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Inspector General and Board of Directors
Legal Services Corporation

In planning and performing our audit of the financial statements of Legal Services Corporation ("LSC") as of and for the year ended September 30, 2008, we considered LSC's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments and suggestions regarding this matter. (We previously reported on LSC's compliance and internal control over financial reporting in our report dated January 6, 2009). This letter does not affect our report dated January 5, 2009, on the financial statements of the Legal Services Corporation.

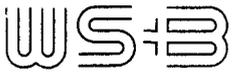
We have already discussed these comments and suggestions with various LSC personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. The following comments relate to documentation of grantee evaluations and credit card statements:

1. Inconsistent Documentation of Grantee Evaluations

LSC has detailed policies and procedures in place for the review and evaluation of new and renewal grant award applications. These procedures include completion of a series of evaluation forms in an electronic database by evaluators in the Office of Program Performance. A proper and complete evaluation is a key control to ensure that LSC grants are awarded on a fair and competitive basis, and that LSC has determined that the grantee has sufficient capability and plans to achieve the objectives of the award.

We noted in our sample of 32 grantee evaluations that Part III of the Evaluation Form was incomplete for 7 grantees, and the recommendation section of the Evaluation Form was incomplete for 5 grantees. We discussed this issue with the Office of Program Performance, and the incomplete information was subsequently provided to us.

We recommend that the Office of Program Performance establish procedures to ensure that Evaluation Forms are properly completed before awards are made.



2. Inconsistent Documentation of Review of Credit Card Statements

LSC has policies and procedures in place for an independent review of LSC employee credit card statements prior to payment being made. This review, performed by the Accounting Manager in the Office of Finance and Administrative Services is a significant control to prevent and detect inappropriate use of the cards. Documentation of the application of the control, such as the initials on the statement of the reviewer, helps to provide evidence the control procedure has been performed to help ensure accountability over LSC funds, and is considered a sound business practice.

We noted during our review of a sample of credit card statements, that four of the 36 master statements reviewed did not contain evidence of the Accounting Manager's review.

In addition, because the Accounting Manager is also a cardholder, LSC has a procedure in place for the review of the Accounting Manager's charges by the Comptroller. We noted during our review that the Comptroller did not initial 2 of the 12 monthly statements. We did note, however, that the Comptroller initialed the check stubs for the payments related to the 2 statements that were not initialed.

We recommend that the Office of Finance and Administration continue its process of performing detailed reviews of its credit card activity and document its review by initialing the actual statements.

This report is intended solely for the information and use of the Inspector General, the Board of Directors and Management and others within the organization.

William Smith + Brown, PC

January 6, 2009