



**American  
Red Cross**

# Office of the Corporate Ombudsman 2012 Annual Report

July 1, 2011 – June 30, 2012





## A Message From the Corporate Ombudsman

I am pleased to present the fifth annual report on the activities and initiatives of the Office of the Corporate Ombudsman for fiscal year 2012—from July 1, 2011 to June 30, 2012. Since the office opened in October 2007, it has handled more than 3,200 cases. In FY12 alone, the office handled cases brought by 833 constituents. In addition, the office had direct contact with another 1,800 volunteers, employees and leaders through our systemic work, outreach activities, trainings, presentations and group facilitations. Our continued integration into the Red Cross has enabled us to meet our mandate under the Governance Modernization Act of 2007 to enhance the capacity of the Red Cross to resolve conflicts and to identify problems, trends and patterns confronting the organization.



The scope and breadth of the 1,706 issues raised by 833 constituents with the Ombudsman Office in FY12 reflect the transformation that Red Cross management has led across the entire organization to enhance the delivery of services to the people we serve and to be better stewards of our donors' dollars. These changes include functionalizing and centralizing the delivery of services through the chapter network and through Preparedness and Health and Safety Services as a freestanding part of the organization. These important changes follow the consolidation of many support services and back-office functions, including marketing, human resources, finance and information technology, where duplication existed in the organization, particularly at the chapter level. Internal activities such as purchasing, contracting and travel have also been further refined in FY12 at national headquarters after being streamlined in FY11. Finally, FY12 contacts and issues reflect the sheer size and complexity of the Red Cross, a 32,000-employee organization with more than half a million volunteers, as well as extensive outreach by the Ombudsman Office that has resulted in individual interaction with volunteers, employees and leaders in chapters, Service to the Armed Forces stations, blood regions and other facilities across the nation.

We stand in a critical position as the designated neutral party for the organization, and as a confidential, independent office where internal and external constituents can raise concerns or issues about the ability of the American Red Cross to meet its mission effectively. The Ombudsman Office plays a significant role in supporting the volunteers, employees and leaders doing the lifesaving work of the American Red Cross, whether they are supporting military families in coping with deployments, collecting blood, or, in FY12, responding to Texas wildfires or Hurricane Irene, among many other disasters. The Ombudsman Office helps constituents of the Red Cross determine how they can address their concerns in the most constructive way and at the most appropriate level in the organization. This service is critical for people wishing to raise a concern as well as for ensuring the health of the Red Cross as it fulfills its seminal mission.

The Ombudsman Office further plays a vital systemic role, beyond receiving cases and identifying problematic trends, by providing critical process consulting, coaching and facilitation to support Red Cross leaders, employees and volunteers. We help various parts of the organization collaborate and work efficiently together in pursuit of significant organizational initiatives to serve our donors, clients, the recipients of our services, and the general public optimally.

The 833 constituent contacts in FY12, as well as the 1,706 issues they raised with the Ombudsman Office, represent a small slice of data from self-selecting constituents. Moreover, the role of our office is not to investigate or determine the veracity of the issues raised. The interpretations we make in this report are necessarily constrained by these factors.

The American Red Cross is entrusted each day by the American people to lend vital help to people in their hour of maximum need. This essential mission guides the work of the Ombudsman Office. Whether a person is an employee, a disaster or chapter volunteer, a partner who helps us to provide services, a blood donor or blood recipient, or a recipient of any Red Cross service, this office is available to help. For more information on our office, please visit [redcross.org/governance](http://redcross.org/governance).

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Jessar". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kevin Jessar, J.D., Ph.D.  
Corporate Ombudsman, American Red Cross



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## What Is an Ombudsman?

The word “ombudsman” comes from a Swedish term now used worldwide to designate independent, impartial and confidential offices that receive inquiries and complaints from individuals and designated groups, and facilitate fair and equitable resolutions. The Ombudsman’s role is part of a long tradition of “listeners,” including colonial Brazilian bishops known as “Listeners of the Crown,” explaining the derivation in Brazil of the expression “complain to the bishop.”<sup>1</sup>

The first truly independent Ombudsman was established by the Swedish Parliament in 1809 to respond to public complaints against government actions and to protect citizens against bureaucratic abuses and excesses. It was subsequently adopted by other nations, including Finland (1919), New Zealand (1962) and Britain (1967). The creation of Ombudsman offices became more popular in the United States in the mid-1960s, motivated in part by revelations of government secrecy and concern for vulnerable populations.

Such offices came to be seen as a way to penetrate bureaucracies and to help people constructively raise and address a complex array of concerns as well as to enhance good governance in governmental and non-governmental organizations alike. The Office of the Corporate Ombudsman at the Red Cross, like many other such offices around the country, diverges from the original Swedish model by not having investigative authority and by being available on a single organization basis only as opposed to answering citizen complaints against any or all governmental agencies across an entire province or nation.

The International Ombudsman Association (IOA) notes that the term “Ombudsman” “is used to communicate to the widest possible community and is not intended to discourage others from using alternatives.” Other derivations include Ombudswoman, Ombudsperson and Ombuds.



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<sup>1</sup>See Organization of News Ombudsmen; “Ombudsman: Self-criticism in newspapers.” Jairo Faria Mendes. [www.newsombudsmen.org](http://www.newsombudsmen.org)

## A Brief History of the Office of the Corporate Ombudsman

In October 2006, the Board of Governors issued a report based on the analysis and recommendations of an independent governance advisory panel and recommended the creation of an Ombudsman to improve the organization's ability to resolve disputes and take action on significant issues confronting the Red Cross. The American National Red Cross Governance Modernization Act of 2007 amended the original Congressional Charter for the Red Cross and created the Office of the Corporate Ombudsman. The legislative history (H.R. Rpt. 110-87 at 29 (April 16, 2007)) for this statute stated that the Corporate Ombudsman would do the following:

- Act as a neutral and impartial dispute resolution center whose major function will be to provide confidential and informal assistance to the many internal and external constituents with concerns or complaints about the American Red Cross. The Office of the Ombudsman will have unfettered access to the entire corporation and all personnel, corporate reports, [and] documents, and will report directly to the organization's Chief Executive Officer and on a regular basis to the Audit and Risk Management Committee of the Board of Governors.
- In addition to conflict resolution, the Office of the Ombudsman will report annually to the U.S. Congressional Committees of jurisdiction, on areas and types of concerns, including trends and systemic matters that have the potential to, or may be confronting the organization. As a practice, these reports will also be made available to the public through the Red Cross external website, **redcross.org**.

In October 2007, the Office of the Corporate Ombudsman opened its doors, offering an informal alternative resource for conflict resolution to all persons with an interest in the American Red Cross, including the general public; financial donors; blood donors; recipients of disaster, SAF or International services; consumers of our health and safety classes; partners; employees; volunteers and other stakeholders. The office was established in accordance with the Code of Ethics and Standards of Practice of the International Ombudsman Association and its core principles of confidentiality, neutrality, independence and informality.





## Who We Serve and How We Work: Ombudsman Role, Principles and Tools

The Office of the Corporate Ombudsman reflects the commitment of the American Red Cross to good governance, high ethical standards, the well-being of its employees and volunteers and the attainment of its critical mission to serve people in times of maximum need. The Ombudsman is a resource for all members of the extended Red Cross community. While the office charter (see Appendix) contains the specific guidelines for the office, it is worthwhile to describe briefly what a person can expect of the Ombudsman and how the office works.

### We Are Confidential

- The Office of the Ombudsman is an off-the-record, confidential resource.
- Discussions with the Ombudsman, even the fact that one has contacted the office, will remain strictly confidential.
- The only exception to confidentiality is “imminent risk of serious harm,” meaning situations in which a person is threatening himself or someone else, or is clearly in physical harm’s way.
- The Red Cross affirms the right of individuals to seek assistance from the Ombudsman Office without fear of retaliation.
- Talking to the Ombudsman does NOT put the Red Cross on legal notice of anything because the office has been designated by statute, Red Cross by-laws and the Ombudsman Office charter as an independent entity within the Red Cross.

### We Are Neutral

- As designated neutrals, the Office of the Ombudsman advocates for fair process, considers the rights and interests of all parties and does not take sides.
- The office has no personal stake in the outcome of any situation and does not judge, discipline or reward anyone.

### We Are Informal

- Use of the Ombudsman Office is entirely voluntary for all people and parties, including those who may choose to raise a concern or those who are in a position to respond to an issue that has been broached through the office.
- Use of the Ombudsman Office is not a substitute for formal procedures, such as filing an official complaint or requesting an investigation.
- The Ombudsman Office has no managerial authority and cannot compel action or compliance.
- If one wishes to place the Red Cross on notice or to request an investigation or any other management action, the Ombudsman Office can provide relevant information about how to do so.
- The Ombudsman Office does not participate in any formal complaint or investigative process and does not follow a prescribed or rigid sequence of steps.

## We Are Independent

- To ensure its independence and objectivity, the Ombudsman Office is not aligned with any other Red Cross organizational unit.
- The Corporate Ombudsman reports directly to the president and to the Audit and Risk Management Committee of the Board of Governors. The Office of the Corporate Ombudsman issues an annual report to Congress and may produce intermittent trend data.

People contact the Ombudsman when they desire an off-the-record, neutral, independent and informal facilitator to assist them in working through a problem. They may believe that they have been unfairly treated, or that a Red Cross policy has been applied unfairly or erroneously, or is itself unfair. People may feel unclear about Red Cross policies, processes, and procedures and how they apply to them. Alternatively, they may simply be uncertain where to take a problem involving the Red Cross. The role of the Ombudsman is always to help clarify the issues, identify the options and help parties to assess for themselves the viability of the options available. The decision about how to handle a concern remains with the person who has raised it. The Ombudsman Office works with people through a variety of dispute resolution means, including confidential coaching, mediation, group facilitation, shuttle diplomacy between parties who are not willing or able to meet face to face, consultation with management about larger systemic challenges in a given situation, and upward feedback to leadership on problematic systemic trends or patterns.





## Case Statistics

### Constituent Profile

In FY12, 833 constituents contacted the Ombudsman Office to raise 1,706 issues. The overall annual number of constituents utilizing the office has risen from 354 in FY08 to 833 in FY12. Figure 1 illustrates the number and composition of internal and external constituent contacts in FY12.

