

The American Red Cross And The Liberty Fund: Ethically Stuck Between Accountability And Development¹

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Abstract

Organizations today face increasing complexity in their environment. This situation is at the heart of many institutions nowadays: how to become an ethical decision-making organization. The objective of this paper is to analyze a particularly "ethically sensitive" situation the American Red Cross faced with the Liberty Fund. We will examine this by including three factors: becoming a true mediating institution, keeping to the social contract, and maintaining a community frame of mind. Since the beginning of its foundation, the American Red Cross has been providing emergency services to disaster stricken populations, and this was no different during the September 11th attacks. However, contrary to its usual general disaster fund, the American Red Cross decided to create a separate account for the 1 Billion dollar fund. Yet before this total amount was reached, there was clear dissatisfaction from the public as the ARC announced that not all funds would be spent on this relief effort, and that some funds would be kept for prevention and development: the ARC announced, admitted and apologized for "poor judgment" and that all funds would be for the victims of the event. This paper will analyze the decision process surrounding this decision by the ARC taking into consideration accountability and ethics according to three principals derived from scientific literature on ethics: accountability, procedure and altruism.

1. Introduction

This paper will first present a brief chronology of the events surrounding the Liberty Fund and will also give an overview of the goals of the general disaster relief fund, functioning of the Red Cross and the goals of the Liberty fund. In the second part of the paper, an analysis of the decision making process will be presented considering the ethical question of 1) the creation of the Liberty fund as a separate entity and 2) the choice the Red Cross made of giving all of the money to the victims of the September 11th events without keeping any funds for prevention or development. This analysis will be done by reviewing the literature of business ethics, applying two generally accepted views of ethics (teleology and deontology).

2. Chronology Of Red Cross Actions And Behavior Post 9/11

A chronological view of the actions is helpful to understand a precise time period and provides some structure to the mess. But this linear rendering hides the historical and systemic origins and the ethical consequences. Therefore a chronological view is presented here and a deeper analysis will then follow.

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- The Red Cross initiated an immediate disaster relief response on 9/11/2001. They continued to aid the wounded during the days following the disaster.
- The Liberty Fund, separate from the original Red Cross disaster relief fund, is set up by Red Cross President Bernadine Healy in the days following the attacks to be used solely for the victims of 9/11. This move is said to be “unusual”.
- The Liberty Fund is not greeted with open arms by the Red Cross board, as they did not feel they were consulted before the action was taken.
- More controversy arises when Dr. Healy continues to promote blood donations even though all blood banks are full to capacity, meaning many donations would most likely have to be destroyed, since blood only lasts an average of 42 days. Yet Dr. Healy suggests possible freezing of the blood to prolong its life. Once again, this step is said to be extremely “unusual”.
- The Red Cross announces its intentions to keep all incoming and outgoing funds from the Liberty Fund public to the best of their ability.
- Shortly after the disasters, two top staff members at the Red Cross disaster operations center were fired for “not reacting quickly enough” at the Pentagon.
- Dr. Healy appears at Ground Zero, the Pentagon and the White House on her television advertisements for the Liberty fund. During this time, she gained celebrity endorsements to do the same.
- Cost of immediate disaster relief, including meals for disaster workers and victims reach \$60 Million and are projected to reach \$105 Million.
- September 21, 2001, the first check from the family gift program is issued.
- Late September and early October shows the Liberty Fund grow to approximately \$450 Million after the aggressive fund raising by Red Cross President Dr. Bernadine Healy.
- Red Cross determines that only \$150-\$200 Million will be needed to assist victims of September 11 attacks, with the remaining amount to be used for anthrax threats, military personnel, strategic blood reserves, management costs etc. They also noted that the family gift program within the Liberty Fund would be extended to cover a period of a full year instead of three months.
- In early October, Red Cross intentions of distribution of the Liberty Fund are questioned and face opposition from political leaders and the public. Specifically, the comments of New York Attorney General Eliot Spitzer resounded when he said, “I see the Red Cross, which has raised hundreds of millions of dollars that was intended by the donating public to be used for the victims of September 11, I see those funds being sequestered into the long-term plans for an organization.” Attorney General Spitzer also threatened with a lawsuit against the Red Cross to reclaim 100% of the Liberty Fund for the victims.
- Another controversy arises when the Red Cross delays the sharing of the database of victims and their families to other charities looking to help the cause. NY Attorney General Spitzer once again speaks out saying, “...we have received from the Red Cross a statement that they will be our partner in generating the database that is essential, but I will tell you it has been a tortured process getting them to that point”.
- Darren Irby, Officer of Disaster Communications of the Red Cross responded by saying that the Red Cross had no policy on participation in a shared database and was never before asked to participate in a shared database created by the Red Cross.
- Concern from the American Institute of Philanthropy is shown, because funds are being given to victims who could be in line for multi-million dollar insurance policies. AIP suggests that charitable dollars could be given out as loans that could be later repaid upon receipt of large insurance payments. Dr. Healy responded to this by saying that giving, not lending is the Red Cross policy and that she was not interested in changing. AIP contributes her response to excessive fundraising resulting in the inability to distribute all of the funds due to excess.
- On October 26, 2001, Dr. Bernadine Healy announces her resignation as President of the Red Cross effective at the end of the year. Healy noted, “There were differences on the board.” She also added, “I think the board felt I was out ahead of them in some ways,” referring to her going ahead with the Liberty Fund despite some board members feeling that they had not approved this action.
- On October 30, 2001, the Red Cross announces that it is ceasing “active solicitations” of donations to the Liberty Fund, yet the fund continues to increase to over \$500 Million. On the same day, the Red Cross named Harold Decker interim president as well as engaging KPMG to audit the Liberty Fund.

