

HPAE WHITE PAPER – JUNE 2011

Protecting Our Nation's Blood Safety and Defending the Rights of Blood Services Workers

Documenting the causes behind the ongoing strike against the
Penn-Jersey Region of the American Red Cross Blood Services Division.
Issued by the Health Professionals and Allied Employees (HPAE), AFT/AFL-CIO.



Health Professionals
and Allied Employees

www.hpae.org ■ 201-262-5005

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INTRODUCTION

Our union, Local 5103 of the Health Professionals and Allied Employees, AFT, AFL-CIO (HPAE) representing Registered Nurses and Donor Collection Assistants, is in the midst of a labor dispute with our employer, the American Red Cross Blood Services Division, Penn-Jersey Region. HPAE Local 5103's contract with the Red Cross' Penn-Jersey Region expired on May 22, 2011. We want to tell you about the work we do. We want to alert you to concerns we have about the Red Cross' policies and practices we believe jeopardize the safety of donors and the blood supply and violate workers' rights and dignity.

Our members went on strike in Philadelphia and New Jersey on May 24th after two months of negotiations with the management of the Penn-Jersey Region.

Central issues for our members are staffing, scheduling, training and conditions we believe jeopardize the safety of workers, donors and the blood supply. At local negotiations, Red Cross demanded that the union waive its right to bargain over health care, a demand that Red Cross has been making in negotiations across the country. In order to avert a strike, we asked that this issue be resolved through binding arbitration. Red Cross refused. Red Cross' demand that we waive our rights to negotiate over health care coverage before they would address our safety concerns is at the heart of what forced our members to go out on strike.

Although its disaster relief operations are the public relations and fundraising face of the American Red Cross (ARC), its blood services division is Red Cross' financial engine. In fact, Red Cross' primary business is selling blood and blood products.

Consider:

- Red Cross is the largest supplier of blood and blood products in the U.S.
- The Red Cross' Blood Services Division, which relies on the generosity of unpaid blood donors, brings in more than \$2 billion a year to Red Cross' national coffers – two thirds of ARC's revenue.
- Seventy-one cents out of every dollar that Red Cross spent on program services in its fiscal year ending June 30, 2010 went to operating its blood services program; less than nine cents of every dollar went to domestic disaster relief operations.
- In some parts of the country, including southeast PA and southern NJ, Red Cross has a virtual monopoly on blood donations.

Our members work on blood drives every day, meeting and talking with potential donors, taking donors' health history and checking their vital signs. They reassure and monitor each donor until they are ready to leave the site safely. Our critical role in meeting the blood supply needs of our communities is heightened during emergencies.



NON-COMPLIANCE: THREATENING BLOOD SAFETY

Since 1993, the Red Cross has been under a federal consent decree by the Food and Drug Administration (FDA) because of recurring non-compliance with safety procedures including donor screening, testing and handling of blood products, component preparations and quality control. The FDA has fined Red Cross \$37 million since 2003 for blood safety violations. The most recent of these FDA fines was issued in June 2010 for \$16 million.

The New York Times

JULY 17, 2008

“In some cases, the lapses have put the recipients of blood at risk for diseases like hepatitis, malaria and syphilis.”

In July 2008, an investigative report on blood safety errors at Red Cross appeared in the *New York Times*. The article referenced more than a dozen FDA reports that cite hundreds of safety lapses at Red Cross, and “shortcomings in screening donors for possible exposure to diseases; failures to spend enough time swabbing arms before inserting needles; failures to test for syphilis; and failures to discard deficient blood.” The article states, “In some cases, the lapses have put the recipients of blood at risk for diseases like hepatitis, malaria and syphilis.” (“Problems Persist with Red Cross Blood Services”, Stephanie Strom, *The New York Times*, July 17, 2008)

In fall 2009, the FDA issued a report on blood safety violations at Red Cross citing 231 “serious and preventable” blood recall events, 64 of which were in the Penn-Jersey Region, where over 4,000 recalled products were involved. The FDA fined the Penn-Jersey Region nearly \$2.9 million, the highest amount of fines imposed on the 27 Regions that FDA cited at that time. Red Cross has not disclosed the ultimate fate of these recalled units, including how many of these unsuitable blood products have been located and removed from the blood supply and how many have been transfused into unknowing recipients.





