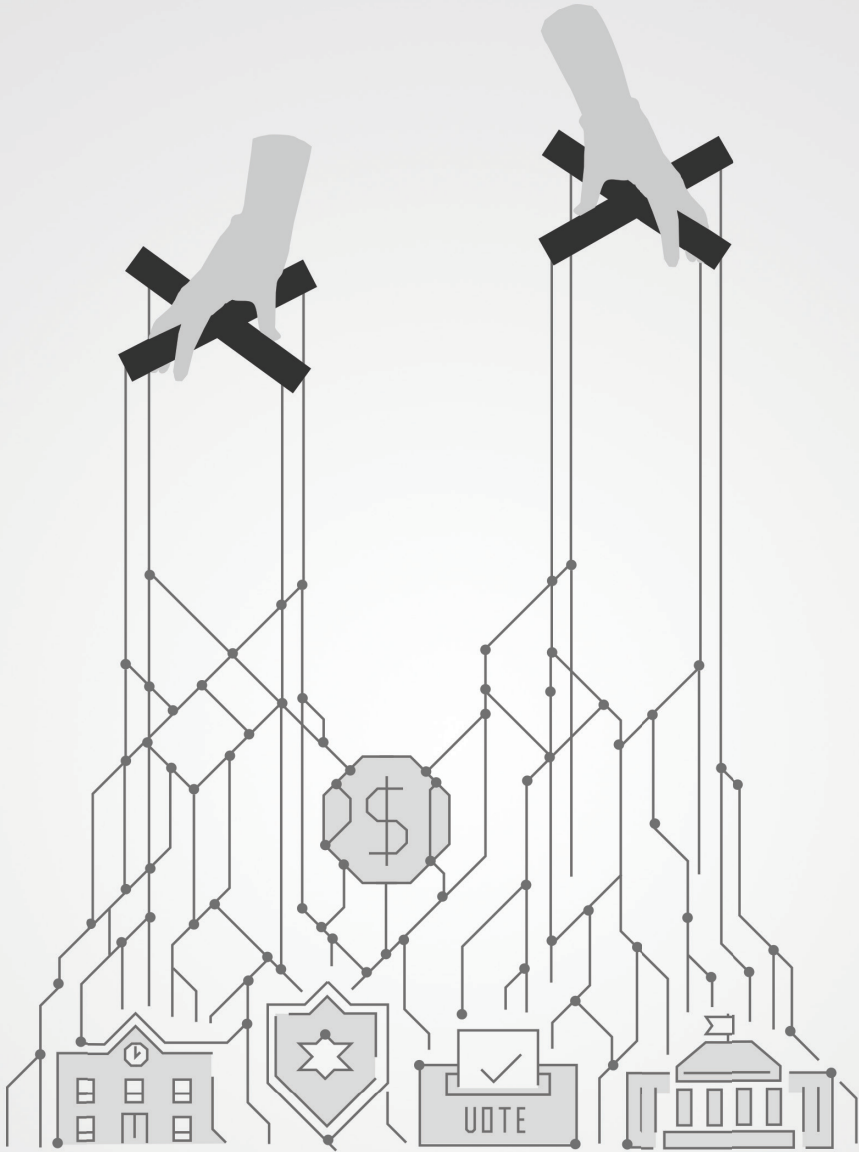


AMSTERDAM & PARTNERS LLP



EMPIRE OF DECEIT

Vol II: Web of Influence

WEB OF INFLUENCE

Empire of Deceit Series: Book II

AMSTERDAM & PARTNERS LLP

THIS MATERIAL IS PREPARED BY AMSTERDAM & PARTNERS LLP ON
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Foreword

“You must move in the arteries of the system without anyone noticing your existence until you reach all the centers of power. You must wait until such time as you have gotten all the state power, until you have brought to your side all the power of the constitutional institutions in Turkey.”

Fethullah Gülen

In the years since we first published Volume 1 of Empire of Deceit, a comprehensive survey of the Fethullah Gülen charter school network, the issue of public education has become a wildly controversial third rail in American politics. School boards have become war zones, oversight, and legislation a battlefield. Rightly or wrongly, more and more parents are demanding greater transparency and greater involvement, not just over their ideological perceptions of curriculum, but also how taxpayer funds are raised and spent to educate the next generation of Americans.

In the background of these distracting culture wars being fought over history, race, sex, and gender, there is a looming, monstrous scandal hiding in plain sight, one that is intersectional in nature, concerning and threatening to parents across the political spectrum. This is the evisceration of public education by unscrupulous

for-profit charter school operators, which in many cases have defrauded, stolen, or wasted billions in taxpayer dollars that would otherwise have been used to the benefit of students.

In report after report, charter school fraud has been rigorously documented and exposed. The long-overdue wake-up call has been ringing, and yet, nobody has been answering. But could that be possibly changing?

Following the election of President Joe Biden in the 2020 election, a new cabinet was formed including the new Education Secretary Dr. Miguel Cardona. On the campaign trail, Biden had promised to bar for-profit charter schools from receiving federal funding, while Dr. Cardona has been known for a moderate, non-antagonistic posture toward charters when he served as Commissioner for Education in the state of Connecticut. Thus far, the administration appears focused on separating nonprofits that operate charters from the for-profit management companies which are able to rack up administrative fees with very little oversight and extract further profits from the education system - which is, unsurprisingly, a standard practice at most Gülen-linked schools. It remains to be seen how successful the administration will be in curbing abuse by the worst offenders, but public pressure will remain key to holding back the tide of lobbyists being funded by the Saylorburg-based imam.

