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A Message From the President and CEO

Our reputation is one of our most valuable assets. Thanks to your hard work, the American Red Cross has earned a sterling reputation for the principled and ethical way we do business. Adhering to strict ethical practices has strengthened our ability to deliver our vital mission and to act with the highest level of stewardship to our many stakeholders. The American public and our donors, clients, partners and vendors in communities across the United States and around the world trust the American Red Cross. They know that they can rely on us to deliver lifesaving services, operate in a safe and respectful manner, and conduct business fairly and with integrity.

The American Red Cross Compliance and Ethics Handbook presents an overview of the compliance and ethics guidelines for employees and volunteers and provides direct links to the corporate policies that provide more detail. It is incumbent on each employee to read this handbook and become familiar with the Red Cross compliance and ethics framework.

As always, if you have questions or if at any time you experience something in the course of your work at the Red Cross that you think raises a compliance or ethical issue, please first talk to your supervisor or manager. If for some reason that is not practical or you do not feel comfortable, there are a number of Red Cross resources identified in this handbook to assist you. I urge you to speak up if you have a concern and not to be a bystander. Our mission and those we serve are at stake.

Again, I’m grateful to each of you for your personal commitment to serve our clients, and to model the highest standards in ethical and sound business practices. In so doing, we build on the proud and storied history of the Red Cross and ensure that our wonderful heritage and lifesaving mission will only be strengthened in the years ahead.

Gail McGovern
Introduction

The American Red Cross Compliance and Ethics Handbook is in a user-friendly, eBooklet format to provide a handy summary of the key Red Cross compliance and ethics policies, with direct links to the full text of the policies. The handbook does not attempt to identify or resolve every compliance or ethical question or situation that may arise in the course of your work with the Red Cross. Rather, it provides a framework to understand your compliance and ethical responsibilities as employees and volunteers.

A major premise is that employees and volunteers should be actively engaged in enhancing compliant and ethical conduct in the Red Cross. With a proactive approach, Red Cross employees and volunteers are responsible for compliance and ethics every day and are expected to model a culture of compliance and ethics in their Red Cross work environment and business.

If you have a question or are troubled by a situation, there are many resources from whom you can seek answers or guidance. The first stop should be your supervisor or manager. If that is not practical or you do not feel comfortable, then other avenues are available starting with your local Human Resources representative. You can also seek a confidential and informal approach with the Office of the Ombudsman.

If you want a formal investigation of complaints of fraud, waste, abuse, legal wrongdoing, or Red Cross policy violations, you may choose to go to the Office of Investigations, Compliance and Ethics (ICE). The ICE Office manages two whistleblower hotlines—the Concern Connection Line (CCL) and the Biomedical Regulatory Line (BRL)—and, where appropriate, conducts investigations into those complaints. These forums for complaints or allegations of wrongdoing are discussed in more detail in Section 6 of this handbook.
Section 1: Ethics Awareness Program

The American Red Cross Ethics Awareness Program (the program) is the enterprise-wide compliance system that coordinates, implements and monitors compliance with ethical standards, applicable laws and regulations, and Red Cross policies. The program is focused on maintaining the necessary ethical standards of conduct expected by the American public and required by the Red Cross. This is done best when employees and volunteers are informed of their compliance and ethical obligations and practice carefully reasoned solutions to ethical dilemmas in their day-to-day Red Cross work.

The program has two basic parts: prevention and detection. For prevention, the program promotes an organizational culture that operates with the highest standards of ethical behavior and compliance with the law and Red Cross policies, including adherence to the American Red Cross Code of Business Ethics and Conduct. For detection, the program emphasizes a systematic approach to detect, investigate and remediate violations of law, ethical standards and Red Cross policies.

The program has five components:

• **Leadership** – The leadership of the Red Cross involved in compliance starts with the “tone at the top.” It is led by members of the Board of Governors and the Board’s Audit and Risk Management Committee. From the management perspective, the leaders are the president and chief executive officer and the senior executives who provide the oversight and management of compliance throughout the organization.

• **Policies** – Red Cross policies are the governing principles that guide corporate practice, ensure compliance with laws and regulations, support the Red Cross mission, and reduce risk. These include policies contained in the Congressional Charter of the American Red Cross, the Amended and Restated Bylaws of the Red Cross, regulations and resolutions of the Board of Governors, and management policies and regulations.

• **Communication** – The Red Cross describes compliance and ethics requirements during new employee orientation that includes their certification of the Code of Business Ethics and Conduct (the code). Key Red Cross executives and members of the Board of Governors recertify the code as well as complete a Conflict of Interest Questionnaire on an annual basis. ICE disseminates brochures, website information, videos, ethics advice and training relevant to the program.