**Figure 1. All Constituents (833 Total)**

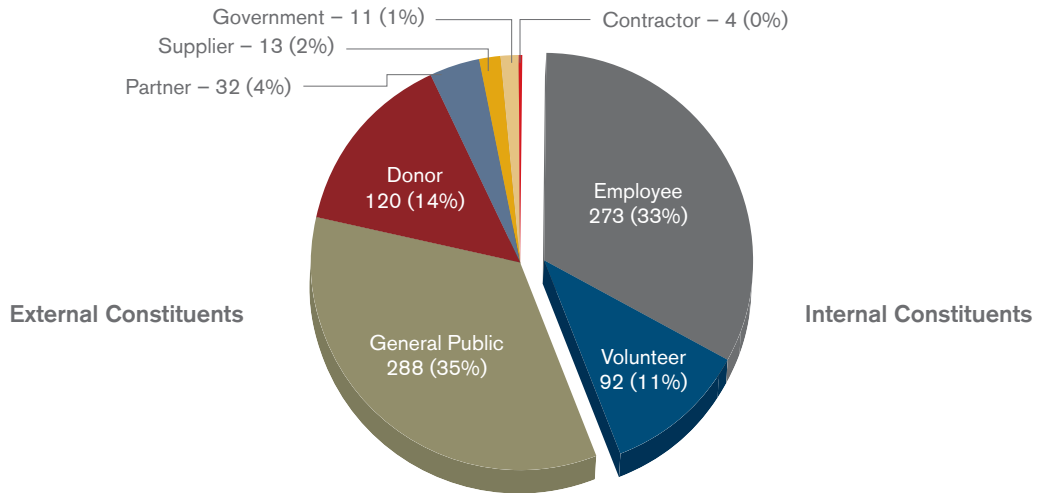
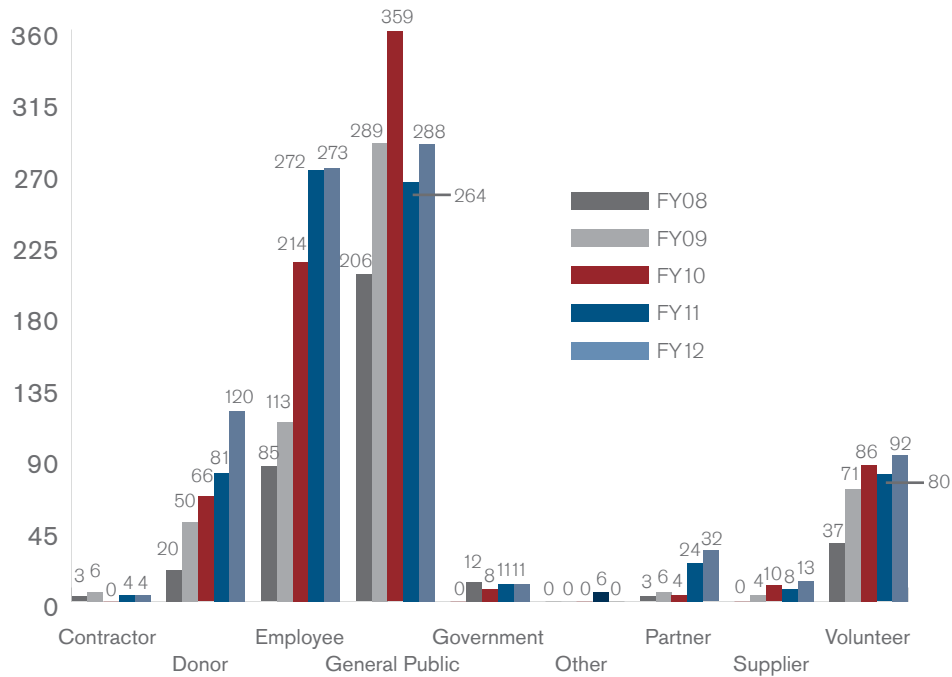
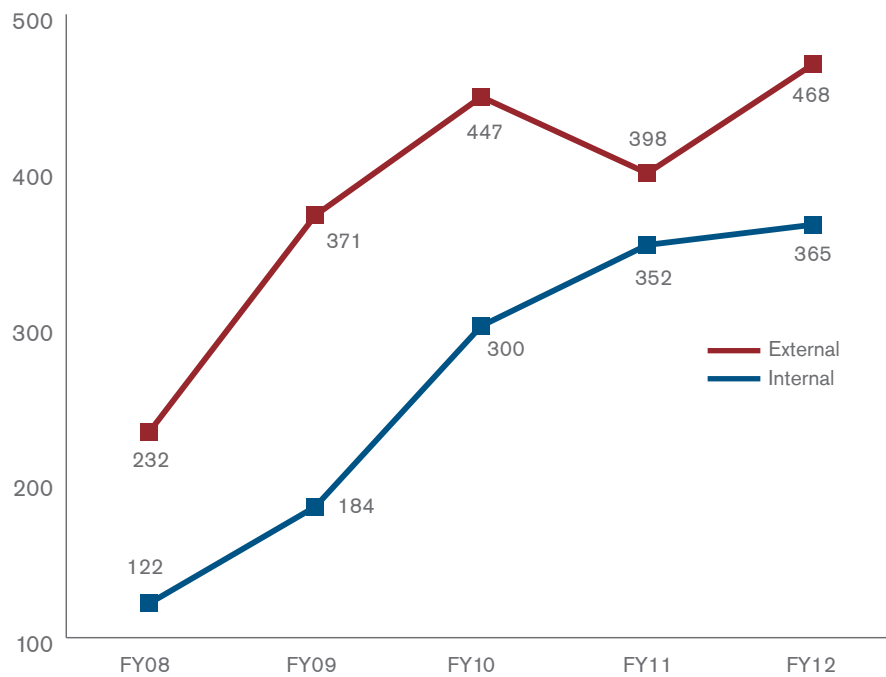


Figure 2 offers a composite picture of the various constituent types in relation to each other over a five-year period.

**Figure 2. Constituent by Type – Yearly Comparison**



When the Ombudsman Office opened in FY08, nearly two-thirds of the contacts came from external constituents (such as financial and blood donors, recipients of disaster services, customers of Red Cross health and safety products and classes, and the general public). That number has evened out somewhat over the past four years as internal constituents (i.e., employees, volunteers, managers and leaders) have found it easier to learn of and contact the Ombudsman as the office boosts its outreach efforts and the Red Cross centralizes various functions across the chapter network and the corporation. In FY12, 56 percent of contacts with the Ombudsman were initiated by external stakeholders, while 44 percent were initiated by internal stakeholders. Figure 3 illustrates the relationship of internal and external contacts over the past five years, and reflects increased use of our services as more constituents have learned about the Ombudsman Office.

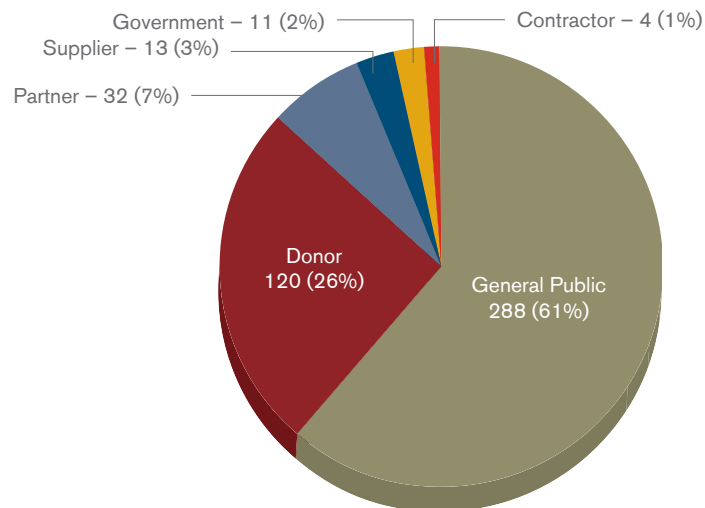
**Figure 3. External and Internal Constituents by Fiscal Year**

### External Constituents

Of the 468 external constituents contacting the Ombudsman in FY12, 288 (61 percent) were members of the general public, distinct from partners, government representatives, suppliers or donors (see Figure 4). The total number of external contacts has more than doubled from 232 in FY08 to 468 in FY12. In particular, financial and blood donors contacting the Ombudsman have increased from 20 in FY08 to 120 in FY12. In just the past three years, in fact, the number and percentage of donors has increased from 66 contacts in FY10 to 81 in FY11 to 120 in FY12. In addition, contacts to the Ombudsman from partner organizations or persons who wish to, or already do, collaborate with the Red Cross to provide disaster or other community assistance have risen from three in FY08 to 32 in FY12. This is likely due to the focus and effort the Red Cross has been making to establish new partnerships and revitalize existing ones.

The remaining external contacts fell into various smaller categories of government and supplier relationships, and did not markedly change from prior fiscal years. Some of these contacts related to vendors who were interested in supplying products for relief efforts in the wake of both domestic and international disasters.

**Figure 4. External Constituents (468 Total)**



### Internal Constituents

Internal constituent contacts remained nearly the same from FY11 (352) to FY12 (365), despite an increase in the first three years in which the Ombudsman Office was open. In FY12, there were 92 volunteer contacts with the Ombudsman, up slightly from the 80 volunteer contacts in FY11.

The number of employees contacting the Ombudsman Office remained nearly identical from FY11 (272) to FY12 (273), as did the percentage of employees in relation to the total number of internal constituent contacts. Similarly, employees as a percentage of total internal and external contacts decreased only slightly from 36 percent in FY11 to 33 percent in FY12.

Figure 5 reflects internal constituents by job category. FY12 showed a steady utilization of the office by executives and managers as they comprised 39 percent of internal contacts in FY12, similar to FY11.

It will be important in the year ahead to continue to be a resource for executives and managers as they lead and navigate substantial change in all areas of the Red Cross. The trend of increased usage by leadership continued as leaders in the chapter network, functionalizing or centralizing departments, and other areas sought assistance for themselves or for those they supervise relating to their responsibilities and relationships.

**Figure 5. Internal Constituents (365 Total)**

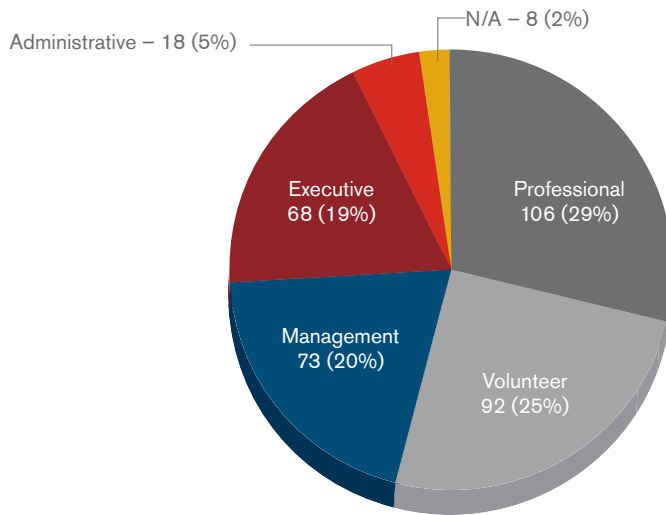
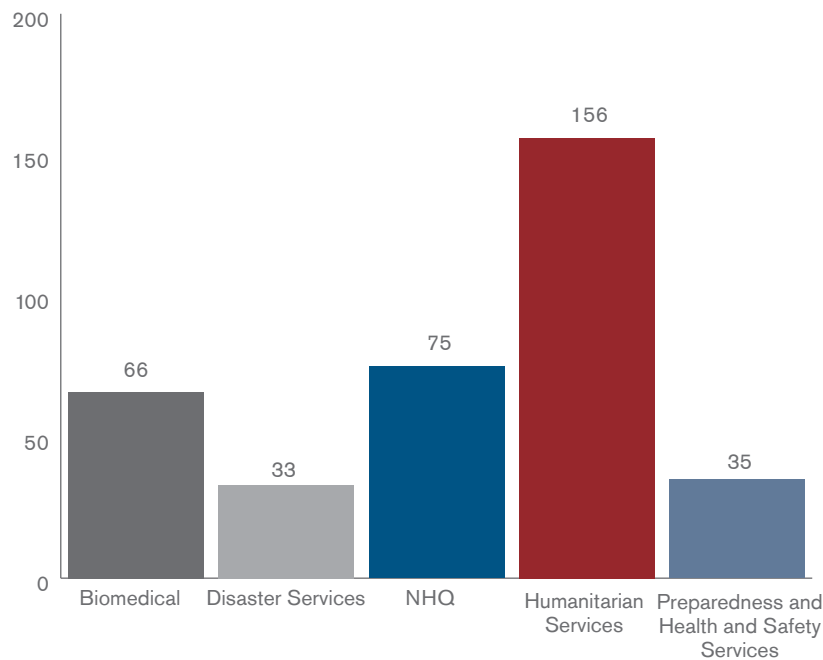


Figure 6 below illustrates the organizational units about which internal constituents contacted the Ombudsman Office. National headquarters consists of Human Resources, the Office of General Counsel, Development, Finance, Information Technology, Audit, Public Affairs and other smaller offices. Humanitarian Services consists of chapters, Service to the Armed Forces (SAF), International Services and Humanitarian Services Operations.