There have also been encouraging developments on the law enforcement front. There have been dozens of high-profile prosecutions and convictions of individuals engaged in charter school fraud. We've seen Mike Madigan, the former speaker of the Illinois House of Representatives and one of Gülen's most trusted

proxies, indicted by federal prosecutors on unrelated racketeering and bribery charges. In early 2022, the Federal Bureau of Investigation (FBI) conducted a raid on the home of Congressman Henry Cuellar. Rep. Cuellar had been involved in the infamous influence-peddling scandal which resulted in the 2019 criminal conviction of top Gülen lieutenant Kemal Oksuz, who worked for one of the imam's many false front NGOs (among a slew of other charter school positions). It seems likely that other members of the organization may still be under investigation.

In the wake of the devastating coronavirus pandemic, there has been a significant increase in the urgency to address this cult's abuses of the US public education system. Following the passage of the CARES act and subsequent stimulus packages, there was suddenly \$13.2 billion in emergency relief funding provided to all public elementary and secondary education schools, including charters.^[1] For Fethullah Gülen and his cult of followers, the crisis represented an opportunity to expand their racket by redirecting hundreds of service contracts to their affiliated vendors.

According to the CARES Act, the priority for school districts is to digitalize their curriculum and ensure that students have access to devices that allow them to follow course materials from home. However, digital spending is at states' discretion, and, critically, the funds will not be administered through the federal e-grant program, which would have ensured further oversight controls.^[2] The configuration of CARES and the way the funds are distributed opens the door for Gülen-backed companies and organizations to profit at taxpayers' expense. One school official already expressed concerns about vendors seeing the money as a "slush fund."^[3]

The lax regulations surrounding the Paycheck Protection Program (PPP) were of particular consequence that allowed for large-scale loans with little to no oversight. Charter advocates rushed to point out that those schools that received “inadequate” funding through the CARES Act were still eligible to additionally apply to the PPP as “small businesses.” This captures the hypocrisy within the charter school sector writ large, as charters continue to claim they are just public schools and deserve the same level of state funding as other public schools, but when it is financially in their benefit to be viewed as small companies, they are quick to shift into private businesses. Our investigation identified at least 40 of the Gülen charters who received both CARES Act funding and lucrative PPP loans ranging anywhere between \$500,000 and \$10 million.

While the program itself was abused by large corporations across the country, one of those corporations receiving the maximum amount was Magnolia Education and Research, the Gülen run charter chain in California. After reviewing the applications filed by the schools, we saw numerous issues including inflation of staff numbers, as well as multiple applications being filed by the same business administration or owner - both representing violations of the program’s requirements. In July of 2020, the Washington Post referenced a study showing that charter schools and their management organization “won at least \$925 million in federal coronavirus funding.” The SBA has opened investigations into some of the larger corporations, complaints have been filed against any of the school’s that have shown significant discrepancies in their staffing numbers.

At the same time, we believe that the pandemic will likely increase the growth of virtual charter schools as distance learning is used

to mitigate virus outbreaks. This sector was largely unexploited by Gülenists until early 2020 when they opened the Oklahoma Information and Technology School (OITS). Virtual schools are relatively new, but they have gained popularity in recent years. More importantly for the movement, virtual schools present new opportunities for corruption, as any sort of transparency and oversight over a “virtual school” is inherently more complex. As charters are funded on a per-student basis, virtual charters around the country are already under investigation for inflating attendance numbers to bring in additional state funding.

The first Gülen virtual charter school opened in February 2020, and it is already being investigated for illegally accessing students’ personal information from the state database and sharing it with a third party.^[4] This case represents the first opportunity to lodge a criminal complaint against a virtual school, as a concrete example of administrators putting the student’s well-being and safety at risk.

Despite all this activity, it is difficult to say if the authorities will remain focused on delivering oversight and accountability of the Gülen charters, especially given the profound disinformation being circulated by the cult’s figureheads and spokespersons, such as the celebrity athlete Enes Kanter, among others.

When I was originally asked to begin an investigation into Gülen’s network of charter schools, businesses, and non-profits, one year before the 2016 coup attempt, I was openly skeptical. How could a single imam living in Pennsylvania so profoundly influence American politics and the U.S. education system? How could he have



accomplished such a feat, and how, still today, does he continue to get away with it and avoid penalties and oversight?

Only when I sat down with American parents and educators who for years had been warning of the cancerous growth of the Gülen cult—frightened parents and teachers who had come to grasp the extensive reach of their political power—did I understand and appreciate the full power and reach of his network.

In the previous book, we conducted a detailed investigation which uncovered innumerable cases of fraud, kickbacks, deceit, money laundering, the siphoning of public funds for private benefit, witness intimidation, phony real estate practices, forgeries and grading manipulations, discrimination against non-Turkish teachers, and systemic H-1B visa abuse. The charter sector, though

intended to make space for innovation in education, is ripe for exploitation by groups like Fethullah Gülen Terror Organization (known by its Turkish acronym, FETO), who see accessible funding and regulatory flexibility as an opportunity to pocket public money with no one noticing.

However, abuse within the schools themselves is undergirded by a dedicated propaganda campaign masterfully orchestrated by a group known as “The Alliance for Shared Values.” This group has spent millions of dollars developing a narrative of the Gülen movement that does not match the reality of the activities occurring within the movement.

When we began our research, we could not have imagined the scale and sophistication of the Gülen network. The more we encountered people who had seen this behavior up close, the more we saw the lengths the movement was willing to go to silence terrified whistleblowers. The clearer it became, the Gülenists’ public image did not match up with their behavior. We experienced their attempts at intimidation ourselves, from legal threats to anti-Semitic attacks.

Our research’s cumulative product enabled us to put together a comprehensive and expansive report on the Gülen charter schools as they currently stand in the United States. This book lays out the results to elucidate the movement’s charter school operation’s full extent.