• **Advice and Counsel** – ICE and the Office of the General Counsel (OGC) provide practical and legal advice and written opinions on ethics and compliance proactively throughout the year and also in response to questions and concerns raised by employees or volunteers. The vice president of ICE provides regular reports to line of business executives and the Audit and Risk Management Committee of the Board. These reports include data on hotline allegations, organizational trends, and information on major fraud or legal investigations. The general counsel provides ethics training or overviews to the Board of Governors annually.
• **Compliance** – Compliance is the general term that reflects the extent to which an organization adheres to legal, regulatory or policy requirements.

In addition to the regular reports from the vice president of ICE, the general counsel chairs the Center of Excellence for Corporate Compliance (the CECC) that includes all corporate departments tasked with some element of compliance, such as the chief audit executive, the chief financial officer, the chief human resources officer, the senior vice president of Communications, the chief compliance officer for Biomedical Services, the chief procurement officer, the vice president of ICE, and the vice president of Multi-Channel Commerce and Security. The CECC is the one place where the enterprise-wide compliance activities from across the Red Cross meet to review, coordinate and identify national trends and compliance risks.

The Board of Governors has designated the general counsel as “the chief legal, ethics and compliance officer of the corporation.” The vice president of ICE is the day-to-day compliance officer responsible for the management of compliance and ethics operations and the program.
Section 2: The Global Red Cross and Red Crescent Network – Fundamental Principles

The Fundamental Principles of the Global Red Cross and Red Crescent Network are the foundation for our work at the American Red Cross. Each of us has a responsibility to act with these principles in mind:

**Humanity** – The Red Cross, born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavors—in its international and national capacity—to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, cooperation and lasting peace amongst all peoples.

**Impartiality** – It makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavors to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

**Neutrality** – In order to continue to enjoy the confidence of all, the Red Cross may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.

**Independence** – The Red Cross is independent. The national societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with Red Cross principles.

**Voluntary service** – The Red Cross is a voluntary relief movement not prompted in any manner by desire for gain.

**Unity** – There can be only one Red Cross society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.

**Universality** – The Red Cross is a worldwide institution in which all societies have equal status and share equal responsibilities and duties in helping each other.

The American Red Cross is part of the global Red Cross and Red Crescent network, which works to prevent and alleviate human suffering around the world. This network includes national Red Cross and Red Crescent societies like the American Red Cross in almost every country; the International Federation of Red Cross and Red Crescent Societies, which coordinates international assistance; and the International Committee of the Red Cross, which focuses exclusively on areas of armed conflict. The network is united by a shared commitment to the Fundamental Principles.
Section 3: American Red Cross Mission, Vision and Values

The American Red Cross Board of Governors and management revised the mission statement in 2012, as shown below, to declare its noble and humanitarian purpose and goals that have spanned from 1905 to the 21st century American Red Cross.

Mission Statement
The American Red Cross prevents and alleviates human suffering in the face of emergencies by mobilizing the power of volunteers and the generosity of donors.

The Red Cross also introduced a vision statement to describe the organization’s aspirations and direction for the future.

Vision Statement
The American Red Cross, through its strong network of volunteers, donors and partners, is always there in times of need. We aspire to turn compassion into action so that:

- All people affected by disaster across the country and around the world receive care, shelter and hope.
- Our communities are ready and prepared for disasters.
- Everyone in our country has access to safe, lifesaving blood and blood products.
- All members of our Armed Forces and their families find support and comfort whenever needed.
- In an emergency, there are always trained individuals nearby, ready to use their Red Cross skills to save lives.

Along with the mission and vision statements, the Red Cross also delineated the values that are so essential to the organization’s continued success: compassionate, collaborative, creative, credible and committed. While these values are not new to the Red Cross, they provide a common language and foundation to grow on. These values drive how to accomplish the Red Cross goals and how employees and volunteers conduct themselves to execute and achieve the strategic journey.

Values

Compassionate: We are dedicated to improving the lives of those we serve and to treating each other with care and respect.

Collaborative: We work together as One Red Cross family, in partnership with other organizations, and always embrace diversity and inclusiveness.

Creative: We seek new ideas, are open to change and always look for better ways to serve those in need.

Credible: We act with integrity, are transparent guardians of the public trust and honor our promises.

Committed: We hold ourselves accountable for defining and meeting clear objectives, delivering on our mission and carefully stewarding our donor funds.
Section 4: Code of Business Ethics and Conduct

Every organization depends on its positive reputation and good name to succeed. The hard work and dedication to integrity are keys to the preservation and future of the Red Cross. The Code of Business Ethics and Conduct (the code) is the cornerstone of the Red Cross foundation of integrity. It applies to all Red Cross employees and volunteers, who certify their commitment to conform their actions to the compliance and ethical standards when they join the Red Cross.

The code does not describe every law or policy that may apply. Rather, it is an overview of activities or circumstances that employees and volunteers must avoid, as well as a roadmap of how to act in the best interest of the Red Cross. The code recognizes that personal, business or financial conflicts of interest may occur, and outlines the structured conflict of interest process for employees and volunteers to address such conflicts.

Ethics is serious business to the Red Cross. Because of its significance, key executives and members of the Board of Governors recertify the code on an annual basis as well as on a Conflict of Interest questionnaire.

