

114TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To improve transparency regarding the activities of the American Red Cross.

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IN THE SENATE OF THE UNITED STATES

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Mr. GRASSLEY introduced the following bill; which was read twice and referred  
to the Committee on \_\_\_\_\_

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**A BILL**

To improve transparency regarding the activities of the  
American Red Cross.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “American Red Cross  
5       Transparency Act of 2016”.

6       **SEC. 2. GOVERNMENT ACCOUNTABILITY OFFICE OVER-**  
7       **SIGHT.**

8       Section 300111 of title 36, United States Code, is  
9       amended to read as follows:

1 **“§ 300111. Authority of the Comptroller General of**  
2 **the United States**

3 “(a) AUDIT AUTHORITY.—The Comptroller General  
4 of the United States is authorized to review—

5 “(1) the internal governance of the corporation;  
6 and

7 “(2) any program or activity connected to na-  
8 tional preparedness, including any program or activ-  
9 ity carried out by the corporation in connection with  
10 events for which the Federal Government provides  
11 leadership or support under the national prepared-  
12 ness system established under section 644 of the De-  
13 partment of Homeland Security Appropriations Act,  
14 2007 (6 U.S.C. 744), or any successor system.

15 “(b) ACCESS AUTHORITY.—

16 “(1) IN GENERAL.—For purposes of carrying  
17 out this section, the Comptroller General of the  
18 United States shall have access to and the right to  
19 examine and copy all records and other recorded in-  
20 formation, electronic or otherwise, within the posses-  
21 sion or control of the corporation that the Comp-  
22 troller General determines relevant to a review au-  
23 thorized under subsection (a), including such records  
24 and other recorded information relating to the finan-  
25 cial transactions and internal governance of the cor-  
26 poration.

1           “(2) INDIVIDUALS.—The Comptroller General  
2           shall be provided access to, and be permitted to  
3           interview, any member of the board of governors,  
4           employee, volunteer, or agent of the corporation  
5           whom the Comptroller General believes to have  
6           knowledge relevant to a review authorized under  
7           subsection (a).

8           “(c) ENFORCEMENT.—

9           “(1) SUBPOENA AUTHORITY.—

10           “(A) IN GENERAL.—If the corporation  
11           does not make available a record, other re-  
12           corded information, or a member of the board  
13           of governors, employee, volunteer, or agent of  
14           the corporation upon a request under sub-  
15           section (b), the Comptroller General of the  
16           United States may issue a subpoena for the  
17           record or other recorded information or to ob-  
18           tain the testimony of the member of the board  
19           of governors, employee, volunteer, or agent.

20           “(B) ISSUANCE.—A subpoena issued under  
21           this paragraph—

22           “(i) shall identify the record, other re-  
23           corded information, or member of the  
24           board of governors, employee, volunteer, or  
25           agent of the corporation sought; and

1                   “(ii) may be issued by the Comptroller  
2                   General.

3                   “(C) SERVICE.—The Comptroller General  
4                   shall have an individual serve a subpoena issued  
5                   under this paragraph by delivering a copy to  
6                   the chief executive officer of the corporation or  
7                   by mailing a copy of the subpoena by certified  
8                   or registered mail, return receipt requested, to  
9                   the principal place of business of the corpora-  
10                  tion. Proof of service is shown by a verified re-  
11                  turn by the individual serving the subpoena  
12                  that states how the subpoena was served or by  
13                  the return receipt signed by the person served.

14                  “(2) ACTION.—If the corporation does not com-  
15                  ply with a subpoena issued under paragraph (1), the  
16                  Comptroller General of the United States, acting  
17                  through an attorney the Comptroller General des-  
18                  ignates in writing, may bring a civil action in the  
19                  United States District Court for the District of Co-  
20                  lumbia to require the corporation to produce the  
21                  record, other recorded information, or member of the  
22                  board of governors, employee, volunteer, or agent  
23                  that is the subject of the subpoena. The court shall  
24                  have jurisdiction of such action and may punish a

1 failure to obey an order of the court under this sub-  
2 section as a contempt of court.”.

3 **SEC. 3. INVESTIGATIONS, COMPLIANCE, AND ETHICS UNIT.**

4 (a) IN GENERAL.—Chapter 3001 of title 36, United  
5 States Code, is amended—

6 (1) by redesignating section 300113 as section  
7 300114; and

8 (2) by inserting after section 300112 the fol-  
9 lowing:

10 **“§ 300113. Reporting and other authorities of the Of-**  
11 **fice of Investigations, Compliance, and**  
12 **Ethics**

13 “(a) IN GENERAL.—There shall be in the corporation  
14 an Office of Investigations, Compliance, and Ethics,  
15 which—

16 “(1) shall be a subcommittee of the Audit and  
17 Risk Management Committee of the corporation;  
18 and

19 “(2) shall report directly to the board of gov-  
20 ernors and the Audit and Risk Management Com-  
21 mittee.