While the schools are very much on the radar of local reporters, most public officials and charter school advocates continue

to view these schools' problematic management as isolated incidents. As a result, communities are left on their own to confront the Gülen charter network, which has far more resources, capacity, and experience with the system than small groups of unsuspecting parents, teachers, and local officials. Some communities have had success in keeping unwanted and unnecessary Gülen schools out of their districts. However, to hold the Gülen movement fully accountable, we will need an equally coordinated and committed effort and greater national attention to shine a light on the entire network's activities as well as the global presence of FETO – not just the individual schools.

Our first book contained a request, which we reaffirm here: we ask that authorities at the federal, state, and local levels stop accepting the under-the-radar donations to their political campaigns and begin actively investigating the information from public records that we have brought to their attention. It has been heartening to see parent groups, teacher advocates, and former students come forward to denounce the unaccountable and abusive nature of many of these Gülen schools. Communities are coming together to report around the schools' dangerous activities to demand accountability and prevent new schools from opening in districts where they are neither wanted nor needed.

During these troubled times, our call to action is more urgent than ever. As the United States responds to the unprecedented global pandemic crisis, one key area of concern is avoiding interruptions in our children's education. State and local governments across the nation are dispensing billions in emergency funds to help schools implement remote learning. This transition will be hardest

on communities that are already vulnerable, where families lack the resources to stop work to homeschool their children or to access the internet or the technology needed to participate in digital educational programming.

We have seen the Gülen movement take advantage of families' vulnerabilities in the past. With so much extra funding on the table, we have no reason to believe Gülen schools will prioritize their students when they can just as easily pocket the money rather than help families afford tablets and internet access. With Gülen schools' history of overpaying vendors affiliated with the movement for supplies and services and failing to even account for materials already purchased, we are deeply concerned about the potential for increased exploitation and abuse. Right now, many American communities are in highly precarious positions, and parents who send their children to Gülen-affiliated charter schools need our help to protect themselves and their families.

Please treat this information critically. Do not accept it at face value. Challenge it, ask questions, and explore the sourcing and citations. We believe you will find, as we have, that the more research you do, the more concerned you will become. Every team member has become personally convinced that we must force these schools to disclose the hidden agendas our research has uncovered. We must put an end to their phony real estate practices, their systemic visa fraud violations, their inflated kickbacks, tithes, and suspect subsidies. We must carefully monitor taxpayer money to ensure it is used to educate American children—not fund a foreign agenda in no way in the American national interests.

Preface

“The more I found out, the more I freaked out... No one wants to think their kid’s public school is part of some international conspiracy. We were just a bunch of hicks from Utah. We did not know anything about Turkey.”

Kelly Wayment, a Beehive Academy parent.

Parents of students at schools like Beehive Academy—a Utah-based charter school affiliated with Fethullah Gülen’s movement—are right to be concerned. The patterns Kelly Wayment saw firsthand—favoritism of particular students and neglect of others, a lack of accountability for underperforming teachers, little transparency around decisions that affect their children—coupled with insistent praise from public officials and the media are indications of a systematic effort to cover up wrongdoing on a massive scale. Discrimination against marginalized students and rampant financial mismanagement was only the tip of the iceberg. Funneling money from Azerbaijan to fund a congressional trip, facilitating arms deals, confiscating the passports of Turkish H-1B holders, and forcing them to contribute to political candidates—our research took us down a winding road from the disturbing to the bizarre.

This book builds on our previous forensic methods to examine the relationship between Gülen charter schools and the Gülen

movement's political machine in the United States. This formidable and highly organized lobbying apparatus seeks, among other things, to build official support and goodwill for its activities and to ensure that Gülen charter schools remain subject to little or no oversight. Neither the schools nor the influence machine is designed to be suspicious or to raise concerns. In fact, many local officials do not even realize that the schools are administered and controlled almost exclusively by Turkish men who are committed members of the Gülen cult. Too few Americans know who Gülen is, let alone understand the breadth and scope of his charter schools, including the fact that their children may be attending a school that is being controlled and operated by his followers.

As this book will reveal, the Gülen cult is not an "interfaith dialogue community." It is a massive transnational criminal organization with a suspect agenda that includes a highly effective and organized political operation in which schools, cultural organizations, political contributions, and business interests each play a critical and intentional role.

The group's claim to represent an approach defined by "interfaith" is even more egregious when the schools themselves use blatantly discriminatory practices. Gülen charter schools have been shown to encourage and enable racism, segregation, and inequality with their involvement in "white flight" institutions featuring severe underrepresentation. "White flight" academies can be defined as schools located in school districts that are urban and diverse but enroll a predominantly white student body. In North Carolina, the State Board of Education awarded Triangle Math and Science Academy \$1 million. Triangle, a Gülen school,

has only 20% black and Latino students in a district where the communities represent about 61% of the population.

This book analyzes these types of methods used by Gülenists to defraud the American public education system at the expense of the taxpayer, harming students, parents, teachers and sapping local communities of much-needed resources. Still, we must note that financial fraud in charter schools is not new and is undoubtedly not monopolized by Gülen schools. Plenty of other charter schools that are not affiliated with the movement have committed similar crimes and have been investigated, penalized, and prosecuted. Our investigations, however, conclude that fraud, manipulation, and deceit make up the modus operandi of Gülen-operated schools. Despite alarming allegations and investigations by the press as well as government and education agencies pointing to unethical and potentially criminal behavior, the schools in question have, for the most part, managed to fly below the radar of the authorities and largely avoid public scrutiny.

