

2009 Annual Report

CENTER FOR ARKANSAS LEGAL SERVICES LEGAL AID OF ARKANSAS

Dear Fellow Arkansans,

When they wrote the Constitution in 1787, our national founders believed that Justice was a bedrock of the society they wanted to create. In fact, Justice is listed in the Preamble as the first step to "forming a more perfect Union." In many ways, our society has addressed the principle of Justice in our 222-year history. But in other ways, we have only begun.

About 550,000 Arkansans live in poverty. Our organizations, the Center for Arkansas Legal Services and Legal Aid of Arkansas, provide free civil legal help to thousands of these citizens. We have done this primarily through funding from the federal government, followed by grants, the state's Public Legal Aid Fund, and contributions. But these resources support only a fraction of the attorneys and paralegals it takes to fully address people who need our help. Indeed, there is only 1 legal-aid attorney for every 11,500 low-income Arkansans. By contrast, there is 1 private attorney for every 400 Arkansans. It is little wonder that we had to turn away almost 50% of those who sought our help this year.

According to national studies and our own research, legal aid can meet only 20% of the need for free legal services. That leaves 80% of the people who seek access to Justice without the ability to find it. But it's more than a number: It's people with nowhere else to turn getting shut out of their last hope. It's thousands of families struggling alone against foreclosure, bankruptcy or homelessness. And it's thousands of men, women, and children suffering from economic exploitation, disability or domestic violence without a helping hand.

You won't read about these cases in your local newspapers. You won't see them on the nightly news. But each one represents the reality so many Arkansans face every day.

How we as a society have come over our 222-year history to ensure equal access to Justice is a measure of how far we have come since that 1787 vow to "establish Justice." Clearly, we still have far to go.

Our vision is to close that Justice gap. We hope this report encourages you to join us.



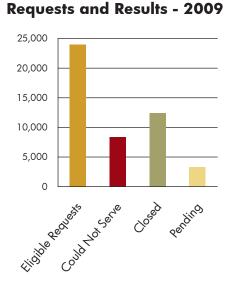
Jean Turner Carter, Executive Director Center for Arkansas Legal Services



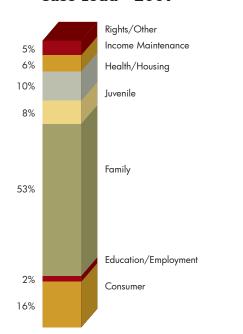
100 Richardson

Lee Richardson, Executive Director Legal Aid of Arkansas

Arkansans place a high value on supporting families, protecting children, securing economic opportunity, and preserving health and home. These are the values supported by the civil legal aid work in Arkansas. They become even more critical in a year of economic crisis when bankruptcy, foreclosure, and unemployment increases force some families over the edge. The following tables and narrative express the Value of Justice for some Arkansans.

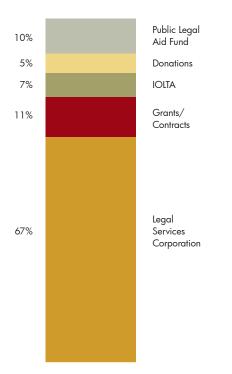


Case Load - 2009

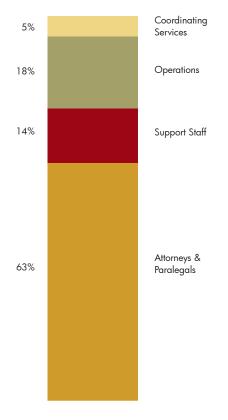


555,000	Arkansans are eligible for free civil legal aid
23,700	Eligible clients walked in or called legal aid seeking assistance
16,900	Were served, their cases either closed or still pending
6,800	Could not be served due to resource constraints
9,000	Cases assisted Families with domestic violence, divorce, and child protection
2,650	Cases helped Consumers with bankruptcy, foreclosure, collections, garnishments, and deceptive sales practices
1,700	Cases in Health & Housing issues dealt with evictions, foreclosures, and Medicaid
1,300	Juvenile cases covered protection of children who were neglected or abused and include guardianships
1,000	Cases involved Income Maintenance regarding SSI and SSDI
800	Private attorneys volunteered to take cases Pro Bono
\$935,600	the in-kind value of pro bono services
\$306,900	Raised in the private sector through the Promise of Justice Campaign for the benefit of legal aid
\$3,068,300	Federal payments coming to clients because of successful SSI and SSDI cases in 2009

Revenue



Expenditures



There are five [5] sources for financial support of legal aid in Arkansas. Three of these have been in decline for a number of years: especially IOLTA [Interest on Lawyer Trust Accounts] because of the small interest rate these accounts now garner; Grants & Contacts due to the economic difficulties many granting organizations like United Way have faced in this economic downturn; and Donations ended their decline this year because of a new statewide campaign throughout the legal and business communities.