22 “(b) MEMBERSHIP.—An individual who is not a  
23 member of the board of governors of the corporation may  
24 be a member of the Office of Investigations, Compliance,  
25 and Ethics.

1       “(c) EMPLOYEES.—The Audit and Risk Management  
2 Committee of the corporation shall determine, in consulta-  
3 tion with the Chief Executive Officer and the President  
4 of the corporation, the number of employees that shall be  
5 employed by the Office of Investigations, Compliance, and  
6 Ethics.

7       “(d) EFFECT OF TERMINATION OF AUDIT AND RISK  
8 MANAGEMENT COMMITTEE.—If the Audit and Risk Man-  
9 agement Committee of the corporation ceases to exist—

10           “(1) the Office of Investigations, Compliance,  
11 and Ethics shall become a standing committee of the  
12 board of governors; and

13           “(2) the board of governors, in consultation  
14 with the Chief Executive Officer and President of  
15 the corporation, shall determine the number of em-  
16 ployees to be employed by the Office of Investiga-  
17 tions, Compliance, and Ethics.

18       “(e) INVESTIGATIONS.—

19           “(1) IN GENERAL.—The Office of Investiga-  
20 tions, Compliance, and Ethics shall conduct formal  
21 investigations relating to fraud, waste, abuse, cor-  
22 poration policy violations, illegal or unethical con-  
23 duct, or other wrongdoing relating to the corpora-  
24 tion.

1           “(2) ACCESS.—During the course of an inves-  
2           tigation under paragraph (1), the Office shall—

3                   “(A) have access to and the right to inter-  
4                   view any employee, volunteer, or agent of the  
5                   corporation; and

6                   “(B) have access to records and be per-  
7                   mitted to copy all records and other recorded  
8                   information, electronic or otherwise, within the  
9                   possession or control of the corporation, includ-  
10                  ing such records and other recorded informa-  
11                  tion relating to the financial transactions and  
12                  internal governance of the corporation, that the  
13                  Office of Investigations, Compliance, and Ethics  
14                  determines relevant to the investigation.

15          “(f) REPORTING.—

16                  “(1) DEFINITION.—In this subsection, the term  
17          ‘appropriate congressional committees’ means—

18                   “(A) the Committee on Finance, the Com-  
19                   mittee on Foreign Relations, the Committee on  
20                   Health, Education, Labor, and Pensions, the  
21                   Committee on Homeland Security and Govern-  
22                   mental Affairs, and the Committee on the Judi-  
23                   ciary of the Senate; and

24                   “(B) the Committee on Energy and Com-  
25                   merce, the Committee on Foreign Affairs, the

1           Committee on Homeland Security, the Com-  
2           mittee on the Judiciary, and the Committee on  
3           Ways and Means of the House of Representa-  
4           tives.

5           “(2) REPORTS.—The Office of Investigations,  
6           Compliance, and Ethics shall annually submit to the  
7           appropriate Congressional committees, the board of  
8           governors, the Audit and Risk Management Com-  
9           mittee, the Chief Executive Officer of the corpora-  
10          tion, the President, the Comptroller General, and to  
11          any Member of Congress (upon request)—

12                   “(A) a report—

13                           “(i) discussing any trends and sys-  
14                           temic matters that the Office of Investiga-  
15                           tions, Compliance, and Ethics has identi-  
16                           fied confronting the corporation; and

17                           “(ii) providing the number of pending  
18                           investigations by the Office of Investiga-  
19                           tions, Compliance, and Ethics and the gen-  
20                           eral substance of the investigations.

21                   “(B) the final report regarding each inves-  
22                   tigation completed by the Office of Investiga-  
23                   tions, Compliance, and Ethics during the year  
24                   covered by the report under subparagraph  
25                   (A).”.



1           (b) TECHNICAL AND CONFORMING AMENDMENT.—

2   The table of sections for chapter 3001 of title 36, United

3   States Code, is amended by striking the item relating to

4   section 300113 and inserting the following:

    “300113. Reporting and other authorities of the Office of Investigations, Com-  
        pliance, and Ethics.

    “300114. Reservation of right to amend or repeal.”.