The research that went into this book was extensive and varied in its approach. We conducted over a hundred interviews with individuals who interacted with the schools, including parents, former students, community organizers, local journalists, and former teachers and staff both inside and outside the Gülen movement. We sought to hear from both sides of the “school choice” debate throughout the research process to minimize biases during our investigation.

We communicated with parents who voiced concerns about how their children had been treated and issues with high teacher turnover and communication problems with the administrators. In



several instances, we traveled across the United States to meet with American teachers who had lost their job with no warning to less qualified, newly arrived Turkish men who had not applied for the position and were not certified to teach in the United States. We heard from multiple business owners that have had their contracts overlooked despite providing the most competitive bid on contracts, as well as community leaders concerned about these corrupt practices that reduce available funds for public education in their state.

We also conducted numerous interviews with former FETO members – often at significant personal risk to themselves and their

families in Turkey. These courageous individuals provided us with critical insight into how the movement operates in the United States. They gave details on how the process works, what life was like when they first arrived in the United States, and how they were assigned their teaching positions. Though they faced intimidation during and after their time inside the movement, they chose to speak to us despite their fear of retaliation because they believe what they saw was wrong.

We repeatedly attempted to directly contact any of the schools' informal letters, calls, and emails, but to no avail. As a result, we were forced to use the Freedom of Information Request Act to gather as much information as possible regarding their staff listings and their original applications, contracts, and visa information.

We appointed a specialist research firm specializing in sifting through political donations, which was especially useful in detailing the systemic approach that members of the Gülen movement take to donating to campaigns and organizations. This firm was also able to outline the patterns of donations to a number of politicians and these individuals' tendency to accept all-expense-paid trips to Turkey and change their positions on the movement and its charter schools upon returning to the United States.

Finally, we relied on publicly available documents such as court filings, pending lawsuits, tax records, state audits, and indictments. These documents were crucial in showing the systematic pattern of fraud and deception of FETO and its affiliated organizations. Newspaper articles also proved to be helpful in our research.

They allowed us to appreciate the extent of Gülenists' operations in the country. Paradoxically, local newspapers turned out to be more helpful than more widely distributed national outlets. Because local media reports on events happening in their own communities, it was easier for them to give firsthand accounts of the full activities of Gülen charter networks, from the cultural organizations' advocacy to get applications approved to the abusive real estate deals used to set up the schools, to the financial mismanagement endemic to the schools' operation.

Web of Influence seeks to answer two simple questions - how did it become possible for a foreign leader of a secretive religious cult to build such a charter school network, and what can be done in the future to stop him and those like him? We hope that the facts which are revealed in the following chapters are able to shed a light on this deeply concerning problem.

Endnotes: Preface

[1] Gleeson, Patrick. "The CARES Act and Public Education." *MultiBriefs*, 1 Apr. 2020, exclusive.multibriefs.com/content/the-cares-act-and-public-education/education.

[2] Ibid.

[3] Modan, Naaz. "Ed Leaders: CARES Act's \$13.5B for K-12 Coronavirus Relief 'Not Enough.'" *Education Dive*, 27 Mar. 2020, <https://www.educationdive.com/news/analysts-cares-acts-135b-for-k-12-amid-coronavirus-outbreak-not-enough/574873/>.

[4] Martinez-Keel, Nuria. "OSBI to Investigate Dove Charter Schools." *The Oklahoman*, 22 Feb. 2020, <https://oklahoman.com/article/5655515/oklahoma-department-of-education-reports-dove-to-osbi>.

Chapter 1

The previously mentioned cases have two things in common. First, they illustrate the different ways in which charter schools have been and can be exploited for financial gain. However, those examples are merely the tip of the iceberg and represent a fraction of the fraud in the Gülen movement's involvement in the charter sector. There have been countless reports, both from state authorities and the press, highlighting the financial opacity and improprieties of these 250+ charter schools. It is no surprise that various control entities have investigated many of the schools, and the findings have consistently been damning. Yet the actual enforcement mechanisms of these control entities have proven time and again to be more noise than action. The schools often are given a year to "fix" any issues, and the follow up from government entities has been lacking. However, the most important aspect of the scandals in schools in Utah, Ohio, and Alabama is their connection to Fetullah Gülen and his disciples.

Fetullah Gülen is a Turkish Islamic scholar and cleric with a controversial past. Over the years, he has built a global socio-political movement with a network of over 1500 schools in more than 120 countries.^[1] At first glance, Gülen's vision has so far been commercially successful, with over 250 charter schools

in the United States operated and controlled by his supporters. FETO is no stranger to notoriety in Turkey, as many of its members, including Fetullah Gülen himself, are wanted by the Turkish Government for their participation in the attempted coup against President Erdogan in 2016, in the United States they remain largely unknown. This is accomplished by refusing to recognize the existence of such a group, using words like “influenced by” or “supporters of” this ever-growing cult rather than having a formal membership.

To help the reader, we have created profiles of some of the most well-known and influential movement members. Those profiles depict a clear picture of individuals who do not hesitate to break the law to achieve their financial and political objectives. Throughout the book, we track these individuals’ activities, connecting them to the broader patterns of the schemes perpetrated by the movement as a whole. Below, we introduce the Gülenists whose names will pop up again and again in the middle of real estate fraud, related party transactions, money laundering, discrimination, and abuse of public trust. Soner Tarim is, once again, a key figure: in addition to following Tarim’s exploits throughout a range of examples of financial mismanagement and misconduct, we have devoted a full chapter to his activities as the “Chief Operating Officer” of the movement in the U.S, as one former member of the movement referred to him.