67% Funding from the Federal Legal Services Corporation which is a non-profit entity established by Congress to fund legal services throughout the United States based on the number of people living in poverty

11% Grants and Contracts from anti-domestic violence organizations, area agencies on aging, the federal Department of Housing & Urban Development, United Way, and other client based operations.

10% Public Legal Aid Fund established by the Arkansas Legislature in 2005 which receives deposits from fees on filings and re-opening of cases in Circuit Court and distributes these funds to the two legal aid organizations in the state

7% Interest on Lawyer Trust Accounts

5% Donations from private bar attorneys and corporations, which for the first time were conducted on a statewide basis through the Access To Justice Commission's Campaign for Justice.

One of the most challenging aspects of legal aid work is to extend the impact of limited funds as efficiently and effectively as possible.

63% Attorney and Paralegal salaries and benefits appropriately comprise the single largest source of expense. These 45 individuals handle the client cases presented to the fourteen legal aid offices throughout the state. To put this workload in perspective: there are 11,500 civil case clients for each legal aid attorney whereas there are 400 people for very private civil case attorney.

18% Operational costs for fourteen [14] offices. This includes rent, environmental control, telephone/technology, printing/copying, travel, and office equipment/maintenance.

14% Support staff that provide services for the main mission including secretarial, business management, information technology, and executive leadership.

5% Coordinating services for both legal aid organizations. These include various websites that support private volunteer attorneys, legal aid advocates, and the public. Training for staff and governing boards. Unification of pro bono recruitment, retention, and recognition activities. Production of various publications.

PROTECTING PROPERTY RIGHTS



Mr. and Mrs. R owned a 4 $\frac{1}{2}$ -acre tract of land. In 2003, they mortgaged half of it to secure a home-construction loan. After they defaulted on the loan in 2008, the bank foreclosed the mortgaged property and deeded over to the Federal National Mortgage Association. But the bank made a mistake: Instead of conveying half of the R's property, the deed covered all 4 $\frac{1}{2}$ acres. Unaware of the error, the R's put a mobile home on the half they rightly assumed they still owned. Fannie Mae sued the R's. The clients tried to explain that the bank had made a mistake. But it didn't work. Fannie Mae said its deed covered the entire property. It said the R's would have to move.

With nowhere else to turn, the R's contacted legal aid. The case was complicated. The bank that had messed up the deed closed. And Fannie Mae eventually had two different law firms working on the matter. After a year of negotiations, Fannie Mae agreed to give the R's clear title to their half of the land. Without the help of legal aid, the R's would have been evicted from their rightful property.

NAVIGATING BUREAUCRACIES



Ms. F came to legal aid after three medical providers sued her for services that Medicaid should have but failed to cover. The medical providers said that the Department of Human Services rejected their Medicaid claims by saying Ms. F was ineligible for coverage. But DHS does not have to notify a patient when it finds the patient does not have coverage and rejects the provider's claim. Because of this, Ms. F did not know about the problem until more than a year after her treatment. To make matters worse, the court had awarded a judgment against her, a judgment that Ms. F wasn't aware of until she came to legal aid.

The legal-aid attorney discovered that there had apparently been a computer breakdown at DHS around this time. It turned out that regardless of what the medical providers had said, DHS had no record that the providers submitted any Medicaid claims for their treatment of Ms. F. Ultimately, legal aid persuaded DHS to write a letter saying it had no record of the claims supposedly sent by the medical providers. This letter convinced the debt collector to dismiss the lawsuit against Ms. F.