- October 30, 2001, Decker announces that newly received funds would be deposited in the general Disaster Relief Fund, unless donors specify the money is for the Liberty Fund. Decker also notes that the Red Cross is "...struggling to find the right way to provide assistance to the American people. It can't be perfect. It's fair to say we are learning".
- Moving into November, the Liberty Fund reaches \$564 Million and questions continue to arise about where it's all going. The Red Cross claimed \$300 Million was now set-aside for the victims and the remaining funds would be used for victims of future terrorist attacks and to increase the nation's blood supply for military personnel. Donor intention is brought up and the questions pour on.
- The Red Cross defends its intentions through spokesman Mitch Hibbs saying, "It takes a lot of money to do a lot of work. We believe very much that we are honoring donor intent." They also noted "Yes, we are helping the families, but we're also helping everyone else."
- November 14, 2001 the Red Cross announces its intentions that the victims of the 9/11 tragedies will be the "only priority" of the Liberty Fund. Harold Decker, new Red Cross President also noted, "Americans have spoken loudly and clearly that they want our relief efforts directed at the people affected by the September 11 tragedies.
- November 14, 2001, the distribution plan is conveyed and it is noted that any management, communication or other costs not for the victims of 9/11 will be taken out of the general Disaster Relief Fund and not from the Liberty Fund.
- Mid-November, several U.S. Representatives and Congressmen show support for the Liberty Fund Disaster Relief Fund distribution plan. Included in these votes of confidence is that of NY Attorney General Eliot Spitzer.
- December 2001, the charities finally unite to form a shared database.

3. Goals Of The Liberty Fund And Of The General Disaster Relief Fund

When dealing with the distribution of funds in the case of a non-profit humanitarian organization the distribution goals are almost always set forth by internal criteria of the organization. The International Red Cross/Red Crescent has compiled specific rules for the use of all disaster relief monies and what the disaster relief itself should focus on. Yet, when the terrorist attacks of September 11th massed a disaster that outdid even Mother Nature, a different, more dedicated initiative was taken by the American Red Cross as a result.

