien who is lawfully present in the United States pursuant to an admission under section 207 of the Immigration and Nationality Act (8 U.S.C. 1157) (relating to refugee admission) or who has been granted asylum by the Attorney General under such Act;*

*(D) an alien who is lawfully present in the United States as a result of withholding of deportation by the Attorney General pursuant to section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h));*

*(E) an alien to whom section 305 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1101 note) applies, but only to the extent that the legal assistance provided is the legal assistance described in such section; or*

*(F) an alien who is lawfully present in the United States as a result of being granted conditional entry to the United States before April 1, 1980, pursuant to section 203(a)(7) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(7)), as in effect on March 31, 1980, because of persecution or fear of persecution on account of race, religion, or political calamity;*

- The effect of this provision is to extend the current LSC regulation on alien representation, 45 CFR Part 1626, to all non-LSC funding.
- Recipients should take immediate action to withdraw from cases involving ineligible aliens. Those actions should be concluded or disposed of by August 1, 1996. No new representation of these aliens may be commenced. LSC is required to report to Congress on the termination of or withdrawal from these cases. It would facilitate this reporting requirements if recipients keep easily accessible records relating to withdrawals and transfers. Please see the May 8, 1996 letter from John A. Tull requesting information on your pending proscribed alien representation cases.

#### **Advocacy Training.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient'))*

*(12) that supports or conducts a training program for the purpose of advocating a particular public policy or encouraging a political activity, a labor or antilabor activity, a boycott, picketing, a strike, or a demonstration, including the dissemination of information about such a policy or activity, except that this paragraph shall not be construed to prohibit the provision of training to an attorney or a paralegal to prepare the attorney or*

*paralegal to provide)*

*(A) adequate legal assistance to eligible clients; or*

*(B) advice to any eligible client as to the legal rights of the client....*

- Recipients should apply the standards of 45 CFR §1612.9 to all funding.

#### **Attorneys' Fees.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient'))*

*(13) that claims (or whose employee claims), or collects and retains, attorneys' fees pursuant to any Federal or State law permitting or requiring the awarding of such fees....*

- "[F]ederal or state law" applies not only to statutory fee-shifting, but also to fee-shifting pursuant to common law. For example, where a judge, pursuant to state common law, orders the adverse party in a divorce action to pay the fee of the recipient's party, the recipient could not collect this fee.
- This provision not only bars the receipt of fees awarded pursuant to a state fee shifting statute, but also fees such as those awarded through the Equal Access to Justice Act and the Social Security Act.
- A recipient may not, even for strategic purposes, include a claim for attorneys' fees for the recipient.
- This restriction does not apply to the collection of money awarded as a sanction pursuant to Federal Rule 11, to a similar state provision or to discovery sanctions.
- Recipients may continue to collect attorneys' fees for those cases filed prior to April 26, 1996. Attorneys' fees may not be claimed or collected and retained for any additional related claims raised in those pending cases after April 25, 1996. No attorneys' fees may be claimed, or collected and retained in cases commenced after April 25, 1996. §508(b)(1)(2).

## **Abortion.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient'))*

*(14) that participates in any litigation with respect to abortion....*

- This provision applies the previously existing statutory prohibition to all funding. The restriction in the Act, §1007(a)(8), prohibiting all legal assistance (not just litigation) concerning the procurement of non-therapeutic abortions, continues subject to 45 CFR §1610.2 and 1610.3.

## **Representation of Incarcerated Persons.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient')*

*(15) that participates in any litigation on behalf of a person incarcerated in a Federal, State, or local prison....*

- Recipients should take immediate action to withdraw from any litigation on behalf of incarcerated persons. Those actions should be concluded or disposed of by August 1, 1996. No new litigation on behalf of incarcerated persons may be commenced. LSC is required to report to Congress on the termination of or withdrawal from these cases. It would facilitate this reporting requirement if recipients keep easily accessible records concerning withdrawals from these cases. See the May 8, 1996 letter from John A. Tull requesting information on your pending litigation on behalf of incarcerated persons.
- The term "person incarcerated in a Federal, State or local prison" includes pretrial detainees and misdemeanants.
- Representation of juveniles held in juvenile detention facilities is not proscribed by this language.
- A person held in a mental health facility is not covered by this section unless the facility,

or the part of the facility where the person resides, is administered or overseen by a prison system.