VOICES OF JUSTICE: Client Stories

PROTECTION FROM ILLEGAL GARNISHMENTS



Ms. B lived with and cared for her 80-year-old mother, who was bedfast. As part of managing her mother's affairs, Ms. B added her name to her mother's bank account. This account held both the income from Ms. B's job at Hospice Angels Inc. and from her mother's Social Security payments. A creditor had secured the right to garnish Ms. B's account to satisfy a debt. Initially, Ms. B's bank told her that \$22.90 would be held and sent to the creditor. But just a few days later, her mother's Social Security payment deposited. The bank now said it would withhold \$990 from their account and that it had a court order to send the money to Ms. B's creditor.

Ms. B reached out to legal aid, which made sure she could fight to keep her mother's Social Security benefits, which can be exempt from garnishment. Before long, Ms. B's creditor released its garnishment, the bank lifted its hold and the benefits were kept where they belonged: with Ms. B and her mother.

SECURING JUSTICE FOR MOTHERS AND CHILDREN



Suffering from mental and physical abuse from her husband, Ms. M and her three children needed help. When they reached out to legal aid, it helped her get a protection order and file for divorce. Ms. M wanted full custody and to strip her husband of all visitation rights. The husband's attorney tried several times to negotiate for visitation. But Ms. M refused to give in.

It initially appeared that Ms. M was being unreasonable. But it soon was clear that she was protecting her children from a monster. In tear-jerking testimony, the children described the mental and physical abuse they suffered at the hands of their father. The children had been victimized for years and were terrified of their father. Because legal aid was there to help, the court granted the divorce, the abusive father lost all visitation rights and Ms. B and her children were freed from a life of terror.

SECURING HEALTH AND INCOME SECURITY BENEFITS



Mr. T applied for Medicaid in June 2009. He had heart trouble and suffered from diabetes and knee pain. Arthritis plagued his back and shoulders. And severe chronic obstructive pulmonary disease (COPD) made even breathing difficult. Finally, his health problems proved too much. Mr. T, 55 years old, stopped working at a chicken-processing factory in December 2008. The following January, Mr. T suffered a heart attack. And breathing problems landed him back in the hospital in March.

Mr. T needed help with his Medicaid application, which was the subject of a hearing at a local office of the Department of Human Services in southwest Arkansas. Legal aid agreed to represent him. Not only did Mr. T see his application approved within days, he also won retroactive coverage to pay the costs from his January heart and subsequent hospitalization for breathing problems. Legal aid also succeeded in helping Mr. T file for Social Security disability benefits. It took a great deal of time and energy to prepare Mr. T's case for the hearing and for seeking other services for which he qualified. Without the help of legal aid, Mr. T would have had to fight these battles alone.

BANKRUPTCY – ALL IN THE FAMILY



Ms. S is a 45-year-old woman living Northwest Arkansas. She speaks no English. She and her adult daughter simultaneously applied for credit cards. The credit-card company rejected the daughter's application. But it approved the mother's, extending her a credit line of \$10,000. Later, the daughter called the credit-card company. Pretending to be her mother, she got a card issued to herself on her mother's account. Over several months, the daughter and her boyfriend used the card to charge up more than \$7,000 on her

mother's account. They also made sure to intercept the monthly statements so Ms. S would not find out what was happening. Eventually, the credit-card company sought legal action against Ms. S for the unpaid charges. Legal aid staff worked with Ms. S, and the creditor's attorney, to prove that she was a victim of fraud. The creditor dismissed the case, and Ms. S did not have to pay the credit card bill.

ORDERS OF PROTECTION FOR WOMEN & CHILDREN



Ms. L lives in Northeast Arkansas. A mother of three children, she was a victim of serious domestic abuse when she sought legal help. One vicious attack left her suffering from whiplash and led to fluid on her spine. All three children had witnessed the violence against their mother. Ms. L's abuser had already been to jail once for attempting to blow her up. And state officials were investigating whether the home was suitably safe for the children. With the help of a legal aid attorney, Ms. L went to court and got a 5-year Order of Protection to keep her abuser away. She also was able to protect her children by getting the court to strip away the abuser's visitation rights.

GIVING A VOICE TO JUSTICE: Zina Frazier

The civil legal problems of low-income Arkansans are the raison d'etre of the state's Center for Arkansas Services [CALS] and Legal Aid of Arkansas [LAA]. The staffs of these two organizations serve as the Voices of Justice for those who do not have the economic capacity to seek justice any other way. This section of the annual report focuses on one staff member who "gives a voice to justice" by representing those clients.



