

certain corporations. The critics argue that the ARC must be especially careful with whom it is willing to partner during times of national disaster so as not to appear to be using a disaster to promote corporate products.

However, an article published in the *Harvard Business Review* states that entities such as the ARC would benefit from greater cooperation and partnerships with private businesses. According to the article, "It's a good thing when companies pitch in after natural or other calamities. It would be a far better thing if they partnered with aid agencies to make plans before disaster struck." For example, Abbott Laboratories and the ARC created a corporate partnership through which Abbott donates pharmaceutical and nutritional products to people in need.

Donation Acceptance and Insufficient Capacity

The American Red Cross has also struggled to develop the infrastructure to support electronic donations during disasters. The ARC's website has become the main source for receiving individual charitable donations. After September 11, 2001, the organization had to expand its web-based infrastructure to accommodate additional traffic. After the tsunami in Southeast Asia, the ARC found itself once again overwhelmed with Internet donations. Internet technology staff was forced to offload some of the expansion capabilities work to contractors in the technology processing industry.

The magnitude of donations for Hurricane Katrina victims was unprecedented in the ARC's history. Internet donors immediately overwhelmed the ARC website's capacity. More than 50 Internet technology staff members worked around the clock to expand capacity six-fold, and the ARC once again outsourced some of the workload.

However, by utilizing mobile phone technology, the American Red Cross raised \$30 million for relief efforts for the 2010 Haiti earthquake via text messages, with over \$2 million donated in the first 24 hours. The ARC partnered with a mobile services company called Mobile Accord to accept millions of donations in \$5 to \$10 increments with a limit of five donations per phone. Michelle Obama and the National Football League both advertised the text message donation system on national television, and the process revolutionized charitable giving.

Dave Clark, the chief technology officer at the ARC, believes that it would be a good idea to partner with various Internet technology firms to alleviate long-term problems regarding online capacity needs, as well as to deter the ARC from dealing with each disaster on a case-by-case basis, thus better serving the increasingly large online donor community.

PROBLEMS WITH BLOOD DONATIONS

The American Red Cross has been scrutinized by the Food and Drug Administration (FDA) for its management of blood donations. The ARC is the world's largest blood steward, controlling 43 percent of America's blood supply and generating over \$2 billion in revenues related to blood and blood products. Red Cross blood is among the safest in the world, but allegations of unsafe practices began to surface in 1993. Because of problems reported in FDA investigations, the ARC paid over \$21 million in federal fines between 2003 and 2008 related to mismanagement of screening and collection as well as failing to discard

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