

114TH CONGRESS
2D SESSION

S. 3128

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

IN THE SENATE OF THE UNITED STATES

JULY 6, 2016

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

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; and

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, Compliance, and Ethics.

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

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