Before September 11, 2001, there was an "ever present" disaster relief fund used by the American Red Cross for any type of disaster (tornado, hurricane, disease outbreak, etc.). The goal and the focus of this fund are straightforward and consistent. Disaster relief, on the part of the American Red Cross, focuses on meeting people's immediate disaster caused needs, especially those with emergency situations. When a disaster **threatens or strikes**, the American Red Cross provides shelter, food, and several types of health services, including mental health, to address basic human needs. In addition to these services, the **core** of the American Red Cross disaster relief effort is to assist individuals and families affected by disaster to enable them to resume their normal daily activities independent of further assistance. With the disaster relief funds, the American Red Cross also feeds emergency workers, handles inquiries from concerned family members outside the disaster area, provides blood and blood products to disaster victims, and helps those affected by disaster to access other available resources.

Although these core responsibilities were ultimately determined by the International Red Cross/Red Crescent leaders, it was the American Congress that chartered the original idea of a non-government disaster relief organization in 1905. Congress set forth the idea of an organization to "carry on a system of national and international relief in time of peace and apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other great national calamities, and **to devise and carry on measures for preventing the same**" (www.redcross.org). This is exactly what the American Red Cross has done time and time again, with the September 11th attacks being no exception. One might ask why the American Red Cross is facing adversity. The answer lies not in their relief effort, but in the way that the donated funds were delegated and managed.

3.1. The Creation Of The Liberty Fund

The first action taken by the American Red Cross after the attacks of September 11th was to set up a separate bank account (the Liberty Fund) for the funds to be used in the relief effort. Aggressive fund raising was initiated by the leaders of the American Red Cross, especially on the part of former CEO Dr. Bernadine Healy. It was clear from the start that the American Red Cross was to be a major contributor to the relief effort. The Liberty Fund accumulated a total of a little over \$1 Billion. Yet long before this total had been reached, there was murmuring among the public about how the funds were to be used.

The Liberty Fund, being isolated from the general disaster relief fund, took on a new meaning to the public, the media and the government. But as the statements above describe its mission, “**threatens or strikes**” and “**to devise and carry on measures for preventing the same**”: the American Red Cross had every intention to stick to these statements and to the Congressional Charter by using a portion of the Liberty Fund for prevention of future attacks that may be threatening to the public. Yet, in the public eye, a fund separate from all other funds and seemingly dedicated to the terrorist attacks of September 11th should be used exactly and solely for the relief of all those affected by the disaster. As a result, a dichotomy existed in the distribution goals of the Liberty Fund between the goals of the public and the goals of the American Red Cross. Since the American Red Cross had been accustomed to using disaster relief funds in a consistent manner for almost 100 years now, one might deem that it would be difficult for them to alter their distribution process to satisfy the goals of the public. Friction would arise and resolve would be a long ways in the distance.

One must examine the situation surrounding and directly involving the Liberty Fund to determine the goals of the distribution of the funds. In the history of the United States, only a few events have rivaled the destruction and loss of life during this awful event. For this reason, the American Red Cross knew that an influx of charitable giving would soon begin, as has been the case with many other disasters. With this in mind, the American Red Cross pushed giving even more by using television ads and other types of fund raising efforts distinctly referring to the Liberty Fund and how it has been dedicated to the relief efforts of the September 11th terrorist attacks. The physical boundary between the Liberty Fund and the general disaster relief fund shows a dedication to only the September 11th victims. Since the donors specifically donated to the Liberty Fund, they expected their funds to be used solely for the purpose of aiding these victims. The act of creating a distinction between the two funds creates the “image” that the Liberty Fund should be dedicated to the victims alone and not held on to for prevention of future unrelated attacks. After hearing that the American Red Cross planned on using some of the Liberty Fund for prevention, it became clear that they did not completely understand donor intent. Donors had already seen the “image” of the Liberty Fund and the American Red Cross did not project that same “image” to donors with their initial distribution plan as they did with the fund raising.