**Figure 6. Internal Constituents by Unit**





In FY12, the Ombudsman Office reached out extensively to Red Cross employees and volunteers to inform them of our services, to forge effective coordination and collaboration with other offices in the Red Cross, to facilitate the resolution of conflicts and concerns, and to work with senior leaders to facilitate the resolution of problematic systemic issues. Much of the systemic work the Ombudsman does in the Red Cross helps people to optimize their effectiveness in their roles and relationships, especially during significant organizational change. In FY12, we spoke with board members and other volunteers when we visited chapters, Blood Services regions, and SAF stations. In addition, in FY10, FY11 and FY12, members of the Ombudsman staff visited disaster relief operations, where we had opportunities to speak with and learn from volunteers first-hand, and we anticipate that we will continue this important outreach as well in the year ahead.

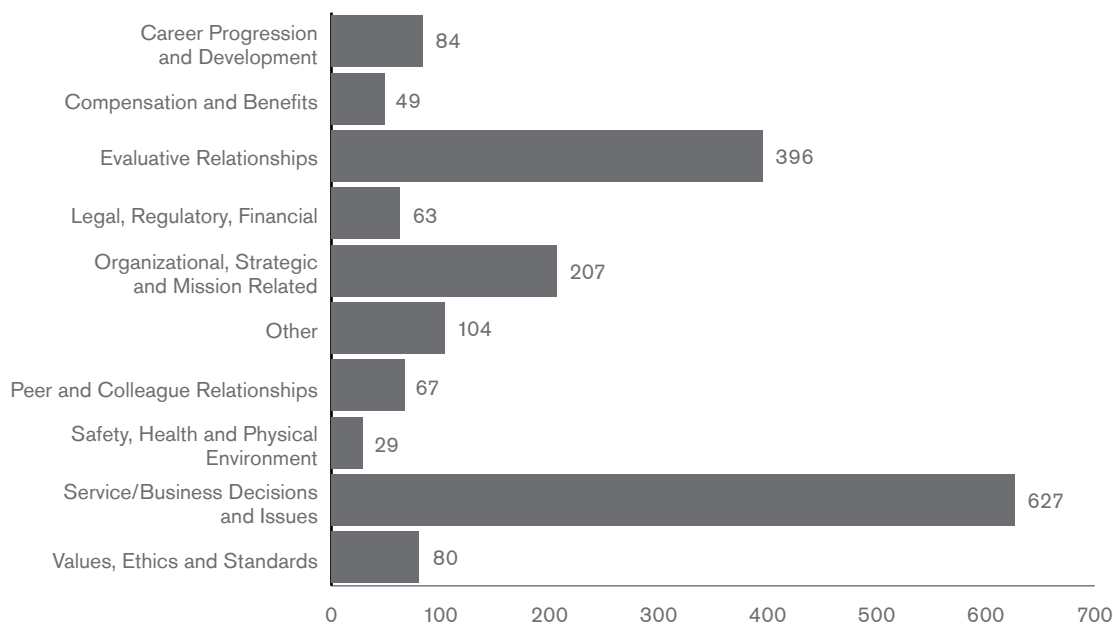
Finally, it is critical to note that the reach of the Ombudsman Office is reflected not simply in the contact we have and the service we provide to those constituents whom have contacted our office directly. It is also reflected in the hundreds of people we have contact with across the Red Cross community as we work to address issues raised with our office, help those in authority consider how they respond to issues raised, and as we facilitate resolution.

## Issues

### Why Have People Consulted the Ombudsman?

Figure 7 illustrates the overall issue profile of the 1,706 issues raised by 833 constituents who contacted the Ombudsman in FY12. The issues are represented according to the uniform reporting categories promulgated for the organizational Ombudsman field by the International Ombudsman Association.

**Figure 7. All Issues Identified Under IOA Uniform Reporting Categories (1,706 Total)**



The rise in the number of issues brought to the office (from 691 in FY09 to 1,706 in FY12) reflects increased usage of the Ombudsman Office, refined processes for identifying and capturing multiple issues, and a greater complexity in the situations brought to the office. It is important to note that the issue count reflects single contacts to the Ombudsman Office raising multiple concerns as well as those issues raised by people who have used the office on multiple occasions.

Service delivery continued to be the most prominent issue category from FY08 through FY12. The number of service-related issues brought to the Ombudsman Office has risen for the past three years, from 331 in FY10 to 461 in FY11 to 627 in FY12, representing 37 percent of total issues raised in FY12. The largest increase in FY12 service issues pertained to the behavior of the service provider and the quality of the service delivered. There was also a significant increase in FY12 in service delivery issues concerning the timeliness of service, and such concerns have tripled since FY10.

As in FY11, Evaluative Relationships, those issues pertaining to the supervisory relationship, represented in FY12 the next largest issue set across the Red Cross, as 396 issues were raised. Where these issues had more than doubled from FY10 to FY11, they registered only a very modest increase in FY12, rising from 377 the year before. The most prominent concerns pertained, in particular, to supervisory effectiveness, respect or treatment, communication, and performance rating.

Organizational, Strategic, and Mission-Related issues comprised the next greatest issue area and fell from 255 in FY11 to 207 in FY12. FY12 marked the first year in five in which these issues dropped in number. This drop makes sense after new structures and systems were put into place through extensive functionalization and centralization in FY10 and FY11. Nevertheless, given the range of changes that have been made in chapter structure and operations in the past two to three years, it is not surprising that 52 percent of the organizational, strategic, and mission-related issues that were raised with the Ombudsman concerned Humanitarian Services. Nor is it surprising, given the centralization of back office functions such as human resources, marketing and technology that another 23 percent of organizational issues pertained to national headquarters. Issues most commonly raised in relation to organizational strategy, direction and mission pertained to change management and organizational climate, and to a lesser extent restructuring and priority-setting.

In summary, nearly three quarters of the issues that were raised with the Ombudsman in FY12 pertained to service concerns, the evaluative relationship, or the strategy, mission or direction of the organization. It also should be noted that the number of peer and colleague relationship issues dropped very slightly in FY12 after doubling from FY10 to FY11.

It is worthwhile to consider together, as we did last year, some of the concerns represented by separate issue categories. Thus, evaluative relationships combined with career progression reveals interesting aspects of the employment relationship. These combined issue areas rose from 282 in FY10 to 478 in FY11. In FY12, a very modest decrease in career progression issues was offset by a similarly modest increase in evaluative relationship issues such that the numeric totals of the two Issue areas for FY11 and FY12 were nearly identical.



In similar fashion, we can consider the three categories pertaining to larger organizational issues (i.e., Legal and Organizational and Values). The cluster of these three issue areas increased six-fold from FY08 through FY12. The number of issues peaked in FY11 at 472 before declining in FY12 to 350, representing 21 percent of total issues.

Figure 8 illustrates the numerical evolution of issues raised across the five years that this office has been open.

**Figure 8. Issues – Yearly Comparison**

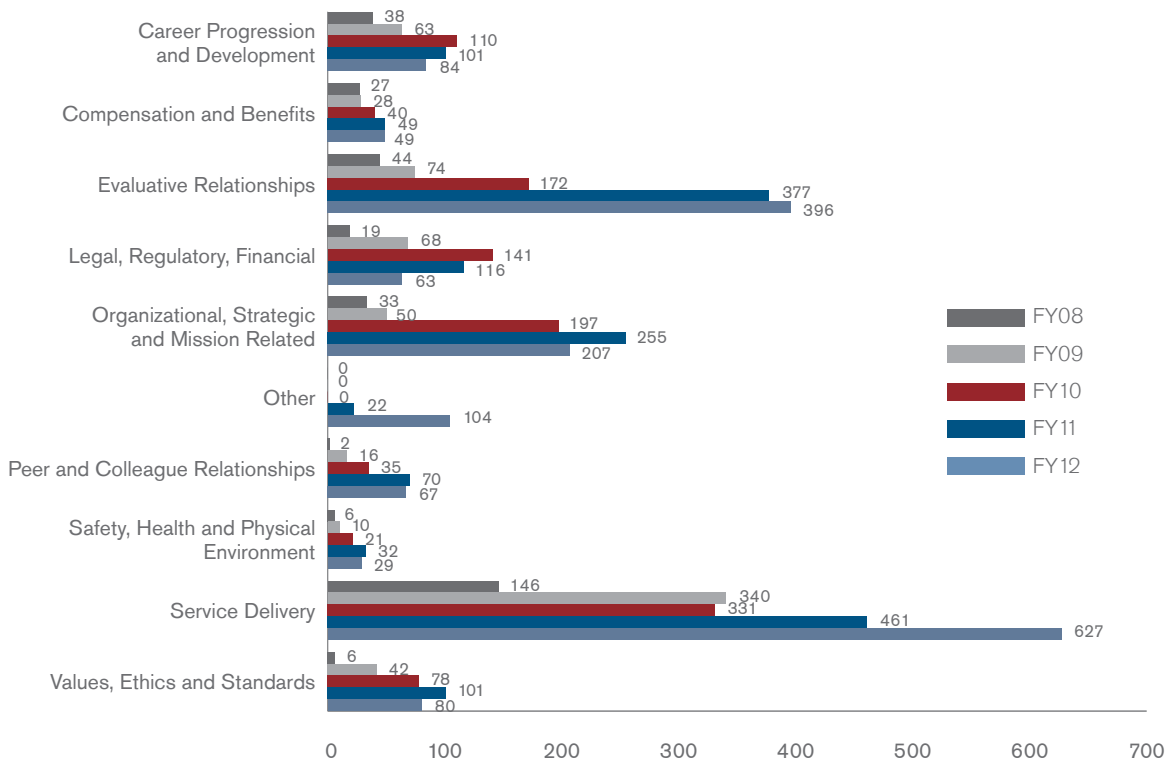


Figure 9 reflects how each type of issue category was handled, namely, as a simple response to an inquiry, as a matter appropriate for referral to another office in the organization, or as an Ombudsman case requiring a more complex intervention.