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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration
Baltimore District Office
Central Region
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June 17, 2010

BY FACSIMILE &
CERTIFIED MAIL
RETURNED RECEIPT REQUESTED

Mr. J. Chris Hrouda
Executive Vice President
Biomedical Services

To: Mr. J. Chris Hrouda
Executive Vice President, Biomedical Services
American National Red Cross

“The purpose of this letter is to notify [The American Red Cross] of FDA’s decision. FDA has identified 230 events in which [The American Red Cross] reported to FDA that it retrieved unsuitable blood components. These events involved a total of 7,359 unsuitable blood components.

The penalty amounts assessed as a result of the violations for each of those years [between 2003 and 2008] is \$525,000 in 2003, \$2,302,000 in 2004, \$3,122,000 in 2006, \$1,728,000 in 2007, and \$80,000 in 2008.

The total fine that the FDA is imposing is \$9,776,000.”

June 17, 2010

Evelyn Bonnin
Director, Baltimore District
Department of Health and Human Services
Federal Food and Drug Administration (FDA)



VIOLATING WORKER RIGHTS

Red Cross workers and their unions around the country believe that deskilling, downsizing, inconsistent training, equipment shortages and unsafe conditions for workers and blood donors have created the following:

- High-turnover ■ Staff shortages ■ Poor morale
- Labor disputes in Red Cross offices and blood drives across the country

Understaffing at Blood Drives

Blood drives sometimes take place at sites that are dirty and excessively hot or cold. Frontline workers complain that staff shortages prevent them from giving donors the care and attention they deserve. In addition, Red Cross' determination to cut health and retirement benefits for its workers has contributed to low morale.

"We get disciplined if we take time off without giving Red Cross at least 3 weeks notice and that includes staying home because you are sick! If I wake up with a fever and think maybe I have the flu, I have to choose between protecting my donors from catching whatever infection I have and getting disciplined for not knowing three weeks before that I would be getting sick. Red Cross seems more interested in punishing its staff than in protecting donors and the blood supply."

*– Fahimah Brown-Mack,
Donor Collection Assistant*

RED CROSS FEDERAL VIOLATIONS AND FINES

1) PENALTY: \$8,000

Reason: Donor Eligibility (BDR question related to CJD was unanswered)

Recall Product: 2-Platelets Pheresis Leukocytes Reduced

Recall #: B-1644-6

2) PENALTY: \$5,000

Reason: Failure to control suspect blood component(s) (product distributed prior to resolution of a quality control failure for platelet yield)

Recall Product: 1- Platelets Pheresis Leukocytes Reduced

Recall #: B-1676-6

3) PENALTY: \$8,000

Reason: Donor Eligibility (failure to defer donor for travel to a malarial risk area)

Recall Product: 1-Red Blood Cells Leukocytes Reduced; 1-Platelets Leukocytes Reduced

Recall Number: B-1717-6, B-1718-6

4) PENALTY: \$10,000

Reason: Donor Eligibility (failure to defer donor for travel to a malarial risk area)

Recall Product: 1-Red Blood Cells Leukocytes Reduced; 1-Platelets Leukocytes Reduced

Recall #: B-0139-7, B-0140-7

5) PENALTY: \$5,000

Reason: Donor Eligibility (failure to defer donor for travel to a malarial risk area)

Recall Product: 1-Red Blood Cells Leukocytes Reduced

Recall #: B-0321-7



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Repeated Labor Law Violations

Between 1996 and 2007, Red Cross employees, through their unions, filed 212 unfair labor practice charges with the National Labor Relations Board alleging that Red Cross violated the National Labor Relations Act. Between 1998 and 2007, the Federal Mediation and Conciliation Service (FMCS) was brought in 152 times in labor-management conflicts in cases involving ten different national unions at sites across the country.



The American Red Cross is embroiled in contentious labor relations around the country. There are more than 23 expired Union contracts nationally and there are six additional contracts scheduled to expire by the end of the summer of 2011 (see chart on page 7). Numerous unfair labor practice charges are pending in a number of states and the number of charges continue to rise. On May 5, 2011, an NLRB Judge found Red Cross guilty of violating the National Labor Relations Act in the case of a charge in the Michigan/Great Lakes Region. The Judge issued an order for the Red Cross to remedy all violations with back pay and interest and to post a notice informing employees that the Red Cross will not break the law in the future.

