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**Modernize and Strengthen the American Red Cross**

**Be a cosponsor of**

**“The American National Red Cross Governance Modernization Act”**

Dear Colleague,

I am introducing legislation that will: (1) modernize the Red Cross governance structure, (2) subject the Red Cross to enhanced oversight, and (3) enable the Red Cross to achieve greater transparency and public accountability.

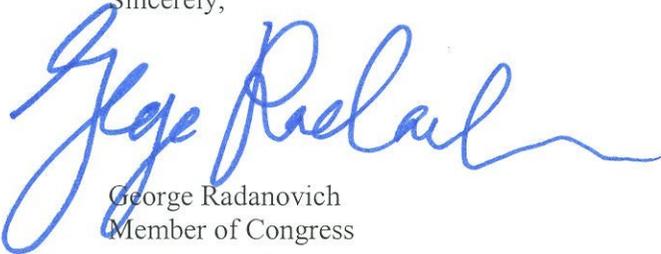
- **Reduced Board Size** – The current charter requires a 50 person board. The Act reduces the size of the board to (i) 12-25 members by 2009 and (ii) 12-20 members by 2012.
- **Simplified Board Structure** – The current charter provides for three categories of board members. The Act streamlines the membership to one category of board members selected through board nominating process, approved by the full board and elected by delegates to the Red Cross annual meeting.
- **Presidential Appointees** – The current charter provides that the President appoints eight members to the board, seven of whom are governmental officials. The Act establishes a Presidential Advisory Council, composed of eight to ten principal officers of executive departments and senior officers of the Armed Forces appointed by the President, to provide the board with critical governmental input and support. Under the Act, the President continues to appoint the Chairman of the Board of Governors.
- **Governance and Oversight Board Role** – The current charter gives the board all powers of governing and managing the Red Cross. The Act clarifies that the board will focus solely on governance, oversight and direction of the Red Cross.
- **Ombudsman** – The current charter does not provide for a Red Cross Ombudsman. The Act establishes an Office of the Ombudsman that reports annually to Congress.
- **Comptroller General** – Although the current charter authorizes the Department of Defense to audit the annual report of the Red Cross, the charter does not address the authority of the Comptroller General or GAO investigations. The Act adds that the Comptroller General (and thus GAO) is authorized to review the Red Cross’s involvement in any Federal program or activity of the Government.
- **Federal Instrumentality** – The Act codifies long-standing judicial precedent that the Red Cross is a federal instrumentality.

- ***State Regulators*** – The current charter does not refer to the Red Cross relationship with State regulators of charitable organizations. The Act confirms, as noted above, the Red Cross federal instrumentality status, but, in its findings, states that Congress expects the Red Cross to maintain appropriate communications with State regulators of charitable organizations and to cooperate with them as appropriate in specific matters as they arise from time to time.

The last time Congress revised the American Red Cross's charter was in 1947. Revising their charter to reflect current times is long overdue. ***The American Red Cross fully supports the legislation to amend the American Red Cross Congressional Charter.***

I hope you will join me in cosponsoring the "American National Red Cross Governance Modernization Act." Please contact Spencer Pederson on my staff at 5-4540 to cosponsor.

Sincerely,



George Radanovich  
Member of Congress