**Figure 9. Issues Identified Under IOA Uniform Reporting Categories by Ombudsman and Inquiries and Referrals (1,706 Total)**

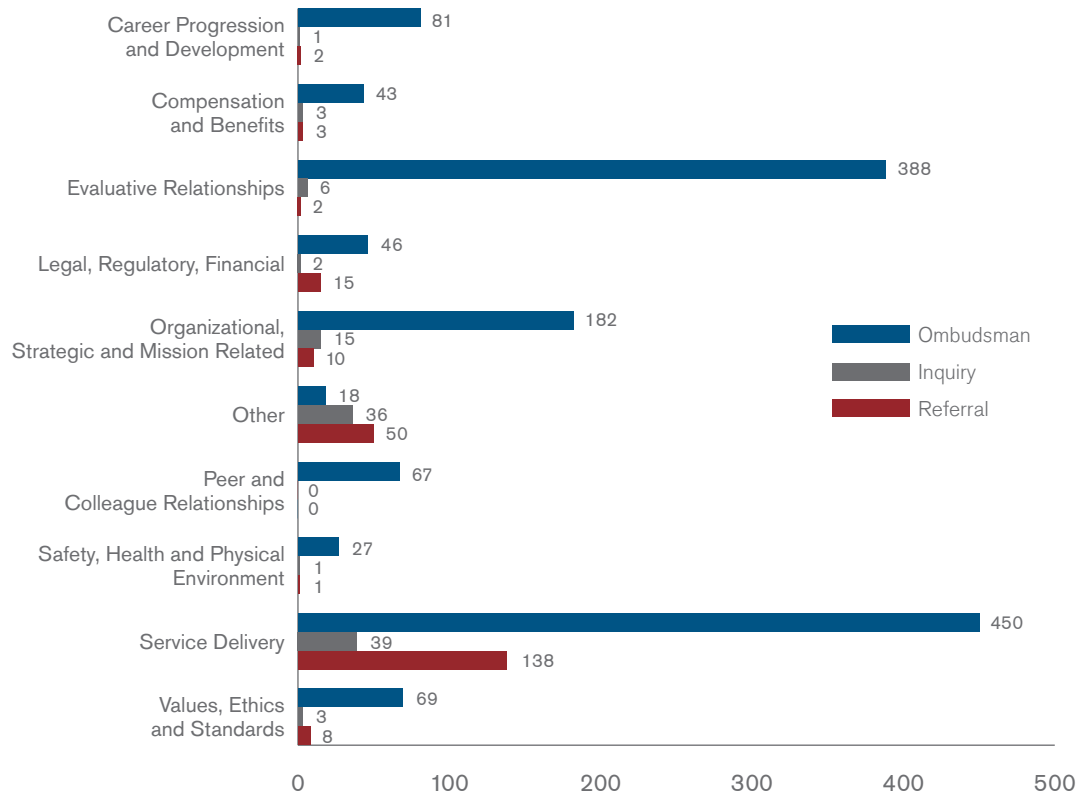


Figure 9 illustrates as well how all of the issue categories are overwhelmingly handled as Ombudsman cases. This is not surprising given the complexity of the dynamics of an evaluative relationship and what is at stake for the employee or volunteer, or even the organization. It is also not surprising given the complexity of issues pertaining either to legal and regulatory compliance matters or to values, ethics and standards in the workplace and in Red Cross operations. The same can be said of issues pertaining to the organization's strategic direction, leadership or mission. Thus, for instance, 98 percent of evaluative relationship issues as well as 100 percent of peer and colleague issues were handled as part of an Ombudsman case, as were 96 percent of career progression and development issues, 88 percent of organization direction and strategy issues, and 86 percent of values and standards issues.<sup>2</sup>

<sup>2</sup>We should note that the line between making a referral to another office and providing coaching, one of our Ombudsman interventions, is not always so clear. We may, for instance, make a referral but coach the constituent on how best to frame his or her question to obtain the information sought. We have tended to consider these cases to be referrals but there can be a continuum along which a case is handled such that the case may be categorized as an Ombudsman case if we end up engaging more directly the inquirer's concerns, making suggestions, or helping them consider various options for how they might proceed.

The large number of issues handled as Ombudsman cases reflects a trend over five years. In fact, a much larger proportion of issues has come each year to be addressed as more than simple Inquiry or Referral. Indeed, when the Ombudsman Office opened, only 60 percent of issues raised were handled as Ombudsman cases in FY09 and 72 percent in FY10. In FY12, this increased to 80 percent. This trend reflects an important shift as Ombudsman staff become more adept at adding more value by providing more assistance in clarifying issues and identifying options beyond simply answering questions and referring clients elsewhere.

It should also be noted that a higher percentage of issues pertaining to service delivery are likely to be handled as Inquiry and Referral cases because they typically involve passing along information to an inquirer on chapter or national headquarters programs or contacts. Service delivery issues may include calls that fall outside the mission of our office or solicitations from prospective and prospecting vendors. Despite these factors, 71 percent of service delivery issues were handled as Ombudsman cases in FY12, almost the same



as 69 percent the prior year, and an increase from 50 percent in FY10. It is worth noting that where the service delivery issues raised pertained to the quality of service, the behavior of the service provider, the responsiveness and timeliness of service, or the interpretation or application of rules, they were overwhelmingly more likely to be handled as an Ombudsman case.

## Issues by Red Cross Business Unit

It is critical, aside from examining issue trend data across the entire Red Cross, to look more closely at what issues have been raised in relation to each major Red Cross business area. We believe that providing this data and analyzing issue profiles for each major business unit can assist managers and leaders of those functions better to identify and address concerns of internal and external constituents.

Figure 10 reflects that the greatest number of the 1,706 issues raised by 833 constituents in FY12 pertained to Humanitarian Services, followed by Biomedical Services, national headquarters and Preparedness and Health and Safety Services, in relation to which the same number of issues were raised, and Disaster Services.

**Figure 10. Issues Per Organizational Unit (1,706 Total)**

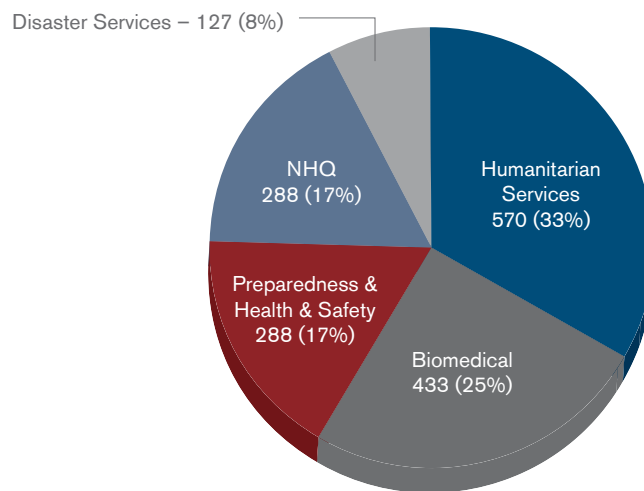
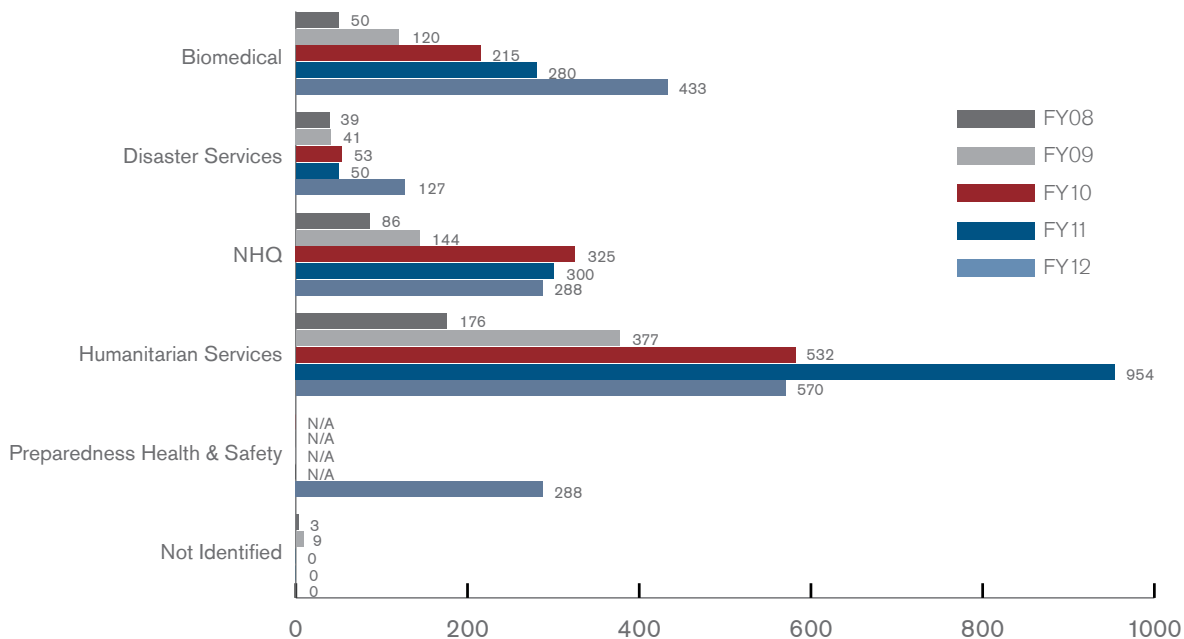


Figure 11 illustrates the number of issues in relation to the major components of the Red Cross from FY08 through FY12.

**Figure 11. Issues Per Unit – Yearly Comparison**



In FY12, the most notable issue trends included a significant decrease in the number of concerns raised in relation to Humanitarian Services from 954 in FY11 to 570 in FY12. This drop is less steep than it may first appear insofar as the FY11 Humanitarian Services issue count included Preparedness and Health and Safety Services. In FY12, Preparedness and Health and Safety Services was broken out as a separate organizational unit. Thus, if we pull out the Preparedness-related issues from both FY11 and FY12, we can see that Humanitarian Services-related issues dropped to 570 in FY12 from 898 in FY11, a 37 percent decrease. Issues pertaining to Preparedness and Health and Safety Services, by contrast, rose from 56 in FY11 to 288 in FY12. As Figure 11 further indicates, in FY12 the number of Biomedical-related issues increased and the number of issues raised with regard to Disaster Services more than doubled. The issue count for national headquarters declined slightly from FY11 to FY12.

It is worth noting that an increase in the number of issues that are raised with the Ombudsman Office does not necessarily indicate growing problems. In many cases, issues may increase as parts of the organization work proactively to resolve concerns. Also, when our office has been effective in working with individuals or groups, it is common for people in those areas to approach us with additional issues. Therefore, we may see a number of people from the same area due to an increased understanding of our services and desire to address concerns before they escalate to more serious issues. Similarly, overall usage of the Ombudsman Office increases as we reach out across the Red Cross and successfully assist constituents.





## Humanitarian Services

Figure 12 illustrates the number and percentages of issues in relation to each business component of Humanitarian Services.