RED CROSS FEDERAL VIOLATIONS AND FINES (CONTINUED)

6) PENALTY: \$325,000

Reason: Collection (inadequate arm prep; sterility may have been compromised)

Recall Product: 2-Red Blood Cells, 35- Red Blood Cells Leukocytes Reduced, 17- Platelets Leukocytes Reduced, 11-Fresh Frozen Plasma

Recall #: B-0352-7, B-0353-7, B-0354-7, B-0355-7

7) PENALTY: \$4,000

Reason: Donor Eligibility (BDR questions unanswered)

Recall Product: 1-Red Blood Cells Leukocytes Reduced Irradiated

Recall #: B-0550-07

8) PENALTY: \$500,000

Reason: Collection (inadequate arm prep; sterility may have been compromised)

Recall Product: 141- Red Blood Cells Leukocytes Reduced, 5-Red Blood Cells, 2- Red Blood Cells Leukocytes Reduced Irradiated, 13-Whole Blood, 51-Cryoprecipitated AHF, 8- Platelets Leukocytes Reduced, 123- Fresh Frozen Plasma, 29-Plasma Frozen within 24 hours, 7-Plasma Cryoprecipitate Reduced

Recall #: B-0756-07, B-0757-07, B-0758-07, B-0759-07, B-0760-07, B-0761-07, B-0762-07, B-0763-07, B-0764-07

9) PENALTY: \$500,000

Reason: Collection (inadequate arm prep; sterility may have been compromised)

Recall Product: 42- Red Blood Cells, 1- Red Blood Cells (Apheresis), 1- Red Blood Cells Leukocytes Reduced Irradiated, 2- Platelets Leukocytes Reduced, 434-Fresh Frozen Plasma, 85- Cryoprecipitated AHF, 42- Plasma Frozen within 24 hours, 25- Plasma Frozen Cryoprecipitate Reduced

Recall #: B-0876-07, B-0877-07, B-0878-07, B-0879-07, B-0880-07, B-0881-7, B-0882-07, B-0883-07, B-0884-07, B-0885-07



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UNION CONTRACTS WITH RED CROSS

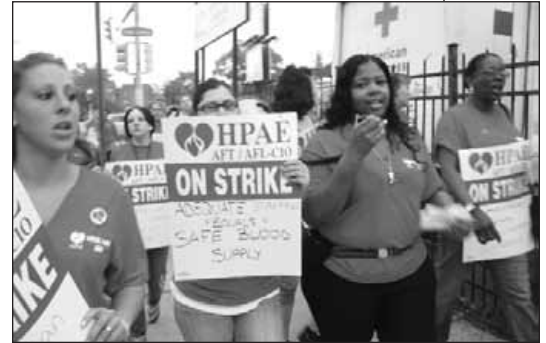
Union	Local	Unit	Expiration	City	State
USW	254	Blood Services	First Contract	Macon, Albany, Columbus	GA
IBT	728	Blood Services	First Contract	Atlanta	GA
AFSCME	31	Blood Services	First Contract	Springfield	IL
IBT	71	Blood Services	First Contract	Charlotte	NC
OPEIU	459	Blood Services	03/30/09	Lansing	MI
AFSCME	3145	Blood Services	03/31/09	New Britain	CT
CWA	1122	Blood Services	03/31/09	Buffalo	NY
SEIU	1199	Blood Services	04/14/09	Columbus	OH
IBT	580	Blood Services	04/30/09	Lansing	MI
UFCW	75	Blood Services	05/31/09	Holland	OH
IBT	25	Blood Services	01/31/10	Boston	MA
CWA	1118	Blood Services	02/28/10	Ballston Spa	NY
SEIU	721	Blood Services	03/01/10	Los Angeles	CA
UAW	771	Blood Services	03/24/10	Troy	MI
CWA	13500	Blood Services	05/31/10	Philadelphia	PA
ONA		Blood Services	06/30/10	Portland	OR
IBT	170	Blood Services	06/30/10	Worcester	MA
AFSCME	1558	Blood Services	10/31/10	Madison	WI
UAW	2232	Blood Services	11/01/10	Manchester	NH
CWA	13000	Blood Services	12/14/10	Pittsburgh	PA
IBT	507	Blood Services	01/21/11	Cleveland	OH
SEIU	1199	Lab	02/28/11	Boston	MA
USW	254	Blood Services	03/01/11	Macon, Gainesville, Douglasville, Albany, Columbus	GA
USW	254	Blood Services	03/01/11	Savannah	GA
SEIU	1199	Collections	03/28/11	Boston	MA
CWA	1123	Blood Services	04/30/11	Ballston Spa	NY
HPAE/AFT 5103		Blood Services	05/22/11	Emerson	NJ
IBT	63	Blood Services	05/31/11	Rialto	CA
AFSCME/ NUHHCE	3652	Blood Services	06/13/11	Baltimore	MD
SEIU	79	Blood Services	06/30/11	Detroit	MI
SEIU	79	Chapter	06/30/11	Detroit	MI
MNA		RNs	08/15/11	Canton	MA
SEIU	521	Blood Services	09/01/11	San Jose	CA
AFSCME	1205	Blood Services	10/31/11	Madison	WI
AFSCME	3931	Blood Services	10/31/11	South Saint Paul	MN
IBT	682	Blood Services	11/15/11	St. Louis	MO
USW	9287-1	Blood Collection	01/01/12	Montgomery	AL
USW	254	Blood Bank	01/12/12	Valdosta	GA
OPEIU	29	Blood Services	03/31/12	Oakland	CA
USW	9287	Blood Services	06/30/12	Birmingham, Huntsville, Montgomery	AL
IBT	929	Blood Services	12/01/12	Philadelphia	PA
IBT	311	Blood Services	12/31/12	Baltimore	MD
IBT	337	Blood Services, Clerical	06/30/13	Detroit	MI
IBT	839	Blood Services	First Contract, unknown	Pasco	WA
IBT GCIU	388	Blood Services	Unknown	Fullerton	CA
IUOE	542	Blood Services	Unknown	Ft. Washington	PA
MESNA/CNA		Blood Services	Unknown	Augusta	ME
IBT	554	Blood Services, mobile unit	Unknown	Omaha	NE



