

Red Cross Itself May Not Know How Millions Donated for Haiti Were Spent: Confidential Documents

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The American Red Cross says it "provided homes" for more than 130,000 Haitians, but acknowledges that much of that is made up of people who went to a training seminar on how to fix their homes, received temporary rental help or lived in shelters like these in Bon Repos, which start to disintegrate after three to five years. Residents say they don't have bathrooms, kitchens or running water.

The documents also raise questions about the accuracy of the Red Cross' count of how many Haitians it helped, concluding the figures on one project were "fairly meaningless."

The American Red Cross is under pressure this week to answer <u>detailed questions</u> from Congress about the spending of nearly half a billion dollars it raised after the 2010 Haiti earthquake.

But internal documents newly obtained by ProPublica and NPR call into question whether the Red Cross itself has an accurate accounting of how money was spent.

The reports, assessments from 2012 of some of the group's health and water projects, conclude that the charity failed to properly track its own spending, oversee projects, or even know whether or not they were successful. The documents also cast doubt on the accuracy of the Red Cross' <u>public claims</u> about how many Haitians the group has helped.

An internal evaluation of one of the group's water and sanitation projects found there was "<u>no correct process</u> for monitoring project spending."

Another report concluded that the Red Cross' figures on the number of people helped in a hygiene promotion project were <u>"fairly meaningless."</u>

The findings parallel ProPublica and NPR's earlier reporting about the Red Cross'<u>troubled</u> <u>Haiti program</u>. The group has so far not given details of how it spent the almost \$500 million in donations for Haiti.

Asked about the internal reports and what the Red Cross did in response to the concerns they raised, spokesperson Suzy DeFrancis said in an email that the group would no longer respond to questions from ProPublica and NPR. (<u>Read the email</u>.)

The consultant who wrote one of the evaluations, Bonnie Kittle, told us the Red Cross followed up by hiring her to train staff in Haiti how to work more effectively.

Here are more details from the reports:

The Red Cross didn't track the work of some of the aid groups it gave money to, at least one of which "<u>mismanaged funds</u>."

As we detailed in our earlier <u>story</u>, the Red Cross took much of the nearly \$500 million donated for Haiti and passed it on to other aid groups, keeping a portion to cover its overhead.

The Red Cross' oversight of some of those grants – \$10 million for cholera projects – was so poor that "at least one partner mismanaged their funds unbeknownst to ARC," one report says, using the acronym for the American Red Cross.

The Red Cross also did not assess whether the cholera projects were effective. "None of the cholera program partner's work has been evaluated by ARC and <u>ARC doesn't know for sure if the objectives were achieved</u>."

Overall, "financial procedures for project tracking ... <u>need to be put in place prior to the next</u> <u>disaster</u> that ARC responds to," another report notes.

One Red Cross sanitation project went so badly, it created what Haitian camp residents called a Red Cross "flood of waste."

The mismanagement of projects had real effects. At one camp for Haitians displaced by the earthquake, latrines provided by the Red Cross were dirty or did not work, and community members reported an "'<u>ARC flood' of waste</u> from a latrine when it rained."

The \$1.5 million water and sanitation project that is the focus of the report was "neither efficient nor sustainable as the quality of hygiene promotion is <u>severely lacking in all sites</u>." The project "lacked a clear vision and strategy, leading to challenges and delays in contracts, procurement, finances."

One part of the project that did work well was paying cash to Haitians living in camps after the earthquake for work cleaning up latrines. Giving residents work responded to a "<u>serious</u> <u>need</u>."

The problems in Haiti were often the result of bad management by Red Cross officials in Washington.

In explaining the troubles in its Haiti program, the Red Cross has <u>previously cited</u> the challenges of operating in one of the world's poorest countries, particularly confusion over land ownership and title.

But the internal assessments lay much of the blame on American Red Cross headquarters in Washington. The report on health projects found: "In large part because of the centralized decision-making, most if not all of the directly implemented projects in Haiti are <u>behind</u> <u>schedule</u>."

The report notes that around the time the report was written, 20 out of 24 of the Red Cross' delegates – the charity's senior employees in Haiti – decided not to renew their contracts. "Poor, inadequate, slow support from NHQ [national headquarters] was also regularly cited as a reason for poor morale." The result was a churning of expats who never fully grasped how to operate in Haiti.

"Delegates don't get a chance to understand Haiti – the development context in which they work," the report notes. "New delegates make changes in policies/approaches when they arrive which compromises project/program quality."

The Red Cross' cholera prevention program "likely helped <u>save</u> <u>many lives</u>" but the response to the epidemic was still "too slow."

As we noted in our original story, the Red Cross and other groups lagged in responding to a cholera epidemic as thousands of Haitians died. The newly obtained documents help fill out the picture.

One aspect of the Red Cross' response went well, a hygiene promotion project that was already underway and was quickly re-focused on battling cholera: "The rapid scale up of cholera prevention activities in the camps likely helped <u>save many lives</u>."

But Red Cross' main project responding to cholera struggled with recruitment, procurement, and even basics <u>like setting up an office</u>. Overall, the report found: "Response to this epidemic was <u>too slow</u>, especially for a relief and emergency response organization."

If you have information about the Red Cross or about other international aid projects, please email justin@propublica.org.

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