President and CEO Dr. Bernadine Healy to Leave the American Red Cross

Board Praises Her Leadership — in Particular During '9-11' Crisis, Innovation in Blood Programs and Drive To Accomplish Strategic Organizational Changes

WASHINGTON, October 26, 2001 — The American Red Cross today announced that Dr. Bernadine Healy, its president and CEO, will retire from the organization on December 31, 2001.

"The decision to leave a great job at one of America's most admired institutions has not been an easy one," said Dr. Bernadine Healy, president and CEO, American Red Cross. "But having directed the American Red Cross through its finest hours following the September 11th attacks and having served as a change agent over the past two years to initiate needed reforms in its key programs, the time now seems right for new challenges in my own career."

Dr. Healy has led the American Red Cross since September 1, 1999.

"Two years ago we hired Dr. Healy to make important changes at the Red Cross," said David T. McLaughlin, chairman of the American Red Cross. "Today, the American Red Cross is a stronger organization, better able to respond in times of disaster, better equipped to ensure the safety and adequate supply of the nation's blood, and better positioned financially and in its top management to meet future challenges because of Dr. Healy's leadership. That she could accomplish so much change in a relatively short period of time is a great testament to her talent."

"With great regret, and even greater appreciation and admiration, we thank Dr. Healy for her vision, her forceful leadership, her compassion under the most challenging circumstances and her tireless dedication to the work of the Red Cross," added Mr. McLaughlin.

Mr. McLaughlin pointed to several programs and initiatives as hallmarks of Dr. Healy's tenure with the American Red Cross.

- **Blood Quality and Supply.** Under Dr. Healy's direction, the American Red Cross has restructured its biomedical services program resulting in a greater focus on patients and donors, improving quality and compliance, and a stronger infrastructure and financial performance. Dr. Healy and Biomedical Services leadership also initiated the strategic blood reserve, a program that will help ensure that the nation maintains an adequate supply of blood, particularly in times of great national crisis.

- **Program Leadership.** Dr. Healy has launched several new programs including planning for weapons of mass destruction, the African Women's Initiative, and Measles in Africa.

- **September 11th.** The American Red Cross moved swiftly to respond to these unprecedented attacks on our nation. First, to ensure absolute integrity and accountability to the donors who gave so generously in the wake of the attacks. Dr. Healy created a separate, segregated fund, the Liberty Fund, instituted aggressive auditing and provided full disclosure of the fund's use.
In addition, she created an emergency grant program for the families of the victims of the attacks, providing cash that families needed for housing, food, medical care and other immediate needs.

- **Financial Strength.** Dr. Healy launched the concept of the billion-dollar, third-century campaign to augment the organization's disaster-relief fund raising. She leaves the organization in significantly better financial shape than when she arrived.
- **Strong Leadership Team.** Dr. Healy has made the American Red Cross a much stronger institution by attracting and promoting new leadership to key posts, combining fresh thinking from outsiders with seasoned Red Cross veterans.
- **Red Cross Brand and Reputation.** Dr. Healy leaves the Red Cross with its highest public affinity since the organization began measuring its reputation.

The Board of Governors will be deliberating over the next several days and is expected to name an acting CEO in the near future who will work with Dr. Healy on a transition through the end of this year. Dr. Healy will retain the title of president. The acting CEO will serve in this capacity until the board selects a permanent president and CEO.

"I have been so privileged to lead the American Red Cross as it entered this third century of service facing third century kinds of challenges," said Dr. Healy. "Together, we do save lives. I leave with the greatest confidence in the leadership team that has been assembled and look forward to continuing to serve in the years to come."

Dr. Healy indicated that her immediate plans involve writing a book on Clara Barton, founder of the American Red Cross. She also will dedicate time being an advisor on weapons of mass destruction preparedness and particularly the threat of bioterrorism.

Immediately prior to her appointment as president and CEO of the American Red Cross, Dr. Healy served as the dean of the College of Medicine and Public Health and professor of Medicine at Ohio State University. She also serves as a medical consultant for CBS News.

Dr. Healy has been professor of medicine at Johns Hopkins University, has served as Chairman of the Research Institute of the Cleveland Clinic Foundation and is a former director of the National Institutes of Health.

The American Red Cross is dedicated to saving lives, easing suffering and restoring hope at home and around the world. Currently operating on a budget of $2.7 billion, the Red Cross annually mobilizes relief to the victims of more than 67,000 disasters nationwide and has been the primary supplier of lifesaving blood and blood products in the United States for more than 50 years. In 2000, the Red Cross also trained almost 12 million people in vital lifesaving skills, provided direct health services to nearly 2.6 million people and delivered more than 21 million locally relevant community services. The organization also assisted international disaster and conflict victims in close to 40 locations around the globe, and its emergency communication centers processed 1.2 million calls in support of U.S. military families.
Red Cross president resigns
Fricion with board leads to Evans’ decision

NEW YORK | American Red Cross President Maude Evans announced her resignation Tuesday because of tension with the board of governors, shortly before witnesses and lawmakers at a congressional hearing accused the charity of misusing funds to aid the disabled. Louisiana congressmen, even some of the Red Cross’s own, called for a full investigation of the organization’s management and financial practices.

Red Cross spokesman Charles D. Evans said the board was not unhappy with Evans’ handling of the hurricane crisis, but failed to report any problems. The board was concerned about the charity’s performance in the aftermath of Hurricane Katrina.

Evans, who served on the board of governors, said the board was not satisfied with the charity’s response to the storm. The board was concerned about the charity’s handling of funds, as well as its response to the needs of affected communities.

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Evans’ predecessor, Bernadine Healy, said she was forced to resign partly because of disagreement with the board. She called for a full investigation of the organization’s management and financial practices. She said the board was concerned about the charity’s handling of funds, as well as its response to the needs of affected communities.

Healy, now a health commentator with U.S. News & World Report, said her departure and Evans’ re-employment reflected serious problems in how the Red Cross board addresses its internal conflicts and clashes with its top executives.

“You cannot have 50 people making decisions,” Healy said.

“The Red Cross is a public trust that belongs to America and must serve America. If there are governance problems, or internal conflicts, or clashes with the board, it won’t be able to do so effectively,” she said.

She noted that the Red Cross is chartered by Congress, and the U.S. president is its honorary chairman. “The only people who can fix it are at that level,” she said.

After the Sept. 11 donation dispute, the Red Cross promised greater accountability, but the unprecedented challenges faced by this year’s hurricanes raised new problems. Critics said the Red Cross failed to respond quickly enough in some low-income, minority areas; others faulted it for failing to cooperate with grassroots organizations.

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On the positive side, the group mobilized roughly 250,000 volunteers in response to the hurricanes, accommodated hundreds of thousands of evacuees in shelters and provided financial aid to about 12 million families.
President of Red Cross steps down

Organization's board had concerns about management

By Bill Nichols
USA TODAY

American Red Cross President
Mark H. Evans, who led the organiza-
tion's response to Hurricane Katrina, re-
signed Tuesday. Evans is one of three
replacements for the charity's board,
appointed the day after it was formed.

Red Cross spokesman Chris
Corbett told the board was not di-
alyzed with Evans' decision to leave.

One Red Cross official, Richard
Wigfall, president of Operation
USA, a Los Angeles-based disaster-
relief organization, said Evans
water will change. "The board is
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Evans, 58, signed a new
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the Red Cross in late April.

At the meeting, Fred.
Natsis, the board's chairman
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"We're not going to change
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The board also named
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