The code provides the following:

The American Red Cross is a not-for-profit charitable organization dedicated to providing services to those in need. The Red Cross has traditionally demanded and received the highest standard of conduct expected and deserved by the American public, and to enable the organization to continue to offer its services, the American Red Cross operates under the Code of Business Ethics and Conduct outlined below. All employees and volunteers are required upon joining the Red Cross to sign the Code of Business Ethics and Conduct form certifying that, in delivering Red Cross services and in all other Red Cross activities, they shall be mindful of the following standards:

- **Compliance Requirements.** All employees and volunteers are required to comply with applicable federal, state and local laws and regulations and with Red Cross policies and regulations.

- **Actions Prohibited by the Code of Business Ethics and Conduct.** No employee or volunteer shall engage in the following actions:
  
a. **Personal Use.** Authorize the use of or use for the benefit or advantage of any person, the name, emblem, endorsement, services or property of the American Red Cross, except in conformance with American Red Cross policy.

b. **Financial Advantage.** Accept or seek on behalf of or any other person, any financial advantage or gain of other than nominal value offered as a result of the employee’s or volunteer’s affiliation with the American Red Cross.

c. **Red Cross Affiliation.** Publicly use any American Red Cross affiliation in connection with the promotion of partisan politics, religious matters or positions on any issue not in conformity with the official position of the American Red Cross.
d. **Confidentiality.** Disclose any confidential American Red Cross information that is available solely as a result of the employee’s or volunteer’s affiliation with the American Red Cross to any person not authorized to receive such information, or use to the disadvantage of the American Red Cross any such confidential information, without the express authorization of the American Red Cross.

e. **Improper Influence.** Knowingly take any action or make any statement intended to influence the conduct of the American Red Cross in such a way as to confer any financial benefit on any person, corporation or entity in which the individual has a significant interest or affiliation.

f. **Conflict of Interest.** Operate or act in a manner that creates a conflict or appears to create a conflict with the interests of the American Red Cross and any organization in which the individual has a personal, business or financial interest.

g. **Retaliation.** Retaliate against any employee or volunteer who seeks advice from, raises a concern with or makes a complaint to a supervisor or other member of management, the ombudsman, the Concern Connection Line, the Biomedical Regulatory Hotline or any other whistleblower program, about fraud, waste, abuse, policy violations, discrimination, illegal conduct, unethical conduct, unsafe conduct or any other misconduct by the organization, its employees or volunteers.

h. **Contrary to the Best Interest of the Red Cross.** Operate or act in any manner that is contrary to the best interest of the American Red Cross.
Section 5: Conducting Red Cross Business

A. Red Cross Corporate Policies

Many of the Red Cross corporate policies and procedures address workplace conduct, including what is expected of employees and volunteers in the realm of ethics and compliance. Summarized below are the key corporate policies and business practices that provide guidance in these areas.

Business Gifts and Entertainment – Businesses frequently want to demonstrate a “common courtesy” in the course of their business with the Red Cross in the form of small tokens such as pens, coffee mugs, calendars, logo sportswear, portfolios, or snacks, and that is appropriate. However, on rare occasions, businesses may cross the line and present situations where levels and types of gifts and entertainment are inappropriate.

The Red Cross Business Gifts and Entertainment Policy provides that no gift or entertainment should be accepted or given if it will obligate or appear to obligate the employee or volunteer to do something that is not in the best interest of the Red Cross. Receiving gifts of cash or cash equivalents is not allowed. Employees and volunteers may not personally accept honoraria when speaking in their official capacity on behalf of the Red Cross. Donations of such honoraria should be given to the Red Cross.

Only the exchange of modest gifts, entertainment or tokens of appreciation is permissible as a part of the ordinary and acceptable business practice between Red Cross employees or volunteers and its customers, contractors, vendors and suppliers. The general rule is that Red Cross employees and volunteers may only accept or give business gifts of nominal value, defined as $75 per event and an annual aggregate total of $250 from specific individuals or external businesses. Red Cross employees and volunteers may accept business gifts that cover the cost of a conference or meeting and the related large group meals, but the Red Cross should normally pay for airfare and lodging.

The timing and context of any gift, no matter what the value, must always be considered, such as whether or not a request for proposal or contract negotiations are in process. The procurement or contract process presents unique ethical challenges for Red Cross employees or volunteers engaged in those processes. If the vendor or supplier is engaged in a procurement or contract negotiation, the Red Cross employees who are involved in that process should refrain from accepting all gifts or entertainment from such companies.

Gifts, complimentary entertainment or meals that are excessive, lavish or outside the limits set forth in the Business Gifts and Entertainment Policy could compromise the objectivity of an employee or volunteer, create the appearance of impropriety and/or violate the law. The conduct to be avoided is accepting the gifts that create a conflict of interest, the appearance of a conflict of interest or a lack of impartiality and fair dealing. The conflict can be either when the employee or volunteer has a personal, business or financial interest in the vendor or supplier providing the gift, or the vendor or supplier seeks to provide a gift because of the Red Cross employee’s or volunteer’s official position with the Red Cross. There are specific federal government ethics rules covering federal employees or officials referenced in the policy.