Zina has been an advocate the at Center for Arkansas Legal Services for 13 years. Her work runs the gamut, from bankruptcy to wills. As the managing attorney for the Helpline, Zina oversees a staff of five attorneys and two intake specialists. The Helpline is the

main portal for clients into the legal aid system. Through the Helpline, people from across the state are connected to their closest legal-aid office. Each year, Zina and the Helpline staff offer legal advice, on just about every civil issue, to clients who have nowhere else to turn.

"The hardest part of my job is having a mastery of information on every type of civil case that could possibly come up," Zina says. "The first call of the day might be domestic violence. The second on the Fair Debt Collection Practices Act. The next on bankruptcy. We have to have some advice to give everyone, because that's what they're looking for."

After graduating from Hendrix College in 1986 with a B.A. in Business and Economics, Zina moved to California and earned a law degree from Whittier Law School in Los Angeles. She returned to Arkansas after several years working at an L.A. law firm and for an international printer manufacturer in Irvine. For a while, she handled family, real estate, civil rights, workers compensation and criminal defense cases with Darrell F. Brown and Associates in Little Rock. Then, in 1997, Zina joined the Center for Arkansas Legal Services as a staff

attorney in the Pine Bluff office. Zina was named the CALS' Helpline managing attorney in 2000. She has guided this unit into the primary vehicle it has become for client contact.

"My family was always involved in public interest issues," Zina, the daughter of an educator and citygovernment administrator, says of why she came to work for legal aid. It was a good fit in other ways: In the years before joining the Center for Arkansas Legal Services, Zina endured many of the issues her future clients would go through.

Zina says: "My experience helps out, because when I tell them my story, they're able to say, 'Well, OK. I'm going to listen to you more.'" Zina's ex-husband had drug problems. She suffered some spousal abuse. She also struggled with debt and went on public benefits. "Those years before I came here weren't the prettiest," she says.

The CALS HelpLine receives about 17,000 calls per year. So, it's a stressful line of work. It's even tougher when some of those callers have to be turned away, Zina says. Even with a thick skin which Zina says is practically a job requirement, it can be one of the hardest aspects of her work. Some of them cry. Others yell. "You get some slightly vicious people," Zina added.

So when Zina is not handling client calls or managing her staff, she likes to try new, peaceful hobbies.

"I relax by learning to cook better. That's my newest thing," she says. One thing she won't do for fun? "I *don't* like to talk on the phone. I do that all day."

CLOSING THE RESOURCE GAP IN JUSTICE

Over the years, both legal aid organizations have developed creative ways to stretch their limited resources. In addition, the justice community in Arkansas has developed a mechanism to work directly on bringing more resources to bear on the severe justice gap that exists in our state.

THE ARKANSAS LEGAL SERVICES WEBSITE

The legal aid organizations jointly developed a nationally acclaimed website <u>www.arlegalservices.org</u>. It contains resources for the public and legal community including hundreds of fact sheets for low-literacy readers: easy to use automated legal forms for attorneys and self-help assistance; hundreds of court forms; and other useful resources including an on-line chat. In 2009, over 1.8 million web pages were viewed and nearly 7,800 Arkansans used automated forms to handle their legal issues thereby improving court efficiency.

ARKANSAS PRO BONO PARTNERSHIP

Another joint legal aid effort in cooperation with the Arkansas Bar Association is a partnership designed to facilitate the recruitment, retention, support, oversight, and recognition of lawyers who volunteer their services [pro bono] to represent legal aid eligible clients. During 2009 over 800 volunteer attorneys took cases for legal services that amounted to an in-kind contribution of \$935,600. In addition the first statewide fund development campaign brought in donations of \$306,900 for a total contribution of \$1.24 million dollars.

ARKANSAS ACCESS TO JUSTICE COMMISSION

The Arkansas Supreme Court created the Commission to develop and implement initiatives designed to expand access to, and enhance the quality of, justice in civil legal matters for low-income Arkansans. Toward that end, the Commission has surveyed circuit court judges and clerks [2004 and 2008], which led to increased efficiency and effectiveness of the courts with regard to pro se litigants. It produced a DVD –"Forging the Road to Civil Justice" – about the need to expand access and the positive impact of legal aid. It also conducted five Town Hall Meetings for public input; recommended changes to pro bono rules and reporting; and recommended legislative action to increase funding for civil legal aid. In support of its bill in the 2009 legislature the Commission launched a new website <u>www.equaljusticewatch.org</u> that provides data by county regarding the types of legal aid cases, foreclosure and bankruptcy statistics, and basic demographic data. Finally, this year the Commission conducted the first statewide fund development effort – The Campaign for Justice and created a foundation to manage these funds.