After a short debate on this issue, the American Red Cross in fact decided that they would make the victims of the September 11th attacks the sole priority of the Liberty Fund (see annex 1 for a synopsis of the distribution). They also admitted and apologized for poor judgment on this issue, conceding that the public “image” of the Liberty Fund was indeed the correct one. Their intent was consistent with the past goals of disaster relief efforts and their integrity should remain intact. When faced with a disaster of a sort that has really never occurred on this scale, problems may surface that have never surfaced before. With this in mind, it is difficult neither to place any blame on the actions that the American Red Cross undertook nor to place any blame on the reaction of the public but rather to try and understand if the American Red Cross acted ethically in their decision.

4. Ethical Decision Making

For the case of the Liberty Disaster Relief Fund, the American Red Cross had decided that it would continue to function as it did in the past and use some of this fund as a means for prevention of similar terrorist events. This may seem very logical since the American Red Cross follows the International Red Cross/Red Crescent mission and goals, which include the prevention of future disasters and calamities. In this case, keeping a portion of the fund for prevention would be a traditional principal of the International Red Cross and all of its national societies. Yet, when faced with difficult and infrequent situations such as the September 11th attacks,

commitments to traditional principals sometimes have to be modified to satisfy the competing interests of decisions that would lead to taking a non-traditional path. As was obviously shown through the public, there were certainly interests that competed with the traditional principals of the Red Cross. Those who are in a position of authority should always weigh the competing interests against those traditional principals used by the organization. Doing so shows a genuine concern for behaving ethically and also decentralizes the decision-making processes. One cannot forget that the American Red Cross is a non-government non-profit organization, but the public still “owns” the organization in a sense that they are the providers of not only economic resources but also provide skilled labor and experience. When managers successfully use decentralization within the organization, the foundation for the stakeholder model is laid in for-profit organizations. So, in parallel to the stakeholder theory, non-profit organizations, considered as mediating institutions, give the “greater society” (the public) a reputable voice in the decision making process. Returning to the American Red Cross traditions, in such a case as the September 11th attacks, the public should most definitely have a voice in the decisions made concerning the specially designated Liberty Fund.

4.1. Theoretical Views

Ethics is part of every manager’s decision making process nowadays. Beu and Buckley (2001) define business ethics as “comprising the rules, standards, principles, or codes giving guidelines for morally right behavior and truthfulness in specific situations” and accountability as “a mechanism through which societies can control the conduct of their members”. Although these definitions give some guidelines to managers, their application actually lie in the situation where an ethical dilemma presents itself: “one where the consequences of an individual’s decision affects the interest, welfare, or expectations of others (Beu and Buckley, 2001). It can therefore be determined that the American Red Cross had to decide to 1) give all of the Liberty Fund to the victims or 2) give some of the Liberty Fund to the victims and keep some of the money to develop prevention. In the first situation, the decision affects positively the interest, welfare and the expectations of the victims of September 11th but negatively the future victims of disasters in the U.S. In the second decision option, the September 11th victims are positively affected and the future victims also. However, the second situation also negatively affects the donors of the funds as their expectation when giving to the dedicated Liberty fund was that all the funds were to be given to the victims of this event.

In general, two theoretical views are accepted to determine the ethical notion of actions: the teleological approach and the deontological approach (White, 1993). The teleological approach claims that the moral character of actions depend the extent to which the actions will actually help or hurt people. Actions that bring more benefits are “right”. The deontological approach claims that actions are inherently good and others are bad. It is also accepted that both these approaches must complement each other in order to help managers determine if their actions are “ethical” or not, independently of the consequences. White (1993) proposes a pragmatic approach where a manager could follow different steps to help him/her to make an ethical decision. The first step is to “analyze the consequences”: who will be helped, who will be hurt, what kind of benefits and harms will be brought, and what are the short term and long term consequences. This first step refers to the teleological approach. The second step is to “analyze the actions” by measuring them according to moral principles such as fairness, honesty, equality, peoples rights, etc. This second step is more in line with the deontological approach.

