

AMERICAN RED CROSS:
LABOR DISPUTES AND BLOOD SAFETY PROBLEMS

The American Red Cross (ARC) is well known as one of the largest disaster relief organizations serving domestic and international communities in need. ARC is also the largest supplier of blood and blood products in the United States, controlling more than 40 percent of the U.S. blood supply.

Blood drives are big business for ARC. In 2009, ARC had \$2.2 billion in revenues from its biomedical operations. While this addresses a critical medical need, ARC has a horrendous track record of protecting the safety of the U.S. blood supply. Since 1993, ARC has been under a Federal Consent Decree to improve its blood safety practices. Because of continuing compliance problems, the Consent Decree was amended in 2003, allowing the FDA to fine ARC for violations. Since 2003, ARC has been fined \$21 million for repeated safety failures. Decisions on a new round of fines are currently under consideration at FDA.

At the heart of ARC's safety problems are draconian cost-cutting measures that amount to running blood drives like fast-food operations. ARC frequently understaffs blood drives, assigns workers to regular 16 hour days and downgrades its staff by eliminating the most experienced, licensed medical personnel. These labor practices have created a low-morale, high-turnover workplace, increasing the risk of blood safety errors on the job.

ARC's most aggressive anti-worker policies have been directed at more than 3,000 employees who are represented by unions. Between 1996 and 2007, more than 200 unfair labor practice charges were filed against ARC with the National Labor Relations Board (NLRB). Between 1998 and 2007, the Federal Mediation and Conciliation Service (FMCS) found it necessary to intervene 152 times in labor-management conflicts in cases involving 10 different national unions at sites across the country.

In response, unions representing Red Cross workers have joined together to form a coalition that is coordinating bargaining with ARC. The coalition includes AFSCME, AFT, CWA, OPEIU, UAW and USW, as well as several unaffiliated unions, including IBT, UFCW and SEIU. The AFL-CIO Collective Bargaining Department is assisting the coalition by helping to coordinate bargaining and campaign strategy.

Currently, nine local unions have expired labor contracts with ARC. Some of these agreements have been expired for more than one year. Eight more contracts are set to expire by the end of June 2010. ARC is also using delay tactics to stop workers at two locations from obtaining first contracts. This is all part of a clearly stated union avoidance strategy that ARC Human Resources has identified as one of its top priorities.

The AFL-CIO stands in solidarity with all Red Cross workers who are fighting for fair labor contracts and work conditions that improve the blood supply practices. ARC's attempts to implement contract concessions are aimed at undermining workers' rights and silencing the voice that workers have on the job.

The AFL-CIO calls on all affiliates to take action to support ARC blood drive workers. We call on ARC to comply with federal labor law and to begin bargaining in good faith with the growing list of unions that have members working under expired contracts.

We urge affiliates to encourage members to consider donating blood through alternative blood drive operators. We also call on unions to contact their local United Way Agencies and encourage them to communicate their concerns to ARC. It is United Way's policy to urge participating agencies, including ARC, to respect the collective bargaining process. ARC is United Way's largest participating agency, receiving more than \$200 million in support over the past two years.

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