

# Haiti: Second USAID Contractor Suspended Following Caracol Housing Debacle

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Image from internal USAID document, caption reads: "Site flooding due to improper drainage"

On March 25, 2015, USAID [suspended CEEPCO Contracting](#) – which had been working on shelter programs in Haiti – from receiving further government contracts, pending the outcome of an ongoing investigation. CEEPCO joins Thor Construction, which was [suspended in early February](#). The investigation concerns faulty construction practices related to 750 houses built in Caracol, Haiti by USAID. CEPR Research Associate Jake Johnston reported in February [for VICE News](#):

CEEPCO's CEO is Harold Charles, a Haitian-American who was formerly one of the Haitian government's representatives to the Interim Haiti Reconstruction Commission (IHRC), run by Bill Clinton and meant to be in charge of the \$10 billion in earthquake relief. The IHRC had initially approved the USAID shelter program back in December 2010.

Charles also enjoys a close, personal relationship with Haitian President Michel Martelly. In an interview in 2013, Charles said, "I do know and have very close friends up through the highest ranks of government," adding, "Martelly is a childhood friend of mine." One former government official in Haiti said in an interview, "this was seen as a deal that would please Martelly."

Despite the initial assessment in August, 2014 that revealed the construction problems, USAID extended CEEPCO's contract for work at other shelter sites in Haiti this past January. CEEPCO's contract for the Caracol site was awarded without competition. A Freedom of Information Act (FOIA) request for the justification document is ongoing. A FOIA request for the initial assessment documenting the problems with the houses was recently responded to, but USAID withheld the entire document that was sought, citing the ongoing legal investigation.

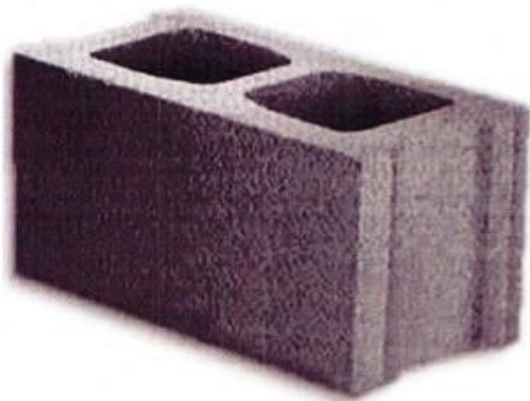
Though the investigation continues, many thousands of Haitians continue to live in the poorly constructed houses. A contracting document from November, 2014, stated that repairs must be "carried out immediately in order to prevent possible harm to residents." But it is unclear if meaningful remediation efforts have taken place. An internal document reveals that many of the identified problems would require serious structural work to the houses.

In November, Tetra Tech, another U.S.-based firm, received a \$5 million contract to oversee the repair efforts. The firm has been performing structural evaluations of the houses in

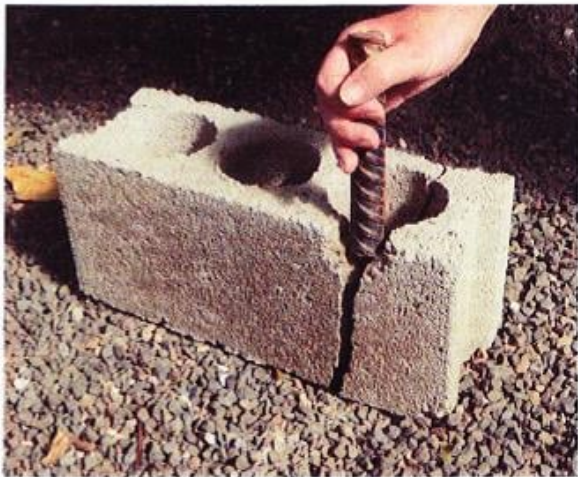
anticipation of a future legal suit. One draft document, prepared by Tetra Tech and obtained by HRRW, details 29 instances “of material substitutions, field design changes, lack of quality assurance/quality control (QA/QC) and lack of quality workmanship.”

Among the myriad problems: concrete blocks far below required strength; drainage pipes not installed as designed; water and sewage pipes not separated; lack of ventilation blocks; wrong materials used for roofing; wrong materials used for framing; as well as more cosmetic deficiencies.

Item #	Design Requirement	Issue with Resolution	Extent of Issue
21	Masonry compressive strength to be 1500 PSI, per drawing S-3.	Compressive strength below required PSI. Per CEEPCO meeting notes	All houses



Example of manufactured masonry block that meets the design requirements



Example of the typical, locally handmade, 600 psi masonry block used for the housing units

Image from internal USAID document, showing sub-standard concrete used.

This is also revealing as it shows CEEPCO was aware of the substandard materials used by the construction contractor, Thor. CEEPCO was responsible for construction management as well as some site work, such as water and sanitation. Although CEEPCO managed to hold off USAID for a few months longer than Thor, both contractors responsible for USAID’s model housing program have now been suspended.

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