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Underpaying Workers, Overpaying Executives

While insisting that frontline staff accept the gutting of their health and retirement benefits, Red Cross has handsomely compensated their executives. Gale McGovern, President and CEO since April 2008, received total compensation of over \$1 million in 2009. The Biomedical (Blood Services) Division has its own President, Executive Vice-President, two Senior Vice Presidents and a Division Vice President. Together, these five executives were paid \$2.7 million in 2009. Executives enjoy generous sign-on bonuses and relocation assistance.



RED CROSS FEDERAL VIOLATIONS AND FINES (CONTINUED)

10) PENALTY: \$400,000

Reason: Quality Control and distribution (product with unacceptable product quality control)

Recall Product: 1600- Platelets Leukocytes Reduced, 55- Platelets Leukocytes Reduced Irradiated

Recall #: B-0905-7, B-0906-7

11) PENALTY: \$400,000

Reason: Component preparation (plateletpheresis product did not meet specification for platelet yield)

Recall Product: 893- Platelets Leukocytes Reduced

Recall #: B-1257-07

12) PENALTY: \$5,000

Reason: Donor Eligibility (failure to defer donor for travel to a malarial risk area)

Recall Product: 1- Red Blood Cells Leukocytes Reduced

Recall #: B-1298-07

13) PENALTY: \$15,000

Reason: Donor Eligibility (failure to defer donor who was previous HIV positive)

Recall Product: 1- Red Blood Cells Leukocytes Reduced, 1-Cryoprecipitated AHF, 1-Plasma Frozen Cryoprecipitate Reduced

Recall #: B-1363-07, B-1364-07, B-1365-07

14) PENALTY: \$10,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Fresh Frozen Plasma, 1- Red Blood Cells Leukocytes Reduced

Recall #: B-0348-08, B-0349-08

15) PENALTY: \$20,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Cryoprecipitated AHF, 2- Red Blood Cells Leukocytes Reduced, 1- Platelets Leukocytes Reduced

Recall #: B-0350-08, B-0351-08, B-0352-08

16) PENALTY: \$10,000

Reason: Donor Eligibility (failure to defer donor who was previous HIV positive)

Recall Product: 1- Red Blood Cells Leukocytes Reduced, 1- Platelets Leukocytes Reduced

Recall #: B-0354-08, B-0355-08



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RED CROSS FEDERAL VIOLATIONS AND FINES (CONTINUED)

17) PENALTY: \$10,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Red Blood Cells Leukocytes Reduced, 1- Platelets Leukocytes Reduced

Recall #: B-0357-08, B-0358-08

18) PENALTY: \$8,000

Reason: Component preparation: (irradiation not performed in accordance with specifications)