HELPING US END JUSTICE DENIED

The work of legal aid values Arkansans in their families, jobs, and homes thereby helping produce stable and productive lives that in turn sustain viable and healthy communities. The work of legal aid secures tangible income benefits for people who are living on the edge economically and protects their housing, health, education, and employment. Legal aid accomplishes this work with productive dedicated staff, the creative use of resources, and respect for the dignity of clients.

What is clear is that when all these values are insecure – families disintegrate, children become victims, economic productivity becomes welfare dependency, and people are turned out of their dwellings and into homeless shelters. Stability in these values promotes our strength as a state and extends the protections of justice to all citizens. In Arkansas, 1 in 5, or 20% of our citizens are eligible for legal aid but nearly 50% of those who apply for assistance must be turned away due to lack of resources. In addition, 4 of every 5 dollars going to legal aid come from the federal government.

There is no state revenue appropriation for civil justice efforts in Arkansas. The Legislature has twice increased court filing fees to benefit legal aid. Without increased funding, however, the voices of justice cannot speak for the values we all hold important – family, economic security, health, and home.

As James Madison wrote, "We must pursue that justice for everyone – it is the primary end of government and must be pursued until it is obtained." The political leaders of Arkansas must add their voices to that pursuit in order for the state to achieve the vision of justice for all. Without that commitment far too many Arkansans will continue to face justice denied.

BOARD OF DIRECTORS

Arkadelphia Vanessa Sharp

Bentonville Jon Comstock

Blytheville Curtis Walker

Boles Carl Sachs

Conway Mary Alice Morris

El Dorado Mary Henry

Fayetteville Rafael Arciga Niki Cung D'Lorah Hughes

Fort Smith Jeffery Blassingame David Harp David McDonough Jim O'Hern

Gosnell Henrietta Cherry

Hamburg James Hamilton

Harrison Kandy Webb Heber Springs Beverly Claunch

Helena / West Helena Chalk Mitchell Fannie Williams

Hot Spring D. Scott Hickam

Jonesboro Val Price Stevie Prunty

Little Rock William Creasman Marva Davis Causley Edwards Felicia Epps William James Jr. David Kamps Neil Sealy Zachary Steadman Rebecca Winburn Randall Wright

Lonoke Hosiana Robinson

Malvern Willie Perkins Jr. R.N. Sanders

Marshall Jo Barnes Versalee Wyatt Monticello Nina Pamplin

Mount Pleasant Christy Puckett

Paragould Lorie Whitby

Pocahontas Joe Grider

Russellville Russell Wood

Summit Suzie Evans

Stuttgart Virginia Holt

Van Buren R.Derek Barlow

West Memphis Claranelle Hopkins Ron Wilson

White Hall Melody Barnett Catherine Lewis

Wynne Kathleen Talbott



OFFICE LOCATIONS

101 Main Street, Suite 300 El Dorado, AR 71730 870-863-0368

1905 East Mission Blvd. Ste 6 Fayetteville, AR 72703 479-442-0600

901 South 21st Street Fort Smith, AR 72901-4005 479-785-5211

816 North Main Street, Ste B Harrison, AR 72601 870-741-2454

402 Franklin Helena-West Helena, AR 72342 870-338-9834 100 Greenwood, Suite E Hot Springs, AR 71913-4427 501-624-2591

714 S. Main St. Jonesboro, AR 72401 870-972-9224

303 West Capitol Ave., Ste 200 Little Rock, AR 72201 501-376-3423

712 West Main Mountain View, AR 72560 870-269-4355 202 Walnut Street Newport, AR 72112 870-523-9892

1400 West 5th Pine Bluff, AR 71601 870- 536-9006

101 E. Main St., Suite C Russellville, AR 72801 479-968-3993

1425 College Drive Suite 100 Texarkana, TX 75504-0170 903-793-7661

310 Mid-Continent Bldg/Ste 420 West Memphis, AR 72301 1-870-732-6370