The roadmap in the policy focuses on the following:

- Is the amount of the gift more than nominal value?
- Is it ethical or legal for the employee or volunteer or the Red Cross as an organization to accept the gift or entertainment?
- Are there any business reputation risks in accepting the gift?
- Does accepting this gift or entertainment reflect positively on the Red Cross, and is doing so in the best interest of the Red Cross?
In summary, understanding what constitutes acceptable business gifts, hospitality and entertainment and conforming conduct accordingly is essential for all Red Cross employees and volunteers. The Business Gifts and Entertainment Policy distinguishes between allowable and unallowable circumstances for accepting or giving business gifts or entertainment and outlines the specific circumstances when accepting or giving business gifts or entertainment is permitted as part of the official Red Cross business relationship.

Compliance and Ethics Policy – The Compliance and Ethics Policy provides detailed information about the Red Cross’s basic expectation that employees and volunteers should comply with laws, regulations and policies. It also provides guidance regarding ethical decision making and the responsibilities of employees and volunteers to each other, Red Cross partners and the clients served. In some instances, failure to comply with laws, regulations and policies can result in sanctions or disciplinary action, up to and including termination in certain situations.

Of particular note is the direction in the policy for Red Cross employees and volunteers to report observed or suspected child abuse and neglect. Given the interaction that Red Cross employees and volunteers may have with children in the course of their work with disasters, shelters, swimming or babysitting classes, blood drives or international programs, it is important to understand the unambiguous direction of how to proceed in the event of suspected abuse or neglect. To that end, the Red Cross enunciated in the policy that it “is committed to protecting children from abuse and neglect.” Red Cross employees or volunteers who observe or suspect child abuse or neglect during the course of their Red Cross job are to contact the ICE Department via the Concern Connection Line (CCL) at 1-888-309-9679 or https://www.integrity-helpline.com/redcross.jsp, or to go directly to local law enforcement immediately if the child is in immediate danger. The Red Cross policy states explicitly that it does not supersede state laws for those specific categories of employees (e.g., all employees, health care workers or teachers) who already have an independent statutory reporting requirement.

Confidential Information – Red Cross employees and volunteers have an obligation to safeguard information relating to Red Cross business operations, clients, vendors, employees and volunteers that should be kept private. In addition, the products, services, ideas, concepts and other information the Red Cross produces are important proprietary assets of the Red Cross and require protection from disclosure to and acquisition by unauthorized persons.

Many of the contracts that the Red Cross has with its vendors contain confidentiality provisions. During contract negotiations, Red Cross often enters into nondisclosure agreements (NDAs). The confidentiality provisions and NDAs restrict the sharing of information to persons within the Red Cross who have a need to know and preclude sharing information outside the Red Cross without the vendor’s consent. Before sharing any information about a contract or contract negotiation, find out about the confidentiality and nondisclosure provisions that may apply. Please contact OGC with questions or for further guidance.

Conflicts of Interest – The Red Cross expects employees and volunteers to act with the highest professional and ethical conduct. This means always consider: what is in the best interest of the Red Cross? While acting on behalf of the Red Cross, employees and volunteers must identify and then disclose any personal, business, or financial interests that are in conflict or appear to be in conflict with the interest of the Red Cross.

Given the complicated business and personal lives of most people, conflicts of interest in the workplace are not unusual. It is not realistic to assume that conflicts can be eliminated, but they can be managed effectively. The Conflict of Interest Policy is designed first to inform employees and volunteers about what constitutes a conflict of interest, and second to conform their actions with the Red Cross “structured conflict of interest process.”
There may be an individual conflict of interest when an individual employee or volunteer has a personal, business or financial interest in any organization that conflicts or appears to conflict with the interests of the Red Cross. In addition, an organizational conflict of interest exists where a vendor or supplier provides the Red Cross employee or volunteer with gifts, entertainment or other personal gain because of their official position with the Red Cross, and intends to benefit the vendor’s company to gain real or perceived preferential treatment by the Red Cross.

Red Cross policy is that the personal, business or financial conflicts of interest must be disclosed and reviewed, and any remediation options be identified to protect the integrity and reputation of the Red Cross and that of the individual. The underlying principle of conflicts of interest is that Red Cross employees and volunteers should manage them.

The structured conflict of interest process includes the following steps to manage a conflict:

1. Identify the personal, business or financial conflict of interest.
2. Disclose the conflict to a manager, OGC or ICE staff.
3. Define any required remediation such as recusal from the transaction or decision, withdraw from outside employment or boards or sale of stock or assets.
4. Comply with the remediation requirement.

This process assures both the individual and the Red Cross that the conflict of interest has been understood and discussed with management and resolved in a mutually acceptable way. Further questions or clarifications regarding the policy may be addressed to the vice president of ICE.

