

Red Cross in critics' cross hairs

When Americans stepped up to help victims of Hurricanes Katrina and Rita, most wrote the check to the American Red Cross.

By Martha T. Moore, *USA Today*
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The nation's largest disaster-relief organization has received more than 70% of the \$1.7 billion Americans have donated to hurricane relief: \$1.2 billion has poured in to the Red Cross since Katrina hit the Gulf Coast on Aug. 29.

The Red Cross has sent 172,000 volunteers to run shelters, feed evacuees and give money to families. It opened 1,150 shelters; this weekend it was still housing 7,139 people in 81 shelters. It has given cash to 1.1 million families.

But with visibility has come scrutiny and some criticism:

- In Mississippi and Louisiana, people have complained that the organization is hampered by regulations, unreachable by phone and absent from hard-hit tiny towns along the Gulf Coast.
- In the world of non-profit organizations, where Red Cross fundraising is considered extraordinary, other agencies want it to commit some of its money to longer-term rebuilding of the devastated region or share the wealth with non-profits that will.
- And after appealing for donations to house displaced people in hotels, the Red Cross belatedly disclosed that the government would reimburse it for \$100 million in housing costs.

Keeping up

So many people need help that the Red Cross has struggled to keep up. On New Orleans talk radio, caller after caller complains about not being able to get through on the toll-free lines to register for help.

Even before Hurricane Rita hit on Sept. 24, says Wilbert Roy, 65, from New Orleans' Algiers section, the phone lines were jammed. "When you want something from them, you can never get through," he says.

With Katrina, the Red Cross began a new system of taking aid applications over the phone. Evacuees get the money by going to a Western Union location.

"We could wait until we built a system that was big enough to handle the demand or we could launch what we had and build it as we went along," says Joe Becker, the head of disaster response for the Red Cross. "Did we frustrate people? Yes. ... But we were out there and we were providing all that we could do with what we had."

The Red Cross added a second phone number and now has almost 1,500 people staffing three call centers.

Red Cross rules

In small rural towns, the Red Cross has been slow to arrive, in the opinion of some who needed help. Pearlinton, Miss., population 1,684, was destroyed by Katrina but received no Red Cross help for weeks. A Florida state disaster team set up a shelter in a school, but the Red Cross said it was unsafe and declined to run it. "They've got their rules, and they can't deviate from them," Jeff McVay, a Florida worker, told the Associated Press. The shelter is being run by CityTeam Ministries, a California group. The Red Cross has provided supplies.

Becker, the Red Cross' senior vice president for preparedness and response, says the magnitude of the disaster stretched the organization. "We had some areas that we couldn't get to as quick as we would want to," he says.

Red Cross volunteers' adherence to rules frustrates some relief workers. In Pearlinton, the Red Cross initially objected to the school shelter because it lacked a dehumidifier. In Harrison County, Miss., it would not set up shelters in advance of the hurricane because the county is in a flood plain, county emergency management director Col. Joe Spraggins says. So the county set up the shelters, and after the hurricane, the Red Cross arrived. But work has been hindered by Red Cross rules, he says.

When food arrived two days after Katrina, Red Cross volunteers would not deliver it to shelters because they weren't allowed to drive after dark. "The Red Cross volunteers at the shelters were begging us to help them," Spraggins says. Police and firefighters delivered the food and water to the shelters.

Red Cross disaster response spokeswoman Renita Hosler says that if a disaster area is without power, knocking out street and traffic lights, and roads are covered in debris, "it would absolutely make sense that the vehicle has to remain parked until the daylight hours."

The fact that the Red Cross has taken in more than two-thirds of all donations to hurricane relief is "unprecedented," says Trent Stamp, president of Charity Navigator, a philanthropy watchdog. "We've never seen that before in any disaster of any sort, here or abroad."

The Red Cross raised eyebrows by soliciting contributions to shelter hurricane victims without disclosing that it would be reimbursed by FEMA. "It does seem like they should have been straightforward about it," says Stacy Palmer, editor of the *Chronicle of Philanthropy*.

The \$100 million the Red Cross expects from FEMA is a small amount compared with the \$2 billion it is likely to spend on hurricane relief, she adds.

The Red Cross also will seek reimbursement for an estimated \$10 million that it spent on medical care in shelters, duties normally handled by local public health agencies, Becker says.

Urged to share wealth

Rebuilding the Gulf region is such a huge task that other organizations are questioning whether so much of the donated money should go to a group with a focus on short-term relief. "This is not simply a competitive scrum for who can scarf up the most charitable donations, but where should the money go to make the rebuilding of that region possible," says Rick Cohen of the independent National Committee for Responsive Philanthropy. He'd like the Red Cross to share the wealth.

The Red Cross says absolutely not.

For one thing, it has raised only half of the \$2 billion it says it will need. If that goal is met, "We would tell America, we have enough money and please share it with other non-profits," Becker says.

Getting the Red Cross into rebuilding communities is "asking them to become a different operation," says Elizabeth Boris of the Urban Institute's Center on Non-profits and Philanthropy. "What happens if another hurricane comes along? Who's going to focus on that?"

Contributing: Matt Kelley in New Orleans

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