According to Mayer (2001) there are three necessities to becoming an ethical decision-making organization: (1) Becoming a true mediating institution. (2) Keeping to the social contract. (3) Maintaining a community frame of mind.

Mediating institutions take on the responsibility of serving as mediating structures between individuals and the “greater society”, otherwise known as the “target market” in the for-profit business sector. In other words, mediating institutions should enable people to understand community, solidarity and self-actualization through the concern for others. Thus the first necessity is to be a true mediating institution. The American Red Cross can definitely be defined as a mediating institution using this definition. Understanding the American Red Cross’s organizational context in which their “business” behavior takes place, the likelihood of failing to make ethical decisions is significantly reduced.

Besides being a mediating institution, the American Red Cross also holds a social contract with the entire public they serve. Social contracts give us the notion to be indebted to our ancestors who have given us so much, to maintain our earth and its inhabitants for unborn generations and to embrace the diversity of humanity. The American Red Cross is bound to this social contract and its reputation has shown a whole-hearted attempt to keep it. Thus, the second factor; keeping to the social contract.

Finally, the third factor to becoming an ethical decision-making organization is to act as a community and not with human personality. If we rely on human personality to make all of the decisions within the organization, relationships will become contractual rather than reciprocal. In the social contract, the term “contract” should be used very loosely as to not confuse the actual relationship it represents. Social contracts were founded on reciprocity and were certainly not meant to convey an impersonal contractual impression. When acting as a community, a diverse level of contribution is made to the decision-making process, leading to a prominent chance of more ethical behavior. Communities are made of individuals who have human personalities, some of which may taint the community with the culture of desire. Yet, when many individuals are faced with doing the “greater good” to promote social responsibility, the idea of acting as a community is most often more than enough to drown out human desire.

4.2. Accountability, Procedure And Altruism

The three factors presented above are linked with the ideas of accountability, procedure and altruism (Stark, 1993). The first point of focus is that of the creation of the Liberty Fund. This was seemingly done in a very hasty manner by CEO Dr. Bernadine Healy, but deservedly so considering the situation. Yet, with honorable intentions, a community frame of mind was not implicit in her actions. The American Red Cross board felt that they were left out of the decision until after the fact and it created friction within the “community”. Yet, a true community will chasten or correct its own when they are acting in an individualistic manner and bring it back to its true form. It certainly took entirely too long for the American Red Cross to do this, again, showing a lack of a community sense. With this decision came a condition of accountability as well. Dr. Healy had irrevocably committed herself to this decision and only learned of the need to justify her actions after the decision had already been made. It lead her to attempt justify her actions rather than looking back and being self-critical. She became defensive, focusing her mental energy on rationalizing past actions rather than looking to objectively view her decisions. The sense of community was tarnished in her actions, yet the social contract was kept in tact and the American Red Cross continued to be a mediating institution.

With the creation of the fund now in the past, the prime focus became the distribution plan of the Liberty Fund. It is here that it became obvious that the traditional principals of the American Red Cross would try be followed, while it was not so obvious that tradition was not necessarily the correct path. The decision was made that the fund would be largely advertised to the public and fund raising would play an enormous part. All of this fund raising and advertising led to the impression that any monies collected would be headed only to the victims of these vicious attacks since a separate fund was dedicated to the tragic events. With such an unprecedented move by the American Red Cross, it seemed that there would also be an unprecedented reaction by the public. An interesting public opinion did in fact arise out of the situation. The reason for the reaction came when the American Red Cross announced it would only use a portion of the Liberty Fund for the direct support of the September 11th victims, a true action upon the traditional perspectives of the American Red Cross. The public now viewed this action as a break in the social contract between the American Red Cross and the donors as well as the general public (considering the donors made up a very large portion of the general public, the two are not very different). With the intense advertising and fund raising, the public considered the Liberty Fund as the fund that would attempt to soothe the suffering of the victims and attempt to get them back on their feet, and not as a fund that would be held on to for some event that may never even occur. This is why the social contract was in jeopardy.