**Drugs and Alcohol** – It is the policy of the Red Cross to maintain a workplace that is free from the effects of drug and alcohol abuse. The Red Cross will not tolerate abuse of drugs or alcohol that imperils the health or wellbeing of its volunteers and employees or the customers it serves, threatens its operation or compromises the safety of its products and services.

While on Red Cross property or while performing Red Cross business, volunteers and employees are prohibited from the use or abuse of alcohol or illegal drugs. Engaging in this prohibited conduct may result in disciplinary action, up to and including termination of employment. If you observe someone who appears to be under the influence, report it to your supervisor, your human resources representative or the appropriate hotline, the CCL or BRL.

**Environment, Health and Safety** – The Red Cross is committed to protecting the environment and the health and safety of people. We will conserve natural resources and prevent pollution by reducing waste, reusing and recycling materials and disposing of all hazardous and other waste in a legal, safe and responsible manner. Additionally, you have an individual responsibility for safety in the workplace. You should perform your work and maintain your workplace in a safe and lawful manner and report any injuries or potential hazards as soon as possible.

Biomedical Services has a written directive requiring employees to report unsafe or unlawful workplace conditions or actions. Under this directive, you are required to report any workplace action or condition that you believe is unsafe or may violate applicable safety laws, regulations or directives to your immediate supervisor, the Biomedical Services Quality Assurance officer, the executive or director of the facility in which you work, the Biomedical Headquarters or the BRL.

**Equal Employment Opportunity (EEO)** – The Red Cross is an equal opportunity employer. We embrace diversity and prohibit any form of unlawful discrimination or harassment. You are required to refrain from making comments or conduct that others can reasonably consider to be harassing or discriminatory. In the event you file an EEO claim or other related claim, you will not be retaliated against for engaging in that protected activity.
Financial Integrity – The Red Cross is committed to providing accurate, timely, and understandable information in public communications. We are further committed to complying with applicable laws, corporate policies and Generally Accepted Accounting Principles (GAAP). Maintaining high standards in financial accounting and reporting practices fosters respect and confidence from stakeholders and the public. At the same time, it ensures compliance with applicable laws and standards governing these activities.

Employees and volunteers are required to properly account for expenses, hours worked, reimbursement requests and any Red Cross assets and resources. False entries on Red Cross records are not allowable for any reason. Undisclosed or unrecorded funds or assets may not be established or maintained. Red Cross books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Red Cross transactions and must conform to applicable accounting and legal requirements.

Intellectual Property and Proprietary Information – Employees and volunteers have an obligation to maintain the confidentiality of the Red Cross intellectual property and proprietary information. This obligation continues even after leaving the Red Cross. Red Cross intellectual property and other trade secrets, as well as classified government information entrusted to us, must be protected. Employees and volunteers may not use a third-party vendor’s proprietary information, regardless of how it was obtained, without proper authorization from the owner.

It is your responsibility to be aware of the concept of intellectual property, including the legal protections of patents, copyrights, trademarks and trade secrets. You must also respect the intellectual property rights of the organization as well as the rights of third parties. The Red Cross owns all inventions, discoveries, know-how and literary and other intellectual property created or developed by employees and volunteers during the course of their employment or service with the organization. All employees, volunteers and agents are required to sign a Confidential Information and

Intellectual Property Agreement that describes their responsibilities and obligations regarding intellectual property. You should report any suspected violations of intellectual property to your supervisor or OGC.

Internet/Intranet/Computer Usage – Security issues have become more complex in the age of computerized information technology. Employees and volunteers must make every effort to protect Red Cross systems from unauthorized access and use. When you access the Internet or send email through Red Cross systems, you automatically include your Red Cross address. Because you are identified with the Red Cross, you have a responsibility to refrain from participating in any activity that could damage the image of the Red Cross.

You have an obligation to use all computer software according to applicable laws and licensing agreements. You are prohibited from transmitting or accessing any information and/or other material that is fraudulent, harassing or obscene, or that violates Red Cross policies. You must also refrain from making unauthorized copies of legally protected software or downloading or installing unauthorized software. Finally, you should report any suspected breach of information technology security to your supervisor or manager, or to IT Security immediately.

Media and Public Inquiries – The Red Cross is committed to providing accurate and reliable information to the media and to the American public. All public disclosures, press releases, speeches and other communications will be honest, accurate, timely and representative of the facts. You are required to forward all media and other external organization requests for information to the Public Affairs and Communications Department at your local facility or national headquarters. Without their approval, you should not speak on behalf of the Red Cross.

Neutrality and Impartiality – The Fundamental Principles of neutrality and impartiality mean the Red Cross does not become involved in any controversies of a religious, political, racial or ideological nature. In particular, the Red Cross does not take sides or engage
in any political campaigns. You have a responsibility to be careful not to inadvertently compromise the Red Cross reputation for neutrality in your activities and interests as a private citizen.