**Figure 12. Issues Per Humanitarian Services Units (570 Total)**

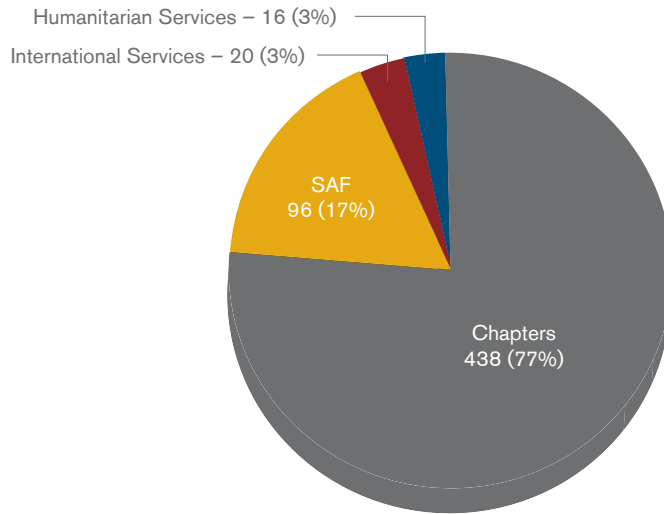
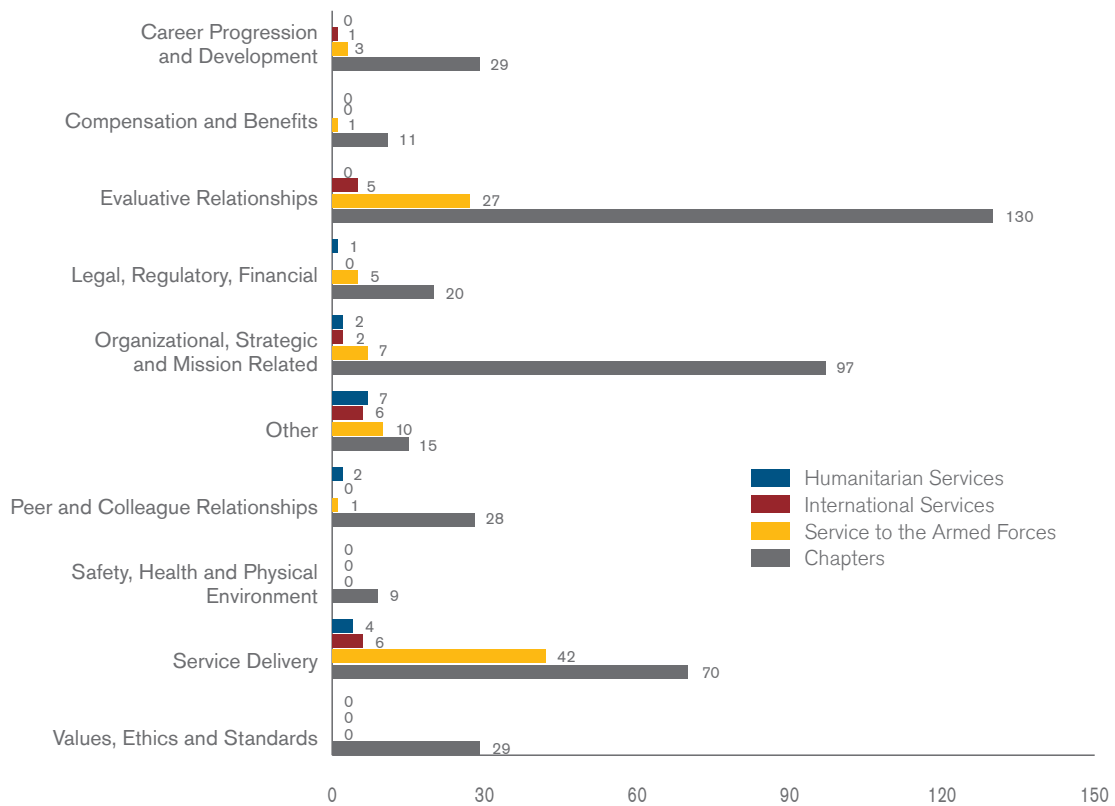


Figure 13 represents the breakout of issue categories across Humanitarian Services by business unit.

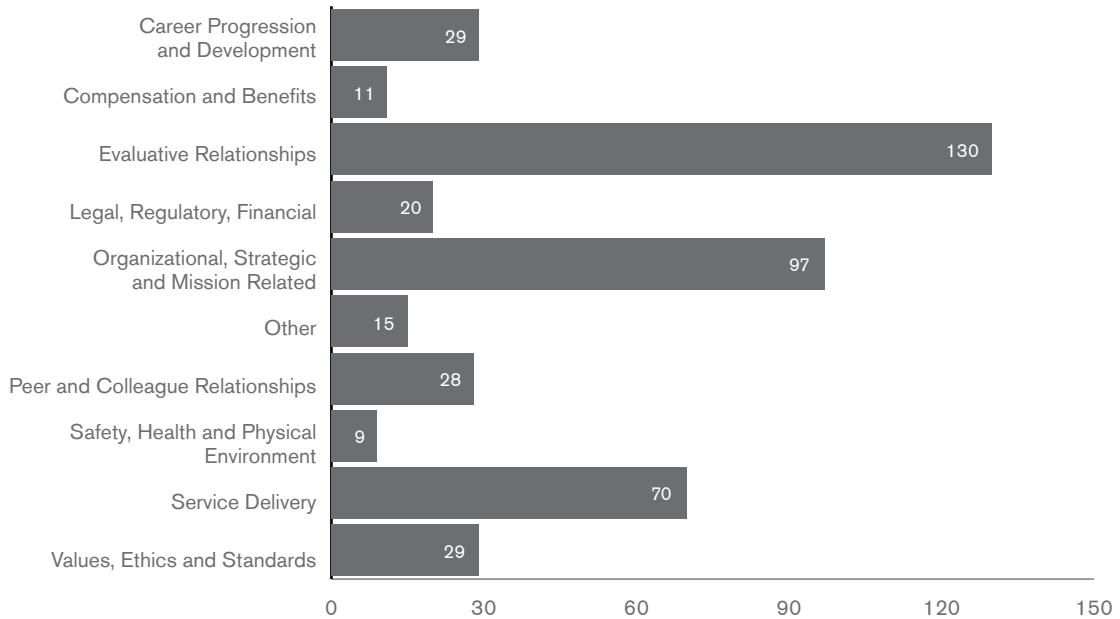
**Figure 13. Humanitarian Services Issues (570 Total)**



## Chapter Network

The specific issues raised in relation to the chapter network in Humanitarian Services are reflected below in Figure 14.

**Figure 14. Humanitarian Services: Chapter Issues (438 Total)**

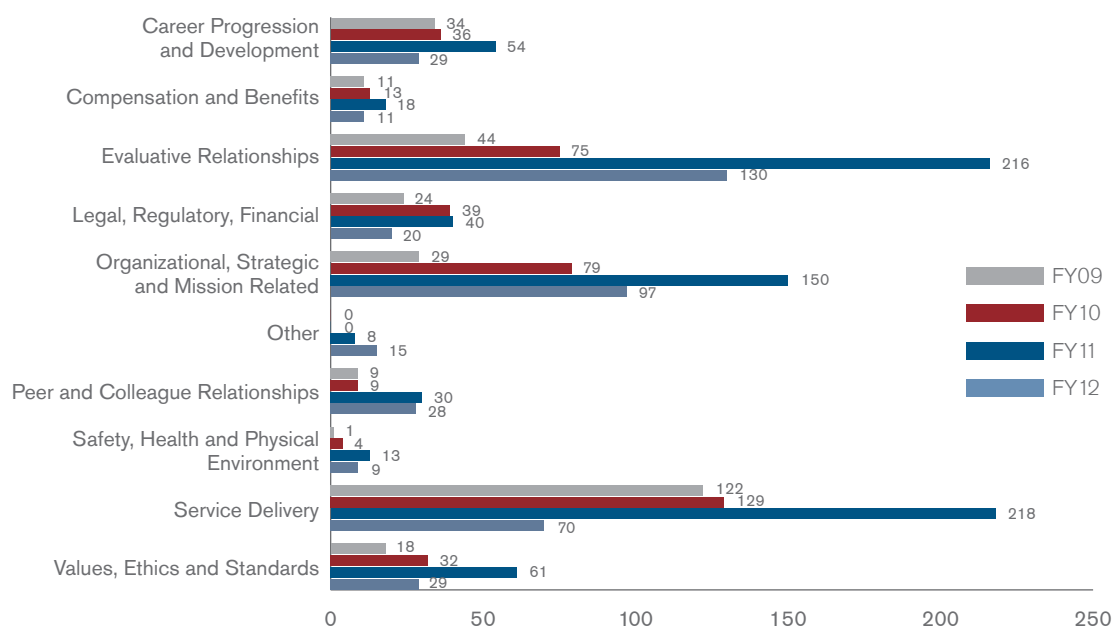


Chapter-related issues fell to 438 in FY12 after having risen from 416 in FY10 to 808 in FY11. Thirty percent of FY12 chapter issues (130), as identified in Figure 14, pertained to evaluative relationships, down from 216 in FY11. The drop in actual numbers in these kinds of issues may reflect that staff and managers in the chapter network are adjusting to new structures and new reporting relationships that were largely instituted in FY11.

Chapter-related issues pertaining to legal matters and ethics both dropped by half in FY12. Similarly, issues pertaining to organization strategy and direction fell by one third in FY12. Together, these three areas comprised a third of chapter-related issues in FY12, as they had in FY11. It is important to note as well that issues involving chapter service delivery fell from 218 in FY11 to 70 in FY12.

Figure 15 illustrates the range of various issues raised in relation to chapters for FY09 through FY12.

**Figure 15. Humanitarian Services: Chapter Issues – Yearly Comparison**



Ninety-six percent of the service delivery issues for chapters pertained to the interpretation and application of rules, the behavior of the service provider, the responsiveness and timeliness of the service or the quality of service. The remaining service issues were miscellaneous and reflected no particular theme. It should be noted that in FY12, 20 percent of service delivery issues were raised in relation to Humanitarian Services units; by contrast, Biomedical Services and Preparedness and Health and Safety Services, combined, accounted for 62 percent of the service delivery issues raised with the Ombudsman.

Chapter-related concerns accounted for 438 of the 570 issues raised regarding Humanitarian Services. The remaining 132 issues raised were distributed between general Humanitarian Services, Service to the Armed Forces, and International Services.

### *Service to the Armed Forces*

The issues raised pertaining to SAF have increased over the past five years from 14 in FY08 to 96 in FY12. Forty-two of the 96 issues raised with the Ombudsman pertained to service delivery matters, including the responsiveness and timeliness of service and help sought with how to request and generate an emergency notification. The remaining issues were focused primarily on the evaluative relationship. These figures likely reflect a busy year in which the SAF call centers were consolidated and other SAF functions were further refined.

### *International Services*

Issues raised in relation to International Services fell for the second consecutive year, from 47 in FY10 to 29 in FY11 to 20 in FY12. The largest component of issues pertained to service delivery and to evaluative relationships.

## Preparedness and Health and Safety Services

Preparedness and Health and Safety Services-related issues rose from 56 in FY11 to 288 in FY12. It is not surprising that 193 of the 288 health and safety issues (67 percent) pertained to service delivery, given the large number of people trained each year in preparedness, first aid, CPR and AED, and lifeguarding. Of the 193 issues relating to service delivery in health and safety, 186 concerned the interpretation and application of rules, the behavior of the service provider, the quality of service, or the timeliness of service, such as the issuing of certification cards after



training. The quality and timeliness of service, in particular, comprised the most prevalent service concerns (63 percent). Of the remaining Preparedness and Health and Safety Services-related issues that did not pertain to service delivery, 79 (or 27 percent) were comprised of concerns with the evaluative relationship and career progression or with values, legal issues or organization direction and strategy.

## National Headquarters

In FY12, 288 of the total 1,706 issues raised (17 percent) pertained to national headquarters, which consists of Human Resources, the Office of General Counsel, Development, Finance, Information Technology, Audit, Public Affairs and other smaller offices. This represents a numerical decrease from 325 in FY10 and 300 in FY11. Figure 16 illustrates the issue distribution for national headquarters from FY09 through FY12.