None of the identified individuals affiliated with the Gülen schools have been as successful as Soner Tarim, a Turkish national whose links to Gülen go back several decades. As the former CEO of one of the most successful Texas charter schools’ chains, Tarim first

appeared on our radar in his application to the Texas Education Agency to open one of his first charter schools in early 2000. On the application, Tarim refers to his experience as a program coordinator from 1988 to 1991 at the Azizye High School, a private institution that Fetullah Gülen founded in the 1980s.^[2] According to the public record, this connection is not mentioned in any of Tarim's other applications since, nor is any tie to any Gülen "inspired" institution.

In 2000, Tarim launched Harmony Public Schools (HPS), a network of charter schools in Texas that focused on providing STEM education for elementary and high school students. With Tarim as CEO and superintendent, HPS saw massive success, growing its network to 54 schools in the state and enrolling as many as 34,000 students. HPS is now the biggest chain of charter schools in Texas. It boasts a 98% graduation rate and a 100% college acceptance rate for graduating seniors.^[3] Also, HPS has been the recipient of several prestigious awards, including the National Title I Distinguished School Award for closing the achievement gap and a Broad Prize nomination.^[4]

According to parents, however, the reality of Harmony's operations does not match its reputation. We travelled to Texas and held interviews with parents, former teachers, and local journalists. The anecdotes and testimony received did not match the reports coming out of the school. "The school looks great on the outside and brags about the grades their kids get, but in the end, it is all propaganda," said one parent. "At PTA meetings, we all call the administration 'The Turkish Mafia.' We found out the teachers were all encouraged to bump the student's grades up. If teachers



did not agree to give the students the bump, the principal would change the grades after they were reported.”

On the surface, Tarim’s career trajectory has been marked by professional and financial success. However, a closer look at his record as an educator casts doubts on this characterization. Soner Tarim’s career has been mired in controversy for at least a decade. Several of the allegations that have been thrown at him question the methods he used to grow his network.

The accusations against Tarim are many. His schools and affiliated organizations have been the focus of several audits and at least

two federal investigations. Over a dozen media outlets, including the New York Times and the Washington Post, have published stories questioning his schools and the suspicious ways in which they operate. Tarim dismisses the accusations against him and attributes them to “xenophobia and an irrational hatred of immigrants.”^[5] This rhetoric is merely an evasive tactic designed to distract the public and discourage his detractors from digging further.

Another prominent name in the movement’s activities was that of Kemal Oksuz. Oksuz’s name has come up numerous times throughout our research, not only because of the high-profile positions he has held within the movement for the past decade but also because of his involvement in several highly publicized suspicious activities, one of which eventually led to his indictment, extradition, and conviction for corruption in the United States. Oksuz is, without a doubt, a man whose position in the Gülen hierarchical structure has earned him wealth, privilege, and influence. His multi-million-dollar enterprises and his stints as CEO of many Gülen organizations speak volumes about his value to the movement. However, given his recent damaging encounters with the American justice system, it does seem like Oksuz has bitten off more than he can chew. His recent troubles have put the public spotlight on him and his affiliated organizations, as well as on the FETO itself. In early 2022, Oksuz was once again in the news after an FBI raid of the office and residence of Congressman Henry Cuellar. According to ABC news, the raid involves the Department of Justice Public Integrity Division and will be focused on a trip to Azerbaijan in which Oksuz misled the DOJ on the sources of

the funding. Further, it was reported that Oksuz's son currently is interning for the Congressman's office.

As one of the first Gülenists to foray into the public education sector in the United States, Furkan "Frank" Kosar remains one of the most elusive figures of the movement. Kosar paved the way for Soner Tarim and Kemal Oksuz by opening two of the first Gülen schools in the country: the Brooklyn Amity School in New York and the Pioneer Academy in New Jersey, both private schools owned and operated by Turkish men loyal to the movement. Kosar would subsequently become the principal at Brooklyn Amity and a founding board member at the Pioneer Academy. In addition to his work in education, Kosar was also President of the Council of Turkic Americans Association (CTAA), composed of several smaller Turkish cultural organizations and Gülen schools. A respected educator and promoter of Turkic-American relations on the surface, Kosar's career is rife with instances of corruption, greed, and dishonesty. Some of the earliest fraudulent financial schemes and abuses of the education system can be traced back to his organizations. Many of the scams the Gülenists have implemented in the charter school sector for the past 20 years began with Kosar.

While most members of the movement we have discussed to this point have been careful to stay out of the spotlight and keep their names out of the media, Alp Aslandogan has had no problem engaging with the public. Aslandogan has authored numerous books, frequently wrote journal articles, and had a regular column with the Huffington Post. Aslandogan has established himself as the "intellectual arm" of the Gülen movement, writing extensively

about Gülen's teachings and the impact he has had on Turkish society. Aslandogan is also the face we see in the media when the movement requires a public defense or wants to make a statement. It would be fair to describe him as the spokesperson for both Fethullah Gülen himself and the American branch of the movement. This openness around his affiliation to the movement is almost refreshing compared to other members of the movement. To be the mouthpiece, his track record would almost have to be unimpeachable to preserve his credibility. He has unparalleled access to this global organization's leader, making Aslandogan one of the most important Gülenists in the country. Nevertheless, Aslandogan is obviously much more than an academic, a fact evidenced by his direct involvement with Gülen businesses, schools, and cultural organizations designed to promote the movement's teachings and bring it further into the mainstream.

This veneer of decency is merely a farce meant to fool the public and hide Aslandogan's involvement in the questionable and possibly unlawful activities that we described in detail in Book I. His story is no different from the other characters' stories described in this section, aside from his stronger media presence. From real estate scams that rob taxpayers and schools to organizations that exist solely to advance the movement's political interests, Aslandogan has participated in and benefited from it all.