If you participate in political events, you must do so on your own time, and you should not use Red Cross resources or your Red Cross affiliation in connection with these activities. If you are a senior-level employee or volunteer, you should not hold any political position or office that could create the appearance that the Red Cross is not completely neutral with respect to governmental issues or affairs. This is described in more detail in Section 2: Fundamental Principles, of this handbook.

Preventing Violence in the Workplace – The Red Cross does not tolerate any form of violence in the workplace, including acts that reasonably can be perceived as threatening, intimidating, harassing, hostile or abusive. Additionally, weapons of any type are strictly prohibited at all times on Red Cross premises.

Records Management and Retention – The Red Cross adheres to applicable laws, regulations, external accounting controls and best practices for implementing and reporting business transactions. We will never create false or misleading reports or records by deliberately or negligently making false entries or failing to make correct entries. It is the duty of all employees and volunteers to prepare and maintain organization documents and records in a manner that is accurate, complete, honest and timely and in compliance with Red Cross Records Management Policy. This includes the storing and disposing of documents and email and preserving records in response to a records hold from OGC.

Purchasing and Subcontractors – The Red Cross is committed to dealing only with ethical subcontractors and suppliers. Employees and volunteers must follow the purchasing and subcontracting policies established by the Red Cross.

Regulatory – A top priority of the Red Cross is ensuring the safety, security and availability of approximately half of the nation’s blood supply. The Red Cross shares with the U.S. Food and Drug Administration (FDA) a steadfast commitment to this mission.

Employees or volunteers who suspect noncompliance with regulatory or Amended Consent Decree requirements should immediately report concerns to their supervisors or managers, senior management in the business unit or call the Biomedical Regulatory Line (BRL) at 1-800-741-4738. This line should be used to report a concern about the collection, manufacturing, processing, distribution or utilization of blood or blood components. Examples of concerns to be reported include the following:

- Violations of regulations (FDA, OSHA, etc.)
- Falsification of documents
- Training issues
- Quality failures
- Biomedical computer and equipment issues

Whistleblower Protection Policy – The Red Cross Whistleblower Protection Policy explicitly articulates the principle of no retaliation. Retaliation or retribution against any employee or volunteer who seeks advice, raises a claim or concern or reports misconduct to his or her manager, the CCL or BRL; reports through the EEO procedures; or follows any other complaint-taking authority within the Red Cross is strictly prohibited and will not be tolerated. The Red Cross “no retaliation” policy is explicitly articulated in the Code of Business Ethics and Conduct.

The Red Cross will take appropriate action, including termination, against any individual engaging in retaliatory conduct against an employee or volunteer who has truthfully, and in good faith, reported a violation. If you suspect you are the victim of retaliation, you should immediately report the incident to Human Resources, ICE and/or OGC.
B. Red Cross Legal Framework

Anti-kickback – The Red Cross generates revenue from the sale of blood and related services that are reimbursable by Medicare or Medicaid. As a result, the organization needs to be aware of the federal anti-kickback laws governing such transactions. Federal anti-kickback laws prohibit individuals or entities from knowingly and willfully offering, paying, soliciting or receiving remuneration to induce referrals of items or services that are reimbursable by Medicare or Medicaid or any other federally funded program. If a Red Cross unit offers or provides a customer with a discount or rebate in connection with the sale of items or services that are reimbursable by Medicare or Medicaid, please contact OGC to ensure that any discount programs are permissible under the law.

Antitrust – Federal antitrust laws are designed to ensure fair and vigorous competition in the American economy. These laws apply with full force to Biomedical Services and its operating units and could apply to other Red Cross activities. In broad terms, the antitrust laws prohibit the following:

- Agreements not to compete (e.g., price fixing, bid rigging and market allocation)
- Monopolization and attempts to monopolize (e.g., restraints of trade or unfair business practices designed to acquire or maintain a monopoly status)
- Tying and bundling arrangements
- Price discrimination

You have an obligation to avoid questionable activities that put the organization at risk. If you have any questions about antitrust laws or their application, contact OGC for guidance.

Contractors, Consultants and Other Third Parties – All agents, consultants, suppliers and other parties contributing to the Red Cross business or doing business on our behalf represent the Red Cross both directly and indirectly and, as such, are expected to uphold our high standards and values at all times. Red Cross personnel responsible for the selection, supervision and management of suppliers, vendors, and other third parties are accountable to ensure that these entities and third parties doing business on our behalf protect our reputation and adhere fully to the law and ethics and compliance standards and principles set forth in the code.

Economic Trade Sanctions and Anti-Terrorism Regulations – The Red Cross expects its employees, volunteers, consultants, representatives and agents to protect its reputation for integrity in the global marketplace. The Office of Foreign Assets Control (OFAC) administers and enforces economic and trade sanctions based upon U.S. foreign policy and national security goals relating to targeted foreign countries, terrorists, international narcotics traffickers and those who are engaged in activities related to the proliferation of weapons of mass destruction. These sanctions are of particular importance to the Red Cross’s international grants, missions and projects. Any questions should be referred to OGC.