**Figure 16. National Headquarters Issues – Yearly Comparison**

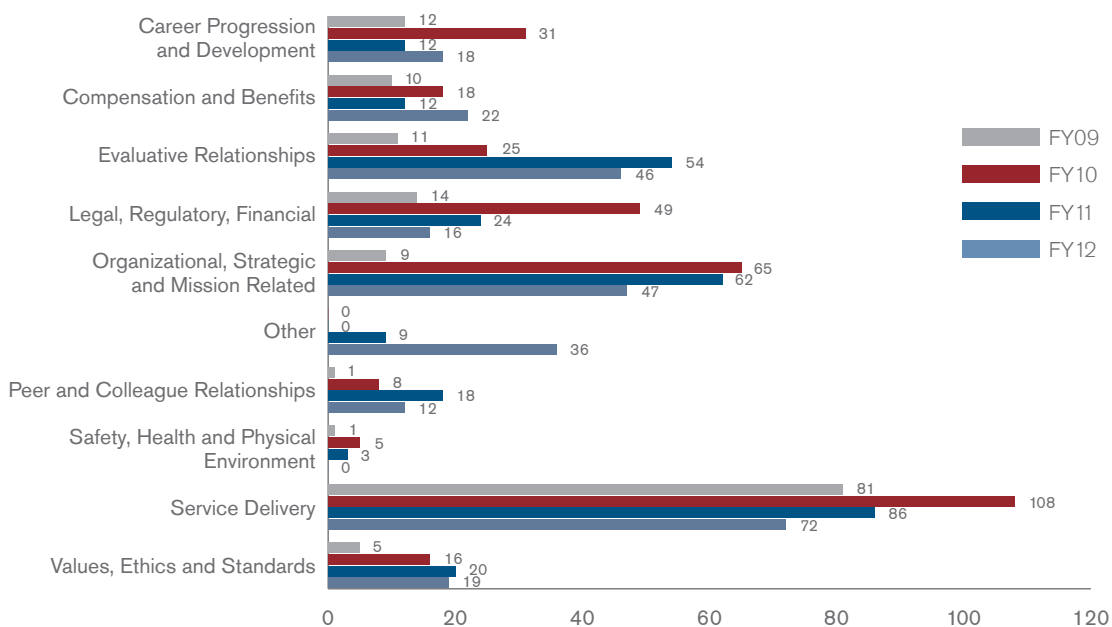


Figure 16 also shows that the three most common issue categories raised in relation to national headquarters in FY12 pertained to service delivery (72 issues, 25 percent), the mission, direction and strategy of the organization (47 issues, 16 percent), and evaluative relationships (46 issues, 16 percent). If those categories pertaining to larger organizational issues (i.e., values, legal issues, and organizational direction) are considered together, they comprise 82 issues, or 28 percent of the concerns raised with the Ombudsman about national headquarters in FY12. Similarly, career progression issues considered together with evaluative relationship concerns comprise 64 issues or 22 percent of the FY12 national headquarters issues.

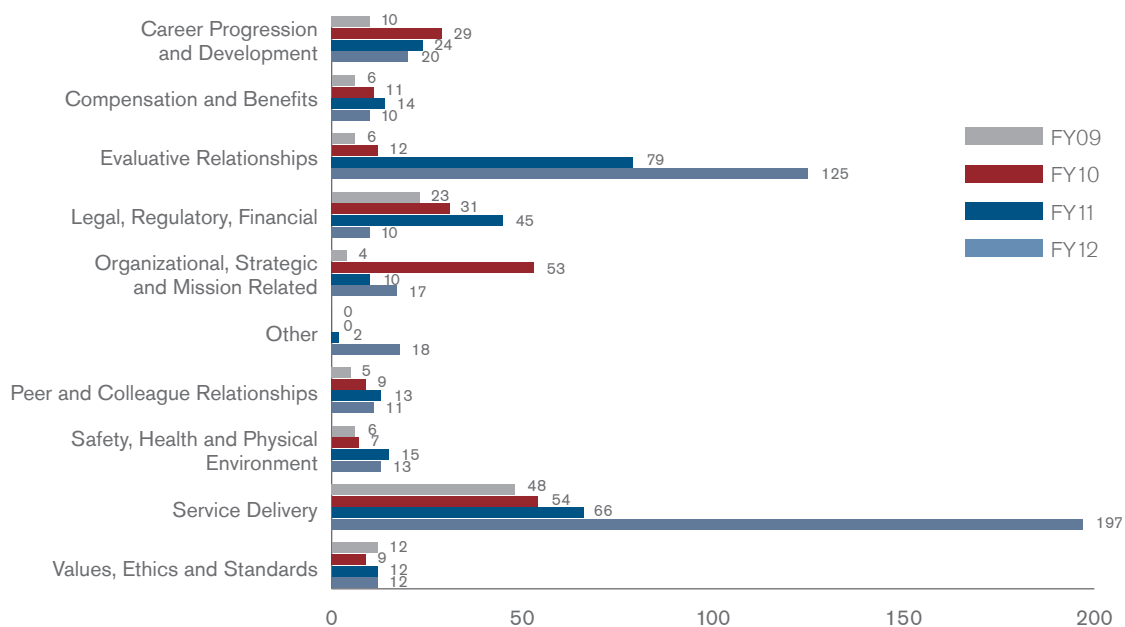
Figure 16 illustrates as well a decline in the number of issues pertaining to legal, regulatory or financial compliance matters. It is worth noting, too, that 33 of the 47 issues pertaining to organizational direction or strategy touch on areas related to managing and navigating change, such as communication, governance leadership, organizational climate, restructuring, priority setting, and inter-departmental work.

Service delivery issues pertaining to national headquarters continued to decline for a second consecutive year, decreasing one third since FY10. Most of the service and business decision issues relating to national headquarters pertained to the interpretation and application of rules, the timeliness and responsiveness of service, the behavior of the service provider and the quality of service. Common concerns included how to donate to the Red Cross; requests of volunteers, vendors or corporate partners seeking information; people wanting financial assistance; and calls falling entirely outside the Red Cross mission.

## Biomedical Services

As reflected in Figure 17, the Ombudsman received 433 issues pertaining to Biomedical Services in FY12, up from 280 in FY11. This represents a greater than 60 percent increase from FY11, and continues an upward trend from 215 issues in FY10.

**Figure 17. Biomedical Issues – Yearly Comparison**



The two most prominent Biomedical Services-related issues were evaluative relationships (125 issues, 29 percent of Biomedical issues) and service delivery (197 issues, 45 percent). FY12 reflects a continued increase from FY09 in the prevalence of both of these issue sets, and service delivery concerns, in particular, tripled from FY11 to FY12. Evaluative relationships issues most commonly involved concerns with supervisory effectiveness, respect/treatment, trust/integrity, and fears of retaliation.

It is important to note as well that legal, regulatory and financial compliance issues decreased from 45 in FY11 to 10 in FY12. Legal and regulatory issues pertaining to Biomedical Services typically include concerns around eligibility to donate blood, deferral for male homosexual behavior in a prospective donor's past, deferrals for prospective donors based on time spent in areas designated as high risk, requests for donor records, and the quality of management at a blood center or blood drive.

The 433 Biomedical Services-related issues in FY12 were raised almost equally by internal and external constituents. The number of issues raised by external stakeholders jumped from 117 in FY11 to 230 in FY12. This may account for the tripling in service delivery concerns. Biomedical Services accounts for just over a third of service delivery concerns raised about the Red Cross in FY12, and more service delivery concerns were expressed to the Ombudsman about Biomedical Services than any other part of the organization.

## Disaster Services

Issues raised with the Ombudsman in relation to Disaster Services jumped to 127 in FY12 from 50 in FY11, but still accounted for only 7 percent of the total issues raised. The greatest number of issues raised pertained to service delivery, and these rose from three issues in FY11 to 43 issues in FY12. Evaluative relationship issues also rose from 13 in FY11 to 35 in FY12.



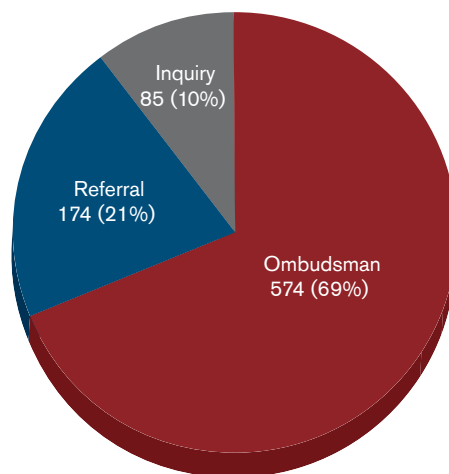
## Actions

In this section, we analyze the actions taken by the Ombudsman in response to matters brought to our office in FY12. The possibilities for action include, first, whether a contact is handled as an Ombudsman case, a simple response to an inquiry, or a referral to another office. Second, we consider for those contacts that were handled as Ombudsman's cases what methods of intervention were utilized.

### What Is an Ombudsman Case?

As a threshold matter, we should note that not all issues brought to the Ombudsman are handled as Ombudsman cases. Ombudsman cases are handled by the Corporate Ombudsman or one of the other Ombudsmen in the office and involve utilizing diverse approaches such as coaching, mediation and facilitation. As Figure 18 suggests, 574 of the 833 (69 percent) matters initiated with the Ombudsman in FY12 were handled as Ombudsman cases because they raised concerns that could not be responded to by answering a straightforward inquiry or were beyond a simple referral to another office.

**Figure 18. Three Primary Actions (833 Total)**



In FY12, 574 of the total 833 contacts to the Ombudsman Office resulted in Ombudsman cases as opposed to Inquiry or Referral. The number of constituents whose concerns were handled as Ombudsman cases increased from 279 (50 percent of all case contacts) in FY09 to 574 (69 percent) in FY12. It has grown in number for five consecutive years, even as it dipped as a percentage from 73 percent of all contacts in FY11 to 69 percent in FY12. These 574 Ombudsman cases in FY12 accounted for 1,371 issues (80 percent) or the total 1,706 issues raised. This is relatively close to the 85 percent of issues that were handled as Ombudsman cases in FY11. The slight drop in the percentage of total issues that were handled as Ombudsman cases reflects an 18 percent increase of external constituents from FY11 to FY12, particularly in relation to Biomedical Services and Preparedness and Health and Safety Services. External constituents typically raise issues more likely to require information on a service or policy or to require a referral to the appropriate department to address a service concern.

