

LEGAL SERVICES CORPORATION

The Legal Services Corporation (LSC) OIG identified what it believes to be the top challenges the LSC faces in handling pandemic-related responsibilities or any emergency funds.¹ Under the CARES Act, the purpose of LSC's COVID-19 supplemental funding is to prevent, prepare for, and respond to the coronavirus, domestically or internationally.

Resources

Worsening Shortfall in Legal Services Delivery System

Before the COVID-19 pandemic, the shortfall in legal aid delivery system capacity was the most critical challenge to program effectiveness facing LSC. A 2019 LSC intake census showed that 42 percent of the eligible legal problems presented to the grantee services network received no service of any kind. As a result of the COVID-19 pandemic and the resulting spike in unemployment, the large shortfall between the provision of legal aid services and the overwhelming demand by eligible low-income persons for legal services will get substantially worse. LSC must work to continue to facilitate and fund the efficient and effective delivery of legal aid services during a substantial increase in demand for services, while taking into account differing grantee delivery capacities throughout the country.

Distribution of Funding

LSC must determine the most effective and equitable distribution of the funds to achieve the authorized purpose of the funding. It must determine the most effective funding mechanism, while getting the funding to its grantees expediently. At the same time, LSC must ensure it provides an appropriate level of effective guidance on use of special grants, such as pandemic-related grants, and ensure there is appropriate accountability for the use of the funds. LSC likely will need to respond promptly to questions from grantees on the proper use of and accountability for the funds. Potential subsequent rounds of funding will allow LSC to apply lessons learned and improve its process of awarding and overseeing pandemic funds.

Operations

The imperative under the pandemic to provide legal services on a remote basis has revealed inadequate telework readiness in parts of the legal aid delivery system. LSC has identified this challenge and provided special funding for information technology system investments to enhance grantees telework capacity and improve their ability to provide essential legal aid services remotely.

Oversight

Grants Oversight

Leadership capabilities and experience levels vary throughout the LSC-funded network. Grants management at the grantee level is challenged by an increasingly complex portfolio of recurring and special grant programs requiring skilled oversight and adequate staffing (e.g., a grantee can receive funding through the following LSC grant programs: Basic

¹ The practice of OIGs independently assessing the top management and performance challenges facing their agency is required at major executive agencies by the Reports Consolidation Act of 2000, 31 USC §3516(d). While LSC is not an executive agency and is not subject to this requirement, the LSC OIG periodically identifies LSC's top management challenges.

Field, Pro bono, Technology Innovation Grants, Disaster Relief, CARES Act, Veterans Grants, subgrants, and private fund research projects).

Control Systems

LSC must maintain a sound system of controls to manage its programs and operations, and administer and oversee pandemic-related grants. LSC controls will be tested, especially considering new or modified systems for tracking and accounting for this funding and differing terms and conditions between the emergency funding and basic field grants. Traditional fraud concerns at the grantees regarding acquisition management, conflicts of interest, sole-sourcing, and information technology security are likely to be heightened under the current exigent circumstances.

Monitoring

Challenges to monitoring the timely and appropriate expenditure of pandemic-related funds are presented in the traditional manner with which LSC oversight is conducted. LSC grantee monitoring is undertaken largely with on-site visits to grantees. In the current environment, LSC understandably is planning to shift to remote oversight of grantees who are also functioning remotely, with potential limitations of access to required staff and records. This shift in monitoring approach will create new challenges for LSC's ability to conduct necessary oversight. Additionally, CARES Act funding will require a reprioritization, additional training, and/or increased numbers of LSC staff to oversee the fiscal and regulatory processes and guidance that 132 grant recipients use to expend emergency grant funding.

Data Challenges

To determine the effectiveness of the LSC CARES Act implementation and to ensure the timely and appropriate expenditure of pandemic-related funds, LSC must institute systems to monitor the use of funds and ensure responsive and accurate reporting by LSC grantees. LSC is not subject to the Digital Accountability and Transparency Act of 2014 (or the Federal Funding Accountability and Transparency Act and its amendments) and does not participate in USASpending.gov.² As such, LSC's ongoing reporting requirements may vary in form and substance from traditional federal grantee reporting requirements. LSC's collection (and grantees' reporting) of data required under the CARES Act, and required for effective and timely oversight of CARES Act funding, therefore, presents a challenge. This is further complicated by the fact that LSC is in the process of implementing a new grants management system, including the oversight module that is not yet fully operational.

For more information on the LSC Office of Inspector General visit <https://www.oig.lsc.gov/>.

² Digital Accountability and Transparency Act of 2014, Pub. L. No. 113-101f (2014) and Federal Funding Accountability and Transparency Act of 2006, Pub. L. No. 109-282 (2006).