[Endnotes: Chapter1

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Chapter 2

With thousands of charter schools currently operating in the U.S, it is easy to forget that they are a relatively new addition to American public education. When the idea was first proposed in 1988, it was seen as an opportunity to better serve our nation’s most marginalized students—children with disabilities, language barriers, and those living below the poverty line. With mostly bipartisan support over three decades, charter schools have become a fixture in American public education, with strong federal support. However, the rapid growth of charter schools and their increasing strain on budgets has also spawned important discussions over the future of public education while exposing some of the deep-seeded divisions in our society.

ORIGINS

The charter school movement was born in the 1980s, a time when our economic paradigm was changing. During this era, markets were given an increasingly significant role in allocating resources and ordering society. Public policy was guided by the belief that the federal government was a burden on consumers and businesses, resulting in eliminating social programs and ‘bad’

regulations. Those policies allowed for the increased participation of private entities in sectors once monopolized by the state, including education. Thus, the charter school movement must be understood as a manifestation of the prevailing economic ideologies of the time of its inception.

The idea for charter schools had been bouncing around since the 1960s and 70s. However, an important milestone for the movement was the release of a report entitled “A Nation at Risk,” produced by Ronald Reagan’s National Commission on Excellence and Education. The report warned that the public education system was “being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people.”^[1] While charter schools were not mentioned, the report’s narrative fit neatly within the dominant economic narrative that sought to prop up market mechanisms as an alternative to public sector management of the public school system.

The effort to make charter schools a reality was spearheaded in the late 1980s by Albert Shanker, the American Federation of Teachers president. Shanker envisioned charters as independent, innovative schools that could better serve the 80 percent of students he estimated public schools had failed.^[2] A group of education reformers and business associations in Minnesota ran with Shanker’s idea and pitched charters as labs that could experiment with different education methods, which could be adopted by the local school board if successful.^[3] Thus in 1991, Minnesota became the first state to pass charter legislation. Since then, 44 other states, Puerto Rico, and the District of Columbia, have followed suit.^[4]

For nearly a generation, charter schools have received largely bipartisan support, with Democrats and Republicans alike holding them as the solution for a supposedly failing public school system. One of the greatest champions of the charter school movement was President Barak Obama, who once described charter schools as “incubators of innovation.”^[5] In a 2009 speech to the U.S. Hispanic Chamber of Commerce, President Obama called on states to “reform their charter rules and lift caps on the number of allowable charter schools, wherever such caps are in place.”^[6]

Indeed, the support of the Obama and Bush administrations is reflected in the statistics. According to data collected by the National Center for Education Statistics, between the school years 2000-01 and 2016-2017, the percentage of all public schools that were charter schools increased from 2 to 7 percent.^[7] Under President Bush, national enrollment in charters more than doubled (from 600,000 students to over 1.2 million). This tendency persisted under President Obama; when he left office in 2016, charter school enrollment had reached 3.1 million nationwide.^[8] Not surprisingly, federal funding of charter schools has also been generous, especially after the unveiling of President Obama’s Race to the Top program in 2009. That year, the federal charter school program saw its funding increase by 18%. By the end of Obama’s term in 2016, the CSP funding was up by 33.6%.^[9]

Proponents of charter schools may argue that this unparalleled growth, both in numbers and resources, proves that their alternative system is more effective. While many charter schools are successful, too many have been fraught with corruption and poor education standards. The growth of the movement has little to do

with the efficacy of charter schools. Rather, it is simply the result of past administrations' policy choices: a byproduct of Bush's No Child Left Behind and Obama's Race to the Top, both of which gave charter schools an important role in public education.

NO CHILD LEFT BEHIND

No Child Left Behind (NCLB) was the brainchild of George Bush, who wanted to replicate Texas' success in educational achievement. NCLB became law in 2001 and emphasized standardized testing for public schools that received federal funding.^[10] The idea was to set measurable goals and high standards, which would, in turn, improve individual outcomes in education. The law required that individual states test students in reading and math so that by 2014 public school students reach 100% proficiency in those subjects (in other words, by 2014, all students should read on grade level). Schools that failed to reach the target were subject to punitive measures that increased each year. After the fifth year, the school was at risk of being closed by the state, having its staff fired, or being turned into a charter school. The NCLB standards of 100 percent proficiency were heavily criticized as being unrealistic.^[11] Inevitably, many schools failed under the law, which spurred the creation of thousands of tutoring companies to take advantage of federal funds set aside for after-school tutoring.^[12] Through NCLB, the Bush administration set the stage for private participation in public education endeavors. It validated charter schools by giving them a central role: by turning 'failing' schools into charter schools, the program presumed that charter schools were the gold standard for how schools should be managed. This

nod to charter schools fueled their growth and cemented them as strong actors in the education sector.

RACE TO THE TOP

Obama's Race to the Top was marginally different from NCLB. The program was a \$5 billion fund meant to incentivize states to undertake specific education reforms. To participate, states had to adopt new common standards and tests, evaluate teachers' effectiveness, and expand charter schools. Simply put, the Obama administration encouraged the expansion of charter schools by dangling millions of dollars in front of cash-strapped states.^[13] Ultimately, Race to the Top gave credence to the ideas expressed in Bush's NCLB: that standardized testing was the only way to measure students' progress and that privatization was the solution to non-performing public schools. Despite little evidence validating those claims, they were nonetheless adopted by participating states. Investment opportunities increased in the education sector thanks to Race to the Top. With the growth of the charter school industry, investors positioned themselves to profit, whether by leasing or renting space to charter schools or creating companies that would develop an application for the Common Core state standards. Race to the Top signaled a shift in education policymaking. For the first time, the education department designed programs to stimulate the private sector to create for-profit ventures in American education.