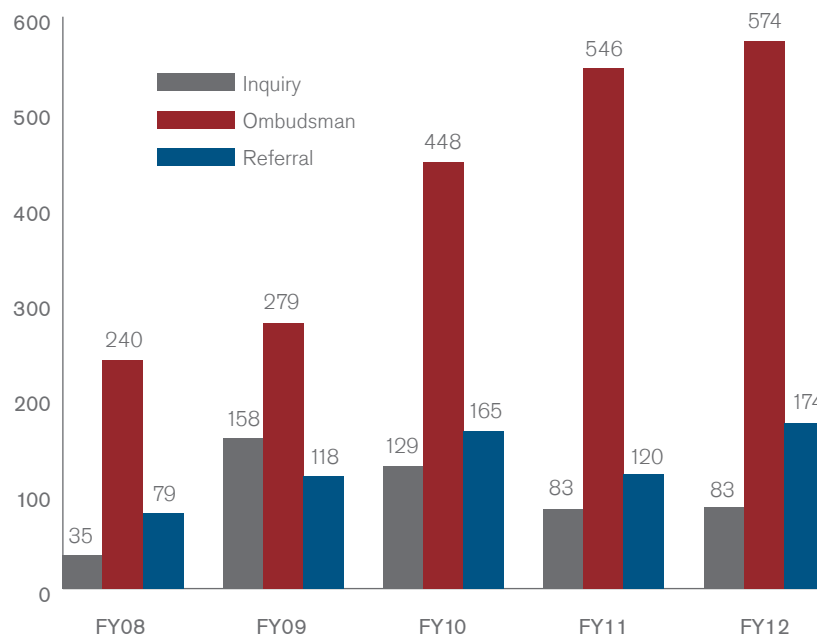


Referrals to other offices rose to 174 in FY12 from 120 in FY11, returning close to and actually slightly exceeding FY10 levels. Not surprisingly, 138 issues from the referral cases in FY12 involved service delivery, such as may be related to a first aid or CPR class certification, or to a difficult blood donation. Inquiries, as Figure 18 illustrates, remained steady from FY11 to FY12.

It is interesting to note, as well, that the prevalence of service delivery issues is such that they comprise the largest segment of all three case types, namely 33 percent of issues handled as Ombudsman cases, 37 percent of inquiries, and 60 percent of referrals.

Figure 19 illustrates the trend data from FY08 through FY12 for how cases have been handled in the Ombudsman Office.

**Figure 19. Three Primary Actions – Yearly Comparison**



## Modes of Ombudsman Intervention

Ombudsman cases are typically handled by a variety of approaches. Often, we work with parties through confidential coaching to think strategically through what may be difficult or conflicted situations, to clarify issues and identify options so they can decide how best to address their concerns at an appropriate level and in an optimally constructive manner. Ombudsman coaching gives constituents candid feedback on their conflict style, strategy and approach, and builds the conflict competence of employees, volunteers and managers throughout the Red Cross. This coaching work may include cases in which the Ombudsmen research complex policies or procedures and share information pertinent to those policies with the constituent to help him or her make the most informed decision about how to handle the situation.

The Ombudsmen also often use shuttle diplomacy, meaning that we alternate in meeting with each party and coach each separately as we work with the constituents and disputants to achieve a mutually satisfactory resolution. On occasion, we will bring disputing parties together and mediate a face-to-face resolution.

Critically, the Ombudsman Office engages in what we call “upward feedback,” meaning that we follow up with management or leadership at appropriate levels to identify systemic issues or concerns that might impact the Red Cross in a broader way or in the future. This is a significant part of the Ombudsman’s role under the governance reforms in helping leadership successfully manage elements of enterprise risk. In this way, the Ombudsman can serve as a valuable early warning system for the Red Cross and, consistent with our office charter and our charge under the Modernization Act, identify and analyze issues or trends confronting the organization. Part of the Ombudsman’s role in raising systemic issues, then, is to help management and leadership think strategically through patterns presented and to facilitate appropriate processes for leadership to delve into and grapple with systemic issues raised. Indeed the annual report, as required by Congress, offers a valuable opportunity to inform all constituents of the Red Cross of issues and trends that affect our ability to meet the lifesaving mission of the organization.



LIFEGUARD

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## Systemic Work

In addition to working with the 833 constituents who contacted the Office of the Corporate Ombudsman, the Ombudsman engaged in 65 activities to help inform people about the office and to help prevent and resolve systemic issues, reaching approximately 1,800 people across the American Red Cross. The efforts included group facilitations, outreach presentations and tailored training sessions. These activities helped departments work together more collaboratively, provided information on how best to manage conflicts that inevitably occur in any organization and specifically within the context of the Red Cross, and raised awareness among employees and volunteers about how the Ombudsman Office can support all Red Cross constituents. These activities relate to the office's mandate to help address systemic issues and to enhance the prevention of conflict that can hinder success in accomplishing the Red Cross mission.

The Ombudsman Office also played a role in helping Red Cross leaders manage fast-paced organizational change and optimally integrate employees, volunteers, and leadership volunteers into those changes. As a neutral and independent office, we provided critical process consulting to assist parts of the Red Cross to collaborate and work efficiently together. Part of this work entailed informally sharing emerging aggregate trends with Red Cross leaders, based on information shared with the Ombudsman by constituents throughout the organization, while maintaining the confidentiality of the source of the information.

In FY12, the Ombudsman Office provided the following support to individuals and groups across the American Red Cross:

### Outreach

In FY12, representatives from the Ombudsman Office made more than 30 presentations around the country, reaching more than 1,000 people, to increase awareness of the office and the services available to all Red Cross constituents. We recognize the importance of connecting with people throughout the Red Cross to understand the challenges people face so we are able to provide appropriate counsel based on the context in which people are working.

### Facilitation

The Ombudsman Office facilitated more than 20 meetings in FY12, working with approximately 300 people to help plan effective processes and serve as a neutral facilitator to support communication among group members. Some of these meetings served intact groups, while others involved assisting new cross-functional initiatives among multiple departments. Many groups turn to the Ombudsman Office since, as a neutral office, the Ombudsman can focus on good processes while meeting participants serve as the subject matter experts. The Ombudsman does not promote any particular outcome, but rather ensures that good decision-making processes are used and the appropriate parties are involved.

### Training

In FY12, the Ombudsman Office provided at least 16 tailored training sessions within the Red Cross, reaching more than 500 individuals. Session topics included conflict resolution, communication skills, effectively working in virtual teams, handling difficult conversations and navigating organizational change. The purpose of these sessions is to help people when confronting challenging situations. For more complex issues, the Ombudsman Office can provide additional support to individuals and groups through coaching, mediation and facilitation.

## Looking to the Future

The Office of the Corporate Ombudsman is continuously assessing the best ways to build on the success we have had to date and to make decisions about how best to serve the Red Cross in a dynamic and changing environment. As we look ahead to FY13, we will, of course, continue with our core functions of case handling; enhancing conflict prevention and teamwork; collaborating on conflict resolution programs with other offices; and identifying systems issues. Additionally, we will stay abreast of emerging issues and seek opportunities to continue to help the organization fulfill its mission. Looking ahead, our plans include the following:

### **Enhanced Support for Volunteers and Those Who Support Volunteers**

One area of particular focus for FY13 will be finding ways to increase our support for Red Cross volunteers and Red Cross employees who supervise and support volunteers. We have found that there are particular challenges facing these groups that we can help address, whether related to organization changes in the Red Cross or the unique role of our dedicated volunteers who take on significant responsibilities in the pursuit of fulfilling the Red Cross mission. The Office of the Corporate Ombudsman will continue to stay closely in touch with volunteers and those who supervise and support them as we visit chapters and attend division meetings around the country. We are also seeking ways to provide information and resources to these groups through alternative media, such as webinars and online videos. We will do so in coordination with the Volunteer Management group.

### **Enhancing Conflict Prevention and Teamwork**

In this next year, the Office of the Corporate Ombudsman will collaborate with business lines and functional departments throughout the Red Cross to provide conflict resolution skill building. In a new cross-departmental effort, we will provide conflict resolution training for SAF personnel located in the U.S. and overseas in FY13. The office may also offer brown bag lunches or other sessions focused on specific topics of interest to staff and managers and provide workshops for working teams and leadership teams. Enhancing the capacity of the Red Cross to resolve disputes will be improved through these kinds of activities. Additionally, we will explore ways in which we are able to increase our conflict management training reach through electronic media. We plan to develop some guidance tools with broad application to help people engage in positive conflict management and to build skills on their own. These tools are not a substitute for one-on-one coaching; however, such resources may serve as useful and ongoing reference guides, as needed. These activities will help the Ombudsman Office meet the second element of its mission statement: to “help make effective conflict management skills become common and internalized ways of working for American Red Cross employees and volunteers at all levels as they seek to accomplish the mission of the American Red Cross.”

## Identifying Systems Issues

By being increasingly immersed in the varied aspects of the Red Cross, the Ombudsman Office will enhance its capacity to facilitate resolution of difficult situations, as well as to identify systemic issues that may complicate or hinder the ability of the Red Cross to achieve its mission. The office will continue to work closely and collaboratively with the lines of business and enterprise-wide functional departments by sharing our data points that may aid management as it undertakes appropriate analysis and review of Red Cross policies, procedures or practices. The Ombudsman Office will continue in the year ahead to provide critical process and organizational consulting to assist managers and leaders in their challenging roles and to assist various parts of the organization to collaborate and work efficiently together in pursuit of significant organizational initiatives and projects. It is critical that the Ombudsman Office does not simply sit back and await cases or identify systemic issues after the receipt of cases surface particular concerns or trends. Rather, the Ombudsman Office needs to actively engage and consistently meet Red Cross staff and see first-hand Red Cross activities to understand fully all aspects and challenges of the lifesaving work we do. This will optimize the ability of the Ombudsman Office to provide pertinent, effective counsel in individual situations and to offer valuable analysis and advice relating to systemic issues affecting the organization.

## Improved Data Tracking

Another focus area for the Office of the Corporate Ombudsman for FY13 is the implementation of a new database system to track issues that are raised with the office. During the five years since the office was established, there have been many refinements and advances in the way the office functions and the types of information that are useful to capture and on which to report. New ways of tracking information, still using the International Ombudsman Association "Uniform Reporting Categories," will help us identify emerging issues and increase our ability to provide immediate feedback to different areas of the organization by more precisely tracking systemic issues. The new processes will conform to our confidentiality standards.

## Appendix

American Red Cross Ombudsman Office Charter  
American Red Cross Corporate Governance System Graphic







**American Red Cross**

## **American Red Cross Ombudsman Office Charter**

### **Establishment of Office**

The Board of Governors, in *American Red Cross Governance for the 21<sup>st</sup> Century: A Report of the Board of Governors*, recognized the need for an organizational ombudsman to improve the organization's ability to resolve disputes and take action on significant issues confronting the Red Cross. The Congress and the President agreed and, in The American National Red Cross Governance Modernization Act of 2007, amended the Congressional Charter of the American National Red Cross to establish an Office of the Corporate Ombudsman (Ombudsman Office). The accompanying report (H.R. Rpt. 110-87 at 25 (April 16, 2007)) provides for an office that:

will act as a neutral and impartial dispute resolution center whose major function will be to provide confidential and informal assistance to the many internal and external constituents with concerns or complaints about the American Red Cross. The Office of the Ombudsman will have unfettered access to the entire corporation and all personnel, corporate reports, [and] documents, and will report directly to the organization's Chief Executive Officer and on a regular basis to the Audit and Risk Management Committee of the Board of Governors.

In addition to conflict resolution, the Office of the Ombudsman will report annually to the U.S. Congressional Committees of jurisdiction<sup>1</sup>, areas and types of concerns, including trends and systemic matters that the Ombudsman determines to be confronting the organization. As a practice, these reports will also be made available to the public through the Red Cross external website, [www.redcross.org](http://www.redcross.org).

The Red Cross Corporate Ombudsman will receive inquiries from members of the American Red Cross community including internal stakeholders such as employees and volunteers, and external stakeholders such as Red Cross donors, suppliers, partners, and the public at large. Given the role of the Red Cross in disaster relief, blood services, international treaty obligations of the Geneva Conventions, armed forces emergencies,

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<sup>1</sup> Senate Committees on Finance; Foreign Relations; Health, Education, Labor, and Pensions; Homeland Security and Governmental Affairs; and Judiciary. House Committees on Energy and Commerce, Foreign Affairs, Homeland Security, the Judiciary, and Ways and Means.



