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Grassley applauds new Red Cross fundraising effort

WASHINGTON -- Senator Chuck Grassley said today that the new donor catalog of the American Red Cross signals a new direction for the charity.

"The Red Cross has created a major opportunity with its new holiday giving catalog to raise substantial, necessary funds outside of disasters and to put itself in a stronger and more stable financial position," Grassley said. "It makes sense to give donors yet another way to support the Red Cross before disaster strikes," Grassley said. "I appreciate very much the leadership that Red Cross President Gail McGovern is demonstrating with this long-term initiative. The work of the Red Cross is needed, we as a nation rely on that work, and all of us want the Red Cross to succeed."

Last year the Red Cross had an operating deficit of \$209 million to sustain operations. Under McGovern, that deficit has been reduced to \$33 million and is on track to be eliminated next year.

Grassley met with McGovern, who was named President and CEO of the American Red Cross in April 2008, at her request last Tuesday. During the meeting, Grassley received updates on the Red Cross' restructuring, blood operations and fundraising efforts, including the launch of the 2009 Holiday Giving Catalog.

"The American Red Cross is a stronger organization today because of governance reforms put in place, thanks to Senator Grassley's leadership," McGovern said. "We appreciate the Senator's help and ask all Americans this holiday season to support the American Red Cross and give the gift that saves the day by providing disaster victims with shelter, food, comfort and hope."

Grassley sponsored the bipartisan legislation to modernize the management structure of the American Red Cross that became law in April 2007. The reforms had to be legislated because the group is congressionally chartered. An independent advisory group commissioned by the Red Cross recommended the changes. The Red Cross worked closely with Grassley and his fellow legislators to see the changes enacted. The reforms amended the Red Cross' congressional charter with regard to the Board of Governors' responsibilities, selection process and term limits. They also allowed some oversight by the U.S. comptroller general and established an ombudsman's office, which is required to submit an annual report to Congress.

Grassley's oversight of the American Red Cross is part of his a broad-based review of non-profit practices to build accountability to taxpayers and donors for the generous tax exemption non-profit groups receive. Grassley serves as Ranking Member and was formerly Chairman of the Senate Committee on Finance, which is responsible for tax policy.