The American Red Cross made a poor choice by not living up to its advertising and paid the consequences through disturbed donors. Here is where it is important to consider procedure and altruism. The two are completely unrelated, but both play an important part in this decision-making process of the American Red Cross. Good procedures, carefully selected and specified, contribute to the fairness of an ethical social system or in this case, a


mediating institution (Salbu, 2000). The Red Cross national societies all follow certain guidelines given to them by the International Red Cross, but much of the procedure is left up to national societies. In the case of setting up a procedure for the distribution of the Liberty Fund, the American Red Cross made the decision to follow through with prior understood procedures for distributing disaster relief monies. As was discussed in the previous paragraph, this procedure jeopardized the all-important social contract between the American Red Cross and the American public. Thus, by extrapolation of Salbu's view of procedure, the American Red Cross failed to portray complete fairness as a mediating institution. It is appropriate to explain the role of altruism in this context. Using the definition of altruism given by Stark (1993) as "the idea that an individual should do good because it is right or will benefit others, not because the individual will benefit from it", we see that this is the foundation of the mission of the American Red Cross. Yet, it is difficult to refrain from speculation that the American Red Cross may have made the decision to retain some of the Liberty Fund for its own benefit. This is pure conjecture, yet it was not out of the minds of many prominent individuals as well as much of the public. In the deepest of our thoughts, we may never believe that this was the intent of the American Red Cross, but the perception of few may cause question in the minds of many, which is another procedural mistake by the American Red Cross. The next portion of this paper goes into slightly more detail on this topic of perception.

In the eye of the beholder, perception is reality. The phrase, "perception is reality" is a phrase branded in the minds of managers in all of the for-profit and non-profit organizational sectors. In the context of the decision-making process that the American Red Cross used, perceptions of both the American Red Cross and the public played an instrumental role in the ethical view of the American Red Cross. On one hand, the public perceived the Liberty Fund as a means to aid victims of a terrible tragedy and only for this purpose. The basis of their giving was founded on this perception. Unbeknown to the American Red Cross, they had created this public perception themselves. This was a crucial oversight and a cardinal sin by any manager in any type of business. All managers, particularly marketing managers, need control the perceptions of their "target market" and need to keep expectations lower than actual performance. The American Red Cross failed to do this by raising expectations so high with all of their advertising that they caused themselves to be put under the public microscope to make sure they would follow through with their claims. On the other hand, we have the perceptions of the American Red Cross about their own actions. The American Red Cross perceived that they were acting in an entirely ethical manner (since prior traditional processes were considered ethical) and also perceived (as an assumption) that the public would not in any way have a differing view on how the distribution of funds should be handled. What is important to note about the perceptions of the public and the perceptions of the company, is that the perceptions of the public are always the correct perceptions. The following quote by former Dow Chairman Robert W. Lundeen in Stark (1993) sheds some light on this subject: "We found that if we were not running our business in the public interest, the public would get back at us with restrictive regulations and laws." Interestingly enough, this came to fruition in the case of the Liberty Fund. After the perceptions had been discussed and weighed, the public contemplated using government restrictions through laws and regulations to forcefully change fund distribution procedures of non-profit disaster relief organizations. Although, these restrictions were never realized, the simple point of fact that they were even contemplated is evidence enough that public perceptions and interests are an excellent source for selecting ethical procedures.

5. Conclusions

It took over eight weeks of convincing before the American Red Cross actually did change the funds distribution procedure concerning the Liberty Fund. In the course of history, many critical decisions have certainly taken much longer than these eight weeks, but the amount of lives that were taken in the few hours of the attacks of September 11th, eight weeks could seem like an eternity to those involved. Since the American Red Cross did eventually conform to public interest and perception, they showed that they were willing to hold to the social contract and showed that they value altruism as well as being a mediating institution. The only issue that they face now is to learn from their mistakes and to refrain from excluding interests that are competing from their traditions. Similar decisions should no longer take eight weeks to resolve, but should now be implicit in their procedures. The American Red Cross needs to be more concerned with public perception in the future and not take for granted that the public generally positively views all actions of voluntary non-profit organizations since they benefit others. Looking at the situation with an overall and all encompassing perspective, the American Red Cross was faced with a

choice between “right versus right” and not “wrong versus right”, but failed to choose the better right (otherwise known as the greater good).