By creating a role for charter schools in their education policies, both Bush and Obama gave charters legitimacy they had not had before. As charter schools grow in popularity, they also become

more exposed to criticism as the public began to understand better how they operate - and how much of the education budget was being absorbed by these for-profit entities.

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Chapter 3

To be clear, all charter schools are not equal. There are bad ones, worse ones, and some that are run responsibly which have obtained outstanding educational achievement - though this does not appear to be the norm. It is hard to generalize because charter school management varies from state to state, from school to school. Experts conclude that the "charter track record can best be described as stunningly uneven."^[1] However, on the whole, the main critiques of the charter system can be reduced to the **waste** that such a system tends to generate; the **abuse** of state funding for private gain; the lack of financial transparency; and the likelihood of discrimination against certain students.

WASTE AND LACK OF ACCOUNTABILITY

Charters are financed with public money, but they are not subject to the same reporting requirements as regular public schools. Unfortunately, this lenient approach seems to have only facilitated fraud and waste. For instance, during the charter program's first decade (1995-2005), over one billion dollars was disbursed to various states, then redistributed to schools via subgrants. However, the Education Department at the time did not require states to

keep comprehensive reporting records of schools that received grants; as a result, no one at the department knows where the money went during those early years. Also, there was no evaluation to determine the program's impact or results.^[2] Basically, the monitoring and oversight of those federal funds ended as soon as they were disbursed to states.

A recent report by the Network of Public Education outlined the vast amount of waste in the charter sector between 2006 and 2014. The analysis found that, nationally, 37% of charter schools that received grants were either never opened or closed during that period, representing \$1.1 billion in waste.^[3] Many individual states exceeded the national percentage: in Washington, 67% of schools were never opened or were closed between 2006 and 2014, in Virginia, 71%, and in Georgia, 54%.^[4]

Permissive and lax laws in most states allowed charter schools to engage in suspect business transactions where public money is used to make large private profits for charter operators. One way this form of exploitation manifests is through self-dealing practices in leasing facilities and acquiring land. Typically, this involves the management organization purchasing a property intended for school use and then charging the school exorbitant rents far above the market rate.

Another form of state abuse is through related party transactions, allowing charter operators to take funds allocated for a school and funnel them to subsidiaries or affiliates - a practice which would be unimaginable under normal tender standards for government contracts. This practice is often facilitated by the close

relationship many charter schools have with their charter management organizations (CMOS). A 2016 audit by the Department of Education found that relationships between “charter schools and CMO-affiliated vendors put federal, state, and local funds at risk of misuse.”^[5] In their sample of 33 charter schools, they found that 17 schools had 24 cases of conflicts of interest, related party transactions, and insufficient segregation of duties, all of which presented “significant financial risk to Departmental programs and could put charter schools at risk of closing.”^[6]

The case of Arizona is a good illustration of the widespread financial abuse. A three-year forensic audit conducted into the state’s charter school finances found that 77% of all Arizona charter schools engaged in some form of “related party transactions” that enrich charter school owners, board members, or their families. The report also found that the system lacked the proper structure to monitor how funds were spent.^[7]

These dynamics are obviously a problem. The lax regulations that govern charter schools promote waste, allowing bad-faith actors to swindle the public. Creating this parallel school system where the private sector has a dominant role, priorities are shifted, and education becomes a lucrative business rather than a national priority. The incentive of high educational achievement becomes secondary to profit, to the detriment of federal financial resources and children’s education.

Private involvement in charter schools has made the sector aggressive, entrepreneurial, and predatory.^[8] To be eligible for public funding, charters must maintain test scores at a certain

level, which encourages them to discriminate against students who are liable to score lower on tests. Many schools have been accused of pushing out students with special needs because they are likely to perform worse on state exams. Reports from various federal agencies document systemic discrimination against special needs students and English language learners. The Department of Education's Office of Civil Rights, the Government Accountability Office, and countless reporters have carefully documented this tendency in various charter schools across the country.^[9]

While charters' financial governance differs from state to state, most lack rigor in terms of the requirements for financial reporting. In states like Michigan or Connecticut, charters are not required to divulge how they spend their money, which increases the likelihood of fraud. For instance, in 2013, the founders of a Los Angeles charter school were convicted of misappropriating \$200,000 in public funds. Similarly, in Oakland, the city's top-scoring charter school was found to have misspent \$3.8 million in violation of fair-bidding laws.^[10]

Traditional public schools could never get away with such behavior. As publicly funded and regulated entities, they are bound by law to abide by certain state financial regulations. At the same time, charter schools tend to have fewer constraints. According to the former Assistant Secretary of Education under George W. Bush's administration and education analyst Diane Ravitch, "charter operators want to have it both ways. When it is time for funds to be distributed, they want to be considered public schools. However, when they are involved in litigation, charter operators insist they are private organizations, not public schools. The courts and regulatory bodies have agreed with the latter point."^[11]

The lack of accountability and transparency makes it easy for operators to game the system and line their pockets at the expense of taxpayers—one of the many reasons national civil society organizations like the NAACP have called for a moratorium on new Gülen charters until those issues are addressed.^[12]

New reports seem to emerge almost daily in the press, showing how some charter schools have managed to exploit the system. As charter schools are exempt from many financial transparency laws that public schools must follow, questionable practices that abuse public trust are hard to expose. It is no wonder that so many charters are consistently accused of the same thing: self-dealing, violating fair-bidding practices, using public money for private gain, and, perhaps most offensively, collecting additional government funding allocated for special needs students, while simultaneously developing policies that ensure such students do not benefit from those funds.

