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Red Cross Ousts Its President

By THE ASSOCIATED PRESS

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NEW YORK (AP) -- Plagued by turmoil at the top, the <u>American Red Cross</u> ousted its president, Mark Everson, on Tuesday for engaging in a "personal relationship" with one of his subordinates. He took the challenging job just six months ago.

The congressionally chartered charity, America's foremost emergency responder, has now had five leaders in the past six years including the interim chief named to fill in for Everson.

Everson, a former corporate executive and commissioner of the <u>Internal Revenue</u>

<u>Service</u>, assumed the Red Cross post on May 29 as the charity sought to restructure itself and bolster its public image following sharp criticism of its response to <u>Hurricane</u>

Katrina.

The Red Cross said its board of governors asked for and received Everson's resignation, effective immediately, after being notified about 10 days ago by a senior executive at the national office about Everson's relationship with a woman on the staff. The woman's name was not released.

"The board acted quickly after learning that Mr. Everson engaged in a personal

relationship with a subordinate employee," a statement said. "It concluded that the situation reflected poor judgment on Mr. Everson's part and diminished his ability to lead the organization in the future."

The Red Cross board, which otherwise had been pleased with Everson's performance, met with him Tuesday before announcing his ouster.

The Red Cross also released a statement from Everson, 53, who is married and has two children.

"I am resigning for personal and family reasons, and deeply regret it is impossible for me to continue a job so recently undertaken," he said. "I leave with extraordinary admiration for the American Red Cross."

Everson's departure continues a trend of rapid turnover atop the Red Cross. The two women who preceded him as president both resigned amid friction with the board of governors -- Bernadette Healy after the Sept. 11 attacks and Marsha Evans in 2005, after Katrina. An interim president, Jack McGuire, served between Evans' departure and Everson's appointment.

"This comes at a particularly critical moment in the history of the Red Cross as they are desperately trying to rebuild their brand name," said Paul Light, a <u>New York University</u> professor of public service who studies charities.

"It will not destroy the organization," Light said. "But it will erode confidence in the Red Cross and thereby in the charitable sector as a whole." The Red Cross board appointed Mary S. Elcano, its general counsel for the past five years, as interim president and CEO. Elcano's past experience includes a stint as executive vice president of human resources with the U.S. Postal Service.

"Although this is difficult and disappointing news for the Red Cross community, the organization remains strong and the life-saving mission and work of the American Red Cross will go forward," said the board's chair, Bonnie McElveen-Hunter.

She said a search committee has been formed to seek a new leader.

The development was a blow to the Red Cross as it was making progress in overcoming image problems arising from its response to Katrina and the Sept. 11, 2001, terror attacks. Addressing complaints that it was at times too bureaucratic and unaccountable, the charity overhauled its disaster-response system and the way it governs itself; its 50-member board will soon be cut by more than half.

The Red Cross also was praised for its role during the recent Southern California wildfires.

"This does not reflect on the organization," Red Cross spokeswoman Suzy DeFrancis said of Everson's ouster. "People felt we were moving forward."

When he took the Red Cross job, Everson embraced it after four years running the Internal Revenue Service.

"My 18-year-old daughter said, 'People will like you now," Everson remarked during an interview in July with The Associated Press.

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Statement of Mark W. Everson November 27, 2007

I am resigning my position for personal and family reasons, and deeply regret it is impossible for me to continue in a job so recently undertaken. I leave with extraordinary admiration for the American Red Cross, the service its men and women provide our nation, and for the humanitarian work of the Red Cross/Red Crescent movement across the world.

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