



CATERPILLAR INC. BEST PRACTICES IN PRO BONO

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Program Background

Established over 80 years ago, Caterpillar Inc. (Caterpillar) has a long tradition of corporate volunteerism and public service. James B. Buda, senior vice president & chief legal officer of Caterpillar Inc., strongly believes in the importance of providing free legal assistance to underprivileged individuals. As head of Caterpillar's Legal Services Division, he decided in 2006 to make pro bono activity a permanent part of Caterpillar's culture. To that end, he asked Mike Sposato, deputy general counsel of Caterpillar, to put together a Six Sigma®¹ team to begin research and development of a pro bono program for the Legal Services Division.

With Sposato's then-office in Nashville, Tenn., and the bulk of the Legal Services Division employees, approximately 180 attorneys and 140 non-attorneys, in Peoria, Ill., a Six Sigma® team was created for each location, with Sposato leading the one in Nashville. As the process began, the teams had three responsibilities:

- to survey the Legal Services Division to determine what Caterpillar volunteers wanted in a pro bono program,
- to canvas local legal services providers and nonprofit organizations to identify community needs, and
- to establish policies and procedures for the governance of the program.

In less than two months, the teams had researched their communities, spoken with other large corporations with strong pro bono programs in place, developed a pro bono policy, proposed a structure for a pro bono committee, designated a pro bono coordinator, and identified appropriate benchmarks. In September 2006, Buda endorsed the teams' efforts and Caterpillar instituted a pilot Pro Bono Program. That same month, Buda signed the Corporate Pro Bono ChallengeSM.

Expanding Pilot Program to Formal Program

The pilot program consisted of three types of initiatives. The first was a day-long legal clinic at Heartland Apartments, where Caterpillar attorneys prepared living wills and powers of attorney for Heartland residents. The second project was representation of clients in court in family law matters, and the third was counseling local nonprofit organizations in need of legal assistance. The program garnered immediate and widespread interest, both in the corporation and in the

¹ According to the corporation's website, Six Sigma® has been in use at Caterpillar Inc. since 2001 and is a system that "uses a set of strategies, statistics and methods to improve the processes we use to do everything...."

community. When the month-long pilot period ended, it was clear that the program was a tremendous success, having attracted well over the expected number of volunteers. Caterpillar Corporate Counsel J.P. Kumar was gratified by the response, noting that “the enthusiasm of our volunteers for these pro bono opportunities exceeded all expectations.”

Regional Initiatives

The Caterpillar Pro Bono Program (Program) has been effective in allowing regional offices to drive local activity. Each office has a governance mechanism and tries to develop and deploy projects that appeal to the employees of that office and respond to the local community. Overall division activity or projects that involve multiple offices are governed by a steering committee consisting of representatives of the regional offices and chaired by Sposato.

The clinic model was so effective for Peoria that Caterpillar has repeated it several times, covering a variety of issues for a diverse group of clients. The Program has also had much success with its pro bono partnerships, such as the ones with the company’s outside counsel law firms, with whom Caterpillar legal personnel team up on pro bono matters nationwide, and with organizations like Prairie State Legal Services, which pre-screens eligible clients and provides associates in the Peoria office with several types of pro bono opportunities. Volunteers have also taken on small claims, debt collection, and trademark registration issues.

The Program in the Nashville office began in January 2007, and includes three initiatives. Through the first, Caterpillar attorneys volunteer with Renewal House, a recovery facility for mothers and families suffering with substance abuse, to assist mothers trying to regain custody of their children. The second project is with The Hospital Hospitality House of Nashville, a nonprofit organization that provides housing to the relatives of hospital patients. The third project involves volunteers being trained and then serving as mediators.

The Program in the San Diego office also began in 2007. Caterpillar attorneys and non-attorneys in this office have volunteered their time to a variety of projects. Stand Down San Diego has become an annual pro bono event since 2009, at which Caterpillar attorneys, with assistance from non-attorney team members, counsel homeless veterans on legal issues. Another project with Casa Cornelia Law Center involves interviewing asylum seekers, preparing their cases for consideration by an immigration judge and providing legal representation. Other projects involved participation in legal clinics.

Members of the Legal Services Division in other Caterpillar offices also have participated in clinics organized in large cities, such as Chicago, and in international projects where Caterpillar professionals have teamed up with law firm counterparts and advocates in non-profit organizations to provide services in distant lands. Caterpillar was active in promoting inheritance rights issues in Kenya and the rights of women in Nepal. Legal Services employees from Asia, Europe, and North America have all been actively involved in the Program. The Program has received numerous awards for its work, including recognition from Corporate Pro Bono, The Pro Bono Institute, the Association of Corporate Counsel, the International Law Organization, the American Bar Association, and other local bars and pro bono organizations.

In addition to creating a pro bono culture within the corporation, Caterpillar also strives to foster pro bono work generally. Specifically, Caterpillar has worked closely with leaders in the pro bono communities in Illinois to change rules that restrict limited admission in-house counsel from performing pro bono work. .

Based on the Six Sigma® principle of process improvement, two questions determine whether the Program is successful:

- 1) Does it improve the community, and
- 2) Does it improve the internal customs of the corporation.

Since the Program's inception, more than 100 volunteers from the Peoria, San Diego and Nashville offices have provided over 8,000 hours of free legal services to underserved members of their communities. And when asked how the Program has affected the Legal Services Division associates, Sposato says, "Pro bono work makes people feel good about their unique skills and proud to contribute to their community in a unique way. Once someone touches a pro bono case, he can't help but be touched by the satisfaction of helping others."

Lessons Learned

- Offer variety to ensure growth. Regularly identifying new pro bono opportunities allows the attorneys to serve where their interests lie and increases the likelihood that they will remain engaged.
- Partnerships accelerate growth. Connecting with local law firms provides access to a broader variety of opportunities and a valuable resource when questions arise.
- Recognition encourages involvement. While lack of pro bono activities will not negatively affect an employee's performance evaluation, participation in pro bono work is encouraged and recognized.

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