Recall Product: 2- Red Blood Cells Leukocytes Reduced Irradiated

Recall #: B-400-08

19) PENALTY: \$8,000

Reason: Quality control and distribution (failure to perform quality control testing on product)

Recall Product: 2-Red Blood Cells (Apheresis) Leukocytes Reduced

Recall #: B-0406-08

20) PENALTY: \$15,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Cryoprecipitated AHF, 1- Red Blood Cells Leukocytes Reduced, 1-Plasma Cryoprecipitate Reduced

Recall #: B-0487-08, B-0488-08, B-0489-08

21) PENALTY: \$10,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Red Blood Cells Leukocytes Reduced, 1-Fresh Frozen Plasma

Recall #: B-0610-08, B-0611-08

22) PENALTY: \$5,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Red Blood Cells Leukocytes Reduced

Recall #: B-0661-08

23) PENALTY: \$5,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Red Blood Cells Leukocytes Reduced

Recall #: B-0679-08

24) PENALTY: \$15,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Red Blood Cells Leukocytes Reduced, 1-Fresh Frozen Plasma, 1- Platelets Leukocytes Reduced

Recall #: B-0681-08, B-0682-08, B-0683-08

25) PENALTY: \$500,000

Reason: Collection (inadequate arm prep; sterility may have been compromised)

Recall Product: 108-Fresh Frozen Plasma, 192- Red Blood Cells Leukocytes Reduced, 80- Platelets Leukocytes Reduced, 7- Red Blood Cells Leukocytes Reduced Irradiated, 7-Red Blood Cells, 4-Whole Blood CPD, 6-Whole Blood CPDA-1, 44- Cryoprecipitated AHF, 12- Platelets Leukocytes Reduced, 5-Plasma Frozen within 24 hours, 1- Plasma Frozen Cryoprecipitate Reduced

Recall #: B-1004-08, B-1005-08, B-1006-08, B-1007-08, B-1009-08, B-1010-08, B-1011-08, B-1012-08, B-1013-08, B-1014-08

26) PENALTY: \$10,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Red Blood Cells Leukocytes Reduced, 1- Platelets Leukocytes Reduced

Recall #: B-1156-08, B-1157-08



RED CROSS FEDERAL VIOLATIONS AND FINES (CONTINUED)

27) PENALTY: \$15,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Red Blood Cells Leukocytes Reduced, 1- Cryoprecipitated AHF

Recall #: B-1636-08, 1637-08

28) PENALTY: \$15,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Red Blood Cells Leukocytes Reduced, 1- Platelets Leukocytes Reduced, 1-Fresh Frozen Plasma

Recall #: B-1674-08, B-1675-08, B-1676-08

29) PENALTY: \$10,000

Reason: Donor eligibility (incorrect gender assigned; incorrect BDR gender specific questions were answered)

Recall Product: 1- Red Blood Cells Leukocytes Reduced, 1-Plasma Frozen

Recall #: B-2043-08, B-2044-08

CONCLUSION

Here in New Jersey and Philadelphia, we hope to resolve many of the issues that have led to what we believe are deteriorating conditions. We know our community sorely needs more people to become regular blood donors and we are fighting for contract provisions that will allow us to provide the best and safest experience for every donor.

At the same time, we believe the American Red Cross must fulfill its responsibilities, by establishing conditions that allow workers to work safely and effectively. We need safe staffing so drives run smoothly and promptly with safe conditions for our donors. We need work schedules that prevent fatigue and reduce the risk of errors. We need blood drive locations to be clean, safe and well equipped. We need comprehensive staff training, orientation, mentoring and a work environment that will enable the Red Cross to recruit and retain qualified and experienced staff.

For more information or to get involved,
go to www.hpae.org/redcross or call us at 201-262-5005.

"It's not uncommon for us to finish a mobile blood drive around 11pm or midnight, get home at 1 or 2 in the morning and find a voicemail on our telephone telling us that we need to be at another blood drive by 7 a.m. And that blood drive might be as much as an hour drive away. When do we get to take a shower, have something to eat and get some sleep? What does this say about Red Cross' concern for the safety of the blood supply and their staff that they would expect us to work another shift after only two or three hours of sleep at most? Why does a humanitarian organization treat its staff so inhumanely?"

– Megan Milligan,
Donor Collection Assistant