Foreign Corrupt Practices Act (FCPA) – The Red Cross is committed to conducting its activities free from the unfair influence of bribery and to foster anti-corruption awareness among its employees, volunteers and business relations throughout the world. The Foreign Corrupt Practices Act (FCPA) is a U.S. law that prohibits corruptly giving, offering or promising anything of value to foreign officials or foreign political parties, officials or candidates for the purpose of influencing them to misuse their capacity to obtain, keep or direct business or to gain any improper advantage. In addition, the FCPA requires strict internal accounting controls to prevent the concealment of bribery. The Red Cross will follow the law when involved in international business. Any questions should be referred to OGC.

Inside Information and Insider Trading – Insider information is defined as material, confidential (nonpublic) information that you learn through your job at the Red Cross. Insider trading is the illegal use of insider information. You cannot use information gained through your employment or service to the Red Cross for your own financial benefit or to buy or sell securities of another business. Nor can you give insider
information to anyone else so they can benefit financially or buy or sell securities. This rule applies no matter where you live or where the receiver of the information lives.

Examples that apply to the Red Cross include information about the following:

- Anticipated acquisitions
- Regulatory approvals
- Joint ventures
- Product launch dates
- Progress of clinical, field or safety trials
- Licensing agreements
- Contracts or agreements

**Lobbying and Political Activity** – Lobbying activities, which involve contacting federal or state legislators for the purpose of influencing legislation, must comply with relevant laws and regulations. In order to ensure compliance, any lobbying activities on the Red Cross’s behalf must be approved in advance. There are also special laws and procurement rules for ensuring that no federal funds have been paid for lobbying activities. The voluntary involvement of employees in the political process is encouraged, but participation cannot be on official Red Cross time—rather it must be on an employee or volunteer’s own time and expense. Questions about lobbying and political activity should be referred to Government Relations.

**Sarbanes-Oxley (SOX)** – The Sarbanes-Oxley Act (SOX) introduced significant changes to the federal oversight of public companies. Although SOX standards for corporate accountability do not apply to nonprofit organizations, the Red Cross decided to voluntarily implement the following SOX requirements:

- Prohibit a director or officer or any person under their direction to fraudulently influence, coerce, manipulate or mislead any auditor in order to render financial statements materially misleading.
- Require corporations to establish procedures for confidential, anonymous submission by employees and third parties to the Audit Committee regarding questionable accounting or auditing matters. Contact the Concern Connection Line (CCL) at 1-888-309-9679 or https://www.integrity-helpline.com/redcross.jsp.
- Prohibit corporations from extending credit or loans to any director or executive officer.
- Require corporations to create and disclose to the public a Code of Ethics for its CEO and senior financial officers.
- Require that an Audit Committee is directly responsible for the appointment, compensation and oversight of its audit firm and to resolve management auditor financial reporting disagreements.
- Require that an Audit Committee preapprove all services provided by its auditor and disclose preapproval policies and procedures to the public.
- Require that Audit Committee members be independent and disclose this independence to the public.
- Authorize the Audit Committee to hire independent counsel and advisors to carry out its function, if necessary.
- Require that lead and concurring audit partners rotate after five years, with a five-year time-out period.
C. Working With Government Agencies

Government Procurement and Grants – If you are involved in contacting government officials, submitting bids or applications, or carrying out work on government contracts and grants, you must comply with rules for soliciting government business and performing work on contracts and grants. You also must be aware of what you can and cannot discuss with your government contacts during the sales or application process and provide advice about the rules regulating gifts to government employees. OGC or Supply Chain and Real Estate Management should be consulted.

In connection with contracts awarded by the U.S. government, the Red Cross shall comply with all applicable requirements of the Federal Acquisition Regulation regarding subcontracting. In purchasing material for contracts with the U.S. government, employees will comply with applicable laws and regulations, such as the Buy America Act, where applicable. Employees involved in purchasing goods and services for the Red Cross shall ensure that the appropriate contract clauses are flowed down to subcontractors and suppliers in federal grants. Claims or requests for equitable adjustment from suppliers and subcontractors shall be handled fairly and promptly.

Accurately charging labor, material and other costs is essential to maintaining the integrity of customer billings, financial reporting and planning. Deliberately mischarging work time or any other form of timecard fraud violates Red Cross policy and the law. Knowingly charging an unauthorized account or knowingly approving such a mischarge or shifting costs to improper accounts is prohibited. Employees and volunteers are responsible for ensuring that labor, travel, material and other applicable expenses are recorded accurately.

Hiring Former Government Employees – Any discussions or contacts with current or former U.S. government employees (military or civilian) for the purpose of exploring potential employment or consulting opportunities with the Red Cross are subject to federal procurement integrity and conflict of interest laws and regulations. Former government employees hired by the Red Cross may be prohibited from performing certain tasks and duties that relate to their prior responsibilities while employed by the government. Consult with OGC to ensure compliance with these rules. Additionally, only the Human Resources Department handles inquiries from government officials about obtaining employment with the Red Cross.

