



Coalition of American Red Cross Unions

August 3, 2016

Gail J. McGovern, President and CEO
American Red Cross National Headquarters
2025 E Street, NW
Washington, DC 20006

Dear Ms. McGovern:

On behalf of the thousands of American Red Cross (ARC) employees represented by our unions, the Coalition of American Red Cross Unions write regarding the urgent matter of ARC's extraordinary failure to pay thousands of employees for the hours they have worked.

ARC's failure to correctly pay earned wages may be in violation of federal and state laws and is causing severe and widespread harm to employees, many of whom live paycheck to paycheck. For many Red Cross employees, a missing or incomplete paycheck may mean that the mortgage goes unpaid, that their children go hungry, or that they need to borrow money just to pay for the gas they need to get to work.

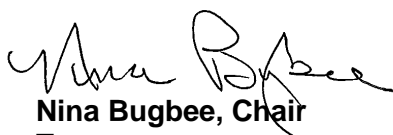
ARC's inability to respond to harmed employees and address its errors is compounding the problem. Employees attempting to contact the service center to report errors with their paychecks report exceptionally long hold times when they call, and are being repeatedly disconnected when they attempt to use the chat option. Those employees that do manage to contact the service center report being shuffled between staff, promised updates that never arrive, and guaranteed pay deposits that are not made.

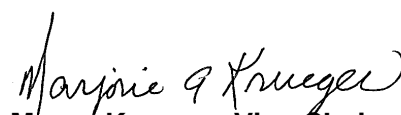
ARC must act immediately to address the harm caused by its unconscionable failure. We demand that ARC:

1. Make cash advances available to all improperly paid employees. Employees must be able to request cash advances up to the amount of their regular pay and make requests by phone. ARC must provide approval of requests within 24 hours and complete the transfer of funds to employees within 48 hours.
2. Provide all improperly paid employees with a \$50 payment to compensate for the disruption to their finances. Additionally, ARC must provide reimbursement for all overdraft charges, late fees and other expenses that employees incur as a result of ARC's failure to provide proper pay.
3. Provide all employees with pay statements that include details on base wages, all premiums, all deductions, and corrections (if applicable) for improper pay so that employees can verify that their paychecks are correct.
4. Conduct an internal audit, to be shared with the union coalition, to determine why ARC was unable to provide employees with proper compensation, which executives are responsible for this failure, and what internal changes are necessary to prevent problems in the future.

Because of the severe and ongoing harm to our members, we demand that ARC provide the union coalition with a response to this letter within 48 hours, including detailed information on how it will address each of our demands.

Sincerely,


Nina Bugbee, Chair
Teamsters


Marge Krueger, Vice Chair
CWA

Gary Gorski, AFSCME
Ellen Wallace, UAW

Ann Twomey, AFT
Dale Parker, UFCW

Rich Franzini, IUOE Local 542
Darryl Ford, USW

Alex Shulman, SEIU