In conclusion, let us return to the original question. Did the American Red Cross act ethically in their situation? Looking beyond the eight-week period in which this occurred and considering their overall course of action, they maintained an ethical standpoint by admitting mistakes and changing their decision. Yet, if we look at the procedures and decisions made within the eight-week period, it seems that behaving ethically was not of particular concern to many within the organization since they perceived that the public thought of them as an ethical organization. It is for this very reason that the American Red Cross was perceived to be taking a step in an unethical direction, but seemingly not completely succumbing to being unethical. 

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Appendix Synopsis Of Distribution Of Liberty Fund²

As of January 30, 2003, the final day covered by the final quarterly report of the Liberty Disaster Relief Fund Distribution Plan, a total of \$1.007 Billion was accumulated in the Liberty Fund. Of this amount, 998 Million was accounted for in donations and the remaining 9 Million is interest income. The following is a break down of the distribution of these funds.

- 1) **Financial Assistance:** \$674 Million of the fund has been allocated to financially assist those directly affected by the 9/11 attacks, and of this amount \$596 has been distributed as of 1/31/03. The majority of the balance was distributed in the 3 months following this report.
 - a) **Families of the Deceased or Mission, Persons Seriously Injured in the Attacks:** As of 1/31/03, \$316 Million has been distributed to these families through the following programs.
 - i) **Family Gift Program:** Used to provide families of the deceased or mission and persons seriously injured in the attacks with basic living expenses not met by other sources. A total of \$209 Million has been distributed by way of the family gift program.
 - ii) **Supplemental Gifts:** Given in conjunction with the Family Gift Program, these gifts were issued to the estates of those killed and to those individuals who were physically disabled as a result of serious injuries suffered on 9/11. Over \$112 Million was distributed through the supplemental gift program as of 1/30/03.
 - iii) **Special Circumstances Gift:** Financial assistance given to extended or nontraditional families of the deceased or mission and for seriously injured persons who were beneficiaries of the Family Gift Program who do not benefit from the Supplemental Gift

² All of what is contained in this synopsis is directly from or related to the quarterly reports given by Senator George Mitchell on the Liberty Fund.

Program or did not receive significant financial assistance from other sources or have other compelling long-term financial needs. Approximately \$15 Million has been distributed in the special circumstances gift program.

- iv) **Additional Assistance Programs:** Several others who did not fall into the original guidelines of the Liberty Fund Distribution Plan have been given assistance of up to 6 months of living expenses, but the total amount of assistance given to these individuals is not determined.
 - b) **Displaced Residents, Economically Affected Individuals and Disaster Responders:** To displaced residents and other financially impacted individuals, including rescue workers, approximately \$284 Million has been distributed. Disaster responders are also eligible for some of the Additional Assistance Programs.
- 2) **Long-Term Disaster Relief Services:** Named the September 11 Recovery Program (SRP), it is planned to bring aid to those with mental health and health care needs (deemed as long-term needs). \$143 Million has been allocated to the SRP. A large portion of this amount has already been distributed and in the next 2 years, the full amount should be exhausted.

In conclusion, approximately \$817 Million was accounted for by 1/30/03 with over \$50 Million allocated for future needs of the victims as well as uncounted funds for the Additional Assistance Programs. Also, the immediate disaster relief (days immediately following the attacks) accounted for approximately \$100 Million that has been distributed. With the total nearing the full amount of donations, it seems the Red Cross has held to its word with the help of Senator George Mitchell. KPMG also audited the account in July of 2001 and found Senator Mitchell's reporting to be accurate at that time.

Notes

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