Relationships With the Government – The Red Cross works closely with many government agencies to provide disaster relief domestically and internationally, assist members of the Armed Forces, and supply blood and blood services. Employees and volunteers must be mindful that specific requirements exist for working with government agencies and government employees.
Section 6: Compliance and Ethics Resources

The Red Cross requires all employees and volunteers to act ethically and responsibly and to enhance a culture of compliance and ethics at all times. If you have a concern about a legal, ethical or business conduct issue, it is important that you address it. To that end, the Red Cross provides multiple options and forums for employees and volunteers to choose based on the nature of their concerns and preference for resolution.

If employees or volunteers suspect or know about misconduct, they should first alert their supervisors or managers. In those cases where they are not comfortable telling their supervisor or manager, the following options are available to raise ethics or compliance concerns or questions.

Human Resources Issue and Dispute Resolution Process – The Red Cross is committed to a work environment where all employees and volunteers are treated with respect and dignity. The Human Resources Department manages an Issue and Dispute Resolution Process that provides a comprehensive method to resolve employee concerns that builds workplace confidence and can produce prompt and fair resolutions. The Issue and Dispute Resolution Process may be for concerns regarding any condition of employment or clarification of any human resources policy or procedure that affects workplace personnel actions or activities. As in all protected Red Cross dispute procedures, employees will not suffer retaliation for acting in good faith to report a potential issue or for assisting in the investigation of a possible issue. For more information, contact the human resources representative responsible for your facility.

Investigations Compliance and Ethics Department – ICE manages the Ethics Awareness Program, and the CCL and BRL hotlines regarding allegations of misappropriation, fraud, waste, abuse, illegal or unethical conduct, violations of safety standards or other Red Cross policies, or any other misconduct. ICE also provides an advice function in the structured conflict of interest process by reviewing ethics complaints or requests for advice. In those matters, ICE staff issues ethics guidance or opinions to employees and volunteers and/or their managers to provide direction in how to handle conflicts of interest or other ethical matters.

Where warranted, ICE investigators conduct investigations that result from hotline calls or direct reports to the vice president of ICE. The investigator assigned will work in conjunction with management to oversee the proper review or investigation is accomplished and any necessary corrective action is implemented. In cases of criminal or fraudulent action, ICE coordinates with local, state or federal law enforcement and any resulting prosecution. ICE investigations, law enforcement referrals and coordination with prosecutors are under the management and coordination of the Office of the General Counsel. The vice president of ICE provides reports to the president and CEO and the Audit and Risk Management Committee of the Board of Governors on a regular basis.

Whistleblower Hotlines – Whistleblower complaints and other compliance or ethics concerns delineated above may be reported by employees, volunteers, vendors and members of the general public to the Red Cross hotlines.

- General corporate matters, such as allegations of suspected misappropriations, fraud, waste, abuse, illegal or unethical conduct, violation of safety standards or other Red Cross policies, and any other misconduct may be reported to the Concern Connection Line (CCL) at 1-888-309-9679. This is a toll free hotline that is anonymous, and confidentiality is generally respected, although not guaranteed depending on the nature of the allegations. In addition to calling, questions or concerns may be submitted electronically via the Concern Connection Line (CCL).
- Improper actions in the collection, manufacturing, processing, distribution or utilization of blood
or blood components may be reported to the Biomedical Regulatory Line (BRL) at 1-800-741-4738, also a toll-free hotline that is anonymous. Confidentiality is generally respected although not guaranteed depending on the nature of the allegations.

**Office of the Ombudsman** – The Ombudsman Office is an off-the-record, confidential resource for any Red Cross employee or volunteer or anyone affected by the programs and mission of the American Red Cross. Talking to the Ombudsman is not “legal notice” to the Red Cross of anything because it is an independent office that is not part of Red Cross management. What you talk about, even the fact that you have contacted their office, will remain strictly confidential, with the only exception being situations in which there is “imminent risk of serious harm”—i.e., where a person is threatening himself or someone else.

As designated neutrals, the Ombudsman staff advocate for fair process, consider the rights and interests of all parties, and do not take sides. They have no personal stake in the outcome of any situation and do not judge, discipline or reward anyone. They work with people to help clarify issues and identify and assess for themselves various options that may be available for constructively raising, addressing and resolving a concern.

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 a person who contacts the Ombudsman wishes to place the Red Cross on notice or to request an investigation or any other management action, Ombudsman staff can provide the relevant information about how to do so. They do not participate in any formal complaint or investigation process and do not follow a prescribed or rigid sequence of steps.

People can contact the Ombudsman when they are unclear about Red Cross policies, processes and procedures and how they apply to them; when they are uncertain where to take a problem involving the Red Cross; when they want an independent facilitator to assist them in working through a problem; or when they feel that they have been unfairly treated or that a Red Cross policy has been applied unfairly or erroneously, or is itself unfair.

The Ombudsman may be reached at 202-303-5399, or toll free at 1-866-667-9331.