**American Red Cross**

### **Establishment of Office (continued)**

and health and safety services it is essential that the Corporate Ombudsman be focused on the organization as a whole and be accessible to internal and external stakeholders.

As noted in the American Red Cross Code of Business Ethics and Conduct, the Ombudsman Office provides confidential and informal dispute resolution services, and is not a substitute for existing formal complaint or problem resolution channels at the American Red Cross. Unlike the Ombudsman Office, Human Resources; management; the Office of General Counsel; and Investigations, Compliance and Ethics are empowered to conduct investigations, make decisions and policy, and receive official notice for the American Red Cross. Parties who wish to make a formal complaint for the American Red Cross to act on or formally document their concerns must go through one of these formal channels. The Ombudsman Office is a supplement to these formal channels, not a replacement for them or a necessary step to reach them. No one is required to use the independent and impartial services of the Ombudsman Office.

### **Standards**

The Corporate Ombudsman and the staff of the office shall adhere to the International Ombudsman Association Code of Ethics and Standards of Practice. These tenets require Ombudsman Offices to function independently of the organization, to be confidential and neutral, and to limit the scope of its services to informal means of dispute resolution. The American Red Cross recognizes that the Ombudsman Office will operate consistently with the following essential characteristics:

- (1) **Independence.** The Corporate Ombudsman shall be, and shall appear to be, free from interference in the legitimate performance of his or her duties. The Corporate Ombudsman shall report trends and systemic issues that he or she observes to the President and CEO and be scheduled regularly to report such matters to the Audit and Risk Management Committee of the Board of Governors. The Corporate Ombudsman shall not perform other ad hoc roles and is not part of management.

The American Red Cross recognizes that no one who may be affected by actions of the Ombudsman Office shall: control or limit the Corporate Ombudsman's performance of assigned duties, eliminate the office, remove the Corporate Ombudsman without cause, or reduce the budget or resources of the office for retaliatory purposes.



**American Red Cross**

**Standards (continued):**

The American Red Cross affirms the right of individuals to seek assistance from the Ombudsman Office without fear of retaliation.

- (2) Neutrality and Impartiality. The Corporate Ombudsman shall conduct inquiries in an impartial manner, free from initial bias and conflicts of interest. He or she shall not take sides in any conflict, dispute or issue. The Corporate Ombudsman shall consider the interests and concerns of all parties involved in a situation impartially with the aim of facilitating communication and assisting the parties in reaching mutually acceptable agreements that are fair and equitable.

Impartiality shall not preclude the Corporate Ombudsman from developing an interest in securing changes that are deemed necessary as a result of the process. The Corporate Ombudsman shall be an advocate for fair processes and fair administration of the same, and shall be an advocate within the entity for change where the process demonstrates a need for it.

- (3) Confidentiality. The Ombudsman Office shall not disclose names of individuals or any information provided in confidence, unless in the course of discussions with a constituent, the Corporate Ombudsman asks for and receives permission to make a disclosure or unless the Corporate Ombudsman determines that there is an imminent risk of serious harm. The Ombudsman Office shall not confirm communicating with any party or parties. The Corporate Ombudsman shall neither willingly participate as a witness with respect to any confidential communication, nor be compelled to participate in any formal process inside or outside of the American Red Cross.
- (4) Voluntary. Individuals shall not be required to meet with the Corporate Ombudsman. To the contrary, all interactions with the Corporate Ombudsman must be voluntary.
- (5) Privilege. Communications between members of the Ombudsman Office in their official capacity and others shall be confidential and privileged and cannot be waived by others, including the American Red Cross as an entity. This allows constituents to come forward in a confidential setting with no risk of reprisal. Mediation communications shall be privileged against disclosure consistent with District of Columbia law. D.C. Code §§ 16-4201 to 16-4213.



**American Red Cross**

**Standards (continued):**

- (6) **Informality.** The Ombudsman Office shall be a resource for informal dispute resolution and mediation services. The Corporate Ombudsman shall not investigate, arbitrate, adjudicate or in any other way participate in any internal or external formal process or action. The Ombudsman Office shall not keep records for the American Red Cross, and shall not create or maintain documents or records for the American Red Cross about individual cases. Notes, if any, taken during the course of working on a case shall be routinely destroyed at regular intervals and at the conclusion of a matter. The office will retain non-identifying data and information for purposes of analyzing and reporting trends regarding concerns and systemic problems. This non-identifying data and information shall not be property of the American Red Cross, but of the Office of the Corporate Ombudsman.

**Responsibilities and Duties**

The Corporate Ombudsman shall be authorized to:

- (1) receive complaints, concerns, and questions about alleged acts, omissions, improprieties, and systemic problems from internal and external stakeholders;
- (2) exercise discretion to accept or decline to act on a complaint, concern, or question;
- (3) act on his or her own initiative to address issues and conduct inquiries within his or her prescribed jurisdiction;
- (4) gather relevant information and require the full cooperation of the managers, employees, and volunteers of the American Red Cross;
- (5) facilitate fair and equitable resolution of issues at the most appropriate level of the entity;
- (6) advocate for organizational change;
- (7) develop, evaluate, and discuss options available to affected individuals;
- (8) educate, facilitate, negotiate, and mediate;
- (9) make recommendations for the resolution of an individual complaint or a systemic problem to those persons who have the authority to act upon them;
- (10) identify trends and opportunities to improve the American Red Cross or to prevent problems from recurring;



**American Red Cross**

**Responsibilities and Duties (continued)**

- (11) provide overview information, trends and analyses regarding concerns and systemic problems in reports to the President and CEO; the Board of Governors, principally through its Audit and Risk Management Committee; U.S. Congressional Committees of jurisdiction; the public; and other constituencies as appropriate. In no case shall confidentiality or anonymity be breached; and
- (12) request and receive legal counsel and representation as appropriate independent from the American Red Cross in the event a conflict of interest or dispute arises between the Ombudsman Office and the management of the American Red Cross.

The Corporate Ombudsman shall not, nor shall an entity expect or authorize him or her to:

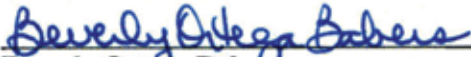
- (1) make, change or set aside a law, policy, or administrative decision;
- (2) make management decisions;
- (3) directly compel any entity or any person to implement the Corporate Ombudsman's recommendations;
- (4) conduct formal investigations;
- (5) accept jurisdiction over an issue that is currently pending in a legal forum or the subject of a formal investigation (exceptions may be made on a case-by-case basis at the sole discretion of the Corporate Ombudsman);
- (6) address any issue arising under a collective bargaining agreement;
- (7) act in a manner inconsistent with the grant of and limitations on the jurisdiction of the office when discharging the duties of the Ombudsman Office;
- (8) be a substitute for formal channels;
- (9) accept notice of claims on behalf of the American Red Cross;
- (10) participate in formal proceedings;
- (11) provide legal advice or determine rights; or
- (12) testify or serve as a witness on matters brought to the Corporate Ombudsman's attention.



**American Red Cross**

**Not Authorized to Receive Notice of Claims Against the American Red Cross**

Communications to the Corporate Ombudsman shall not constitute notice to the American Red Cross. These communications include allegations that may be perceived to be violations of laws, regulations or policies, such as sexual harassment, and issues covered by the whistleblower policies. Because the Corporate Ombudsman does not function as part of the management or administration of the American Red Cross, even if the Corporate Ombudsman becomes aware of such an allegation, the Corporate Ombudsman shall not be required to report it to the American Red Cross.



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**Beverly Ortega Babers**  
**Corporate Ombudsman**  
**American Red Cross**



\_\_\_\_\_  
**Mary Elcano**  
**Acting President and Chief Executive Officer**  
**American Red Cross**



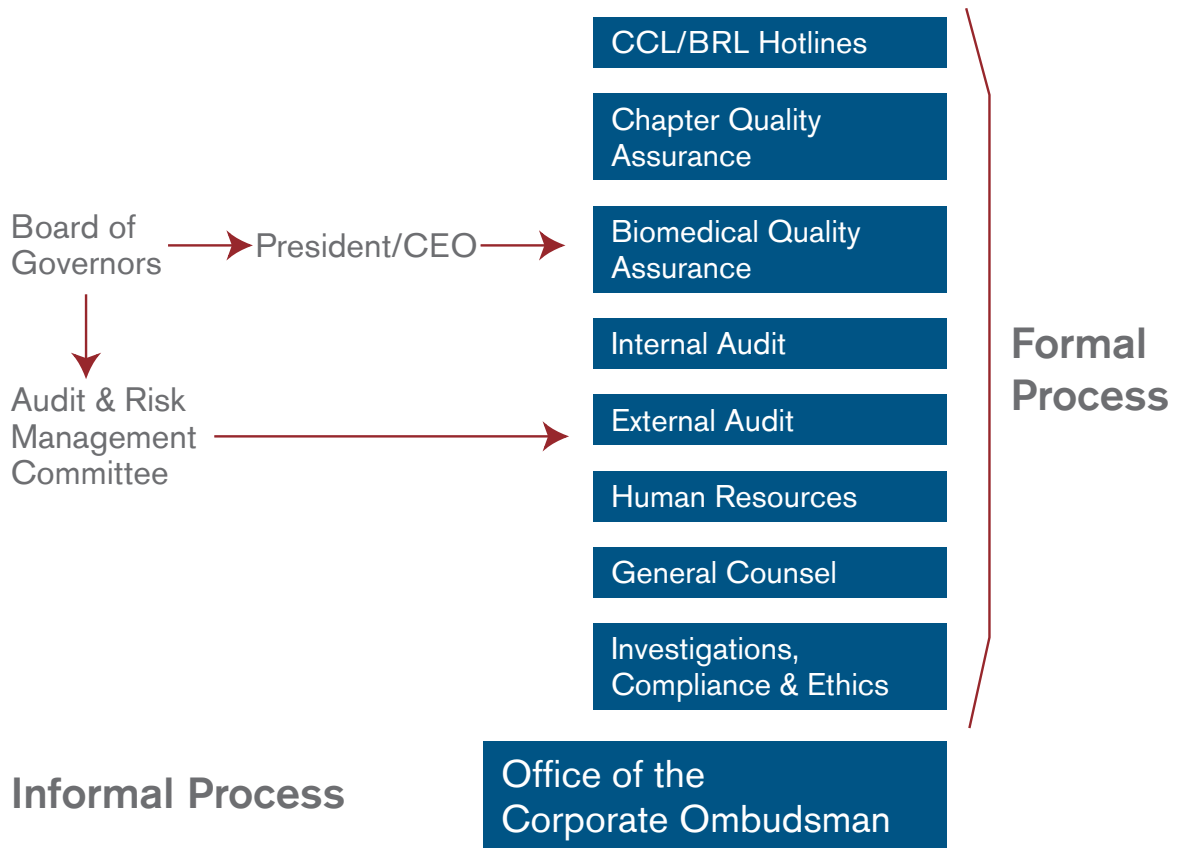
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**Sanford Belden**  
**Chair, Audit and Risk Management Committee**  
**Board of Governors**  
**American Red Cross**

Effective Date: January 15, 2008



American Red Cross

## Corporate Governance System





**American  
Red Cross**

1730 E Street, N.W., Suite 113  
Washington, DC 20006