
Media Malpractice – How the Press Has Tried to Kill the Red Cross' Haitian Relief Effort

05 August, 2015

Armed with nothing but distortion and phony metrics, the national media have created the latest victim in the US's philanthropy wars – the Red Cross.

ProPublica and NPR recently claimed that the Red Cross' Haitian relief project was one big effort in message manipulation that was long on funds raised – and overhead incurred – but woefully short on results obtained. In their report, these media outlets asserted that the Red Cross promised to provide tens of thousands of permanent homes for Haiti's earthquake victims, never knew how to do it (or knew how to perform a myriad of other relief tasks), outsourced projects and additional overhead to local partners (allegedly doubling overhead in the process), and then only wound up building six new homes at the end of the day. Now Congress is investigating and the Red Cross – otherwise famous for its on the ground response to disasters -- is playing defense.

What a joke.

Because the report's conclusions are entirely false.

In 2010, the Haitian earthquake effectively made 1.5 million Haitians homeless. The Red Cross jumped into the breach and raised \$500 million to fund its relief efforts. Those efforts included a pilot new-home building project along with projects to provide clean water and sanitation, help stop the spread of communicable diseases, create temporary structures for emergency housing, repair street lights and education facilities, and stimulate the local economy. By all accounts, the amounts raised and the work undertaken made the Red Cross a champion among on-site activists in the wake of the quake.

Now, however, the Red Cross is being lambasted because it raised enormous amounts of money when – as the NPR/ProPublica report asserts – it only built six permanent homes. Piling on, the Washington Post later called this the Red Cross's "American Versailles."

Too bad these ostensible journalists didn't dig a little deeper.

Because the six houses built were part of a pilot project that, once completed, the Red Cross and its local partners realized could not effectively solve the housing problem. Put simply, the "new houses" plan wasn't, in the parlance of disaster relief, "scalable," in part because there was no available new land on which to build them. You could not put up enough new homes to either house the displaced or stimulate a housing construction boom that

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would do so. Local leaders and architectural experts – whose opinions were not included in the reporting – recommended that the Red Cross repair existing structures, rather than starting from scratch building new ones. So the Red Cross listened, and, along with its local partners, did what smart activists on the ground do when they discover Plan A is failing. They switched to Plan B. This involved more temporary structures and repairs to existing ones, which ultimately housed more of the homeless. Here's what Plan B achieved:

- Emergency shelter for 860,000 people;
- Repaired homes, retrofitted homes, provided rental subsidies, provided relocation for another 54,215 people;
- Transitional shelter for an additional 30,850 people;
- Upgraded shelters for another 25,130 people;
- Neighborhood renovations (roads, bridges, sanitation, electricity and more) to an additional 21,794 people;

ProPublica shows unflattering photos of the transitional shelters (each with four walls, concrete floors and a roof), but not photos of the make-shift tents that they replaced, and without comparing how vastly many more people can be given shelter in these as opposed to permanent homes. How does ProPublica recommend deciding on the lucky ones that should have received permanent homes and the unlucky that should have stayed in their tents?

Though the NPR and ProPublica report also slammed the Red Cross for engaging outside partners – which, they claimed, resulted in the “outsourcing” or “doubling” of overhead – this too was a claim high on hype and low on facts. Indeed, the claim was so overwrought that other outlets asserted the Red Cross had “collected nearly half a billion dollars. But they had a problem. And the problem was that they had absolutely no expertise.”

False again. In fact, doubly so.

On the one hand, overhead was hardly over the top – and certainly not doubled. The first problem the local activists in Haiti faced was a simple one – they had no money. So the Red Cross, tapping its enormous donor base and banking on a pristine reputation only now sullied by media malpractice, went out and raised it – nearly \$500 million of “it” to be precise. And at extremely low costs of fundraising. Then the Red Cross worked with locals to insure the money was properly spent and the projects were completed. This got the street lights turned on, housing built to a scale sufficient to the problem, the diseases interdicted, and the economy stimulated. To be specific, the Red Cross, working with 47 local partners:

- Provided more than 70% of the funds needed for Haiti's first cholera vaccine, which reached 90,000 people and supporting cholera treatment centers;
- Prepared over half a million people for future disasters;
- Spent \$148.5 million in the first six months alone on life-saving services and supplies like water, food, medical services, and tarps to people displaced from their homes;
- Helped repair, construct, or operate eight hospitals and clinics, including a \$5.5 million contribution for Mirebalais University Hospital, run by Partners In Health. For 27 months following the earthquake, the Red

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Cross paid for salaries and operating expenses at Bernard Mevs Hospital Project Medishare, to ensure services were not interrupted;

- Spent or committed \$48 million to job training and creation, cash grants, small business support, and other livelihoods programs in Haiti. With more than half of Haiti's population under the age of 24 and high levels of youth unemployment, improving access to economic opportunities is essential;
- Provided water, sanitation, latrine construction, waste collection and other hygiene-promotion services to 556,000 Haitians, complementing the Red Cross housing work. What good is a new home without running water or appropriate sanitation solutions?

And sure, the locals had some overhead and so did the Red Cross. But neither could have done the job alone, and had either tried, both would have failed.

In other words, had NPR and ProPublica had its way, there would have been less overhead but no results.

And 130,000 people in Haiti would still be homeless.

Because you can't produce results without overhead.

On the other hand, the overhead in this case was perfectly reasonable, outsourcing and local partners included. Claims of over the top overhead are now – unfortunately -- de rigueur when it comes to evaluating charities. They are also silly. Low overhead is not remotely a sign of effective philanthropy. In fact, the opposite is the case because, generally speaking, charities with historically low overheads also have high employee turnover rates and greater staffing issues. The administrative costs are low but the charities are not as effective.

None of this made it into the Washington Post or onto NPR and Pro/Publica's radio report.

To hammer home its point about excessive overhead, ProPublica spotlights the salary of a Red Cross project manager in Campeche who "was entitled to allowances for housing, food and other expenses, home leave trips, R&R four times a year, and relocation expenses. In all, it added up to \$140,000." Ironically, ProPublica itself is a charity that recognizes the importance of investing in staff and overhead. In 2014 its President made \$376,782. Its top eight executives made over \$2.04 million, or an average of \$255,000 each.

In the meantime, Congress has promised to "hold the Red Cross accountable" and the Red Cross has had to divert program funds in order to fend off false charges of mismanagement and manipulative messaging. Representative Rick Nolan (D) has called a congressional investigation to look into Red Cross fund appropriations in Haiti. Maybe, however, he and his fellow legislators should focus more on what's false in the critiques and less on phony overhead metrics and false claims of message manipulation.

There are, after all, still homeless earthquake victims in Haiti. And the American Red Cross is still helping them.

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TAKE ACTION TODAY

- Contact Representative Rick Nolan directly to offer your support of the Red Cross and their efforts in Haiti – via email at info@nolanforcongress.org or by phone at 218.355.0738
- Support your friends at the Red Cross by denouncing this unbalanced reporting. Comment on the Atlantic article, or the NPR/ProPublica Report here: <https://www.propublica.org/article/how-the-red-cross-raised-half-a-billion-dollars-for-haiti-and-built-6-homes>
- Call ProPublica at 212-514-5250, or email Justin Elliott (justin@propublica.org) the report's co-author, and voice your opinion about their imbalanced report on charities.
- Call NPR at 202-513-2073 and ask for co-author Laura Sullivan to voice your opinion about their imbalanced reporting, or tweet her at @LauraSullivanNPR.