- A person whose incarceration is subject to work release is "incarcerated in a ... prison."
- When a client becomes incarcerated after representation has begun, the recipient generally has to withdraw from litigation on the client's behalf. However, representation can continue where incarceration is likely to be for a short period of time and in circumstances in which the litigation can be expected to continue after the individual is released.
- Recipients with separate public defender programs will be able to continue their work, including representation in criminal matters of clients who are incarcerated. Recipients, including public defender components, cannot represent prisoners in civil matters.

#### **Welfare Reform Advocacy.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient'))*

*(16) that initiates legal representation or participates in any other way, in litigation, lobbying, or rule making, involving an effort to reform a Federal or State welfare system, except that this paragraph shall not be construed to preclude a recipient from representing an individual eligible client who is seeking specific relief from a welfare agency if such relief does not involve an effort to amend or otherwise challenge existing law in effect on the date of the initiation of the representation....*

- This restriction includes a challenge to any federal or state welfare reform statute or to a welfare reform rule arising out of the granting of a waiver by the Department of Health and Human Services such as a state's family cap or time-limited benefit experiment.
- "Welfare system" includes AFDC, General Assistance and related cash assistance programs as well as other assistance which is linked to the cash assistance under the welfare reform law.
- A recipient may represent a client in an administrative hearing or in court. The recipient

may raise any issue in an administrative hearing. The recipient may not, however, challenge a welfare reform law in court.

### **Public Housing Drug Eviction Cases.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient')*)

*(17) that defends a person in a proceeding to evict the person from a public housing project if)*

*(A) the person has been charged with the illegal sale or distribution of a controlled substance; and*

*(B) the eviction proceeding is brought by a public housing agency because the illegal drug activity of the person threatens the health or safety of another tenant residing in the public housing project or employee of the public housing agency....*

- 45 CFR Part 1633, applies the same criteria. This section makes the proscription in Part 1633 applicable to all of the recipient's funds regardless of the funding source.

### **Solicitation.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient')*)

*(18) unless such person or entity agrees that the person or entity, and the employees of the person or entity, will not accept employment resulting from in-person unsolicited advice to a non-attorney that such non-attorney should obtain counsel or take legal action, and will not refer such non-attorney to another person or entity or an employee of the person or entity, that is receiving financial assistance provided by the Corporation; or....*

- This restriction applies to in-person unsolicited advice including face to face conversations, telephone calls and personal letters. A program is permitted to give

general advice in a newsletter, radio or television program.

- A community education presentation to a group where the recipient is presenting legal rights and remedies is permissible. The presentation should not give to any individual unsolicited advice to consult a lawyer or to take legal action. The presentation may describe the recipient's services and describe the ways those services can be accessed.
- A program may set up an in-court advice project such as those used to give advice on domestic problems and rent court issues as long as the individual seeking information, advice or representation from the lawyer initiates the contact.

#### **Application of Federal Law to the Use of LSC Funds.**

*Sec. 504. (a) None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity (which may be referred to in this section as a 'recipient'))*

*(19) unless such person or entity enters into a contractual agreement to be subject to all provisions of Federal law relating to the proper use of Federal funds, the violation of which shall render any grant or contractual agreement to provide funding null and void, and, for such purposes, the Corporation shall be considered to be a Federal agency and all funds provided by the Corporation shall be considered to be Federal funds provided by grant or contract.*

- The phrase "Federal law relating to the proper use of federal funds" applies solely to federal law relating to the waste, fraud and abuse of federal funds such as Title 18, §§ 201, 286, 287, 641, 1001, 1002 and 1516, and Title 31, §§3729-3733.
- This provision applies only to recipients' LSC funds.

#### **Payment of Membership Dues with LSC Funds.**

*Sec. 505. None of the funds appropriated in this Act to the Legal Services Corporation or provided by the Corporation to any entity or person may be used to pay membership dues to any private or nonprofit organization.*

- This restriction applies only to recipients' LSC funds.
- The restriction extends to bar membership dues if the bar association is a private or non-profit organization. It includes bar dues a program would pay for its attorneys even if bar membership is mandatory and constitutes licensure to practice law.