



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

## MEMORANDUM

To: Reporters and Editors  
Re: Red Cross response on governance reforms, whistleblowers  
Da: Monday, April 3, 2006

Sen. Chuck Grassley, chairman of the Committee on Finance, continues to review the practices of the Red Cross as part his broad look at non-profit governance. He made the following comment on the Red Cross' response to his latest inquiry.

“I met with the leaders of the Red Cross last week and received a timeline for needed reforms over the next six months. The proposed reforms track my concerns, such as getting an independent, thorough review of governance problems and coordinating better with other charities on the ground. The Red Cross officials pledged to give me quarterly updates on progress. I want to make sure their deeds match their good words.

“I'm concerned that words are not matching promises when it comes to whistleblowers. One of the issues I discussed at length with Red Cross leaders is that a bedrock of reform is listening to whistleblowers. If management is listening, whistleblowers can do much to improve any organization. The Red Cross response on two whistleblowers seems to quibble over inconsequential details or make innuendoes without support or substance. I'm not in a position to comment on the accuracy of the details but the bottom line is, these two whistleblowers pointed out problems in the Red Cross' hurricane response in Louisiana, and it turns out, there were indeed problems. Blaming the messenger for bad news undermines the commitment to reform. That's especially true when the messenger is a volunteer who drops everything and spends weeks away from home to help his or her fellow Americans, and when the organization blaming the messenger depends on volunteers to perform its huge job. Given their response to whistleblowers, I worry that the Red Cross management still doesn't get it.”