As a result of growing awareness of these behaviors, after decades of bipartisan support, the charter school system's *carte blanche* may be on the verge of expiring. Charter school reform was a hot topic throughout the 2020 Democratic presidential primaries and caucus. Several candidates voiced concern about the lack of oversight and uneven results among charter schools. Now the administration of President Joe Biden has been notably more activist against chart school fraud, publicly criticizing entities that siphon off much-needed funds from public schools while advancing a ban on federal funding for charters which use for-profit management companies. His education plan seeks to reinvest in public schools by tripling federal funding to low-income

schools and districts, from about \$16 billion to \$48 billion per year. Part of the funds will go towards increasing teacher salaries and other unmet needs of underserved school districts. The plan would provide strong support to teachers' unions, of which very few charter schoolteachers are members.^[13]

During the primaries, Sens. Elizabeth Warren and Bernie Sanders were the most vocal in their criticisms of how charter schools operate. Public education advocates are pressing for more pressure on the administration from the progressive wing of the Democrat party, proposing measures to ensure that charter schools are subject to the same level of transparency and accountability as traditional public schools, and both support an outright ban of for-profit charter schools. While Warren wants to end federal funding for the expansion of charter schools, Sanders has called for "a moratorium on all public charter school expansion funding until a national audit on the schools has been completed."^[14]

This fight for reform and accountability is being waged at the local level as well. In a July 2019 news conference, Pennsylvania Governor Tom Wolf shocked the charter school lobby by criticizing cyber charter schools. Wolf referred to "the privatization of education in our public schools,"^[16] making clear his support of increasing oversight and regulation. California, whose charter sector has come under heavy criticism, is already leading the drive for reform. In November 2019, the state passed Bill 1505, legislation that addresses state oversight and accountability issues.^[17] The law rewards charters that perform well and empowers local school boards to deny charter applications. It seeks to allow for the coexistence of public and charter schools in a way that is

acceptable to both sectors, as well as implement a policy requiring a Certification by the Commission on Teacher Credentialing for all non-core, non-college prep charter schoolteachers are required, stopping the over the sourcing of uncertified teachers.^[18]

With charter school scandals appearing more and more regularly in the press and politicians finally waking up to some charter schools' inexcusable misuse of taxpayers' money, it seems that we have reached a critical point in this debate. We hope that in this changing climate, the defrauding of taxpayer funds and harm inflicted on US schoolchildren by the Gülen cult will finally be given the attention it merits.

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Chapter 4

With more than 250 charter schools operating in 26 states, the Fethullah Gülen cult represents one of the largest charter networks in the country. They are also engaged in a widespread pattern of deceptive practices and financial misconduct since their inception. They have been able to weaponize the practices outlined above at an incredible rate, somehow while avoiding the notoriety of some of the other lesser bad actors. Our extensive investigation into the network has helped us develop a set of **common markers** that are occasionally difficult to track but unique to the Gülen-controlled schools:

1. The charter school has a focus on science, math, and technology education (STEM) and offers Turkish language instruction.
2. The charter school's governing board consists of appointed, not elected, individuals, with those of Turkish descent and/or national origin operating in a constant supermajority or majority.
3. Turkish employees, generally male, dominate the charter school's administration.

4. The charter school uses closely affiliated vendors, also operated, owned, governed, and/or staffed by Turkish individuals.
5. The charter school uses the H-1B visa program to sponsor, employ, and immigrate high numbers of Turkish teachers and employees.
6. The charter school's Turkish employees have worked at other Gülen Organization charter networks and/or vendors.
7. The charter school uses poor record keeping and ambiguous financial practices with the suspected motive of diverting public funds to the Gülen Organization for private purposes; and
8. The charter school's governing board, leadership, and vendors are often affiliated with Gülen cultural associations.

There is a wealth of information on schools with the above indicators documenting an accompanying tendency toward deceptive business and organizational practices described earlier. To be clear, there is absolutely nothing inherently wrong or suspicious about working with Turkish individuals or businesses or individuals of Turkish descent, nor do we assume anyone fitting that description who works in the charter sector or public education generally is participating in the abusive practices we have detailed. We are specifically concerned with members of the Turkish diaspora with documented financial and personal ties to both the Gülen movement and the network of schools, businesses, and organizations participating in remarkably similar instances of misuse of public funds and mismanagement of these charters.

Our first book, "*Empire of Deceit*" detailed the extensive corruption within the schools, and the various real estate schemes, related party transactions, and misuse of government funding.

Within the Gülen schools, some people witness these behaviors and decide that they can no longer watch these behaviors go unchecked. They want to make a difference and are willing to risk their own employment and opportunity to shine a light on the behaviors we outline in the schools. For example, Yunus Avcu, a former business manager at a Gülen school in Colorado, came forward and exposed some of the questionable internal practices of Gülen-controlled schools.

His testimony is shocking and outrageous. He revealed on the record that he along with other Turkish teachers and administrators were required to donate up to forty percent of their salary to their management organization, the Accord Institute. According to Avcu, this involuntary tithing is one of the many ways the cult funds itself, and refusal to pay could result in termination, or worse, revocation of immigration status and deportation to Turkey. It is practically impossible to find physical evidence of these informal payments. However, Avcu's story is corroborated by other former Gülenist whistleblowers who were also forced to hand over part of their monthly wage.

For instance, Mustafa Addi was featured on 60 Minutes in 2017 and confirmed that this system of forced payments did exist and that he had been a victim of it.^[1] In the appendix of this book, we have included a copy of the "tuzuk", or the "contract" teachers and school staff are forced to sign, agreeing to this pay scale



dictating exactly the required donation, dependent on their family and home situation.

There is ample evidence to warrant a federal investigation into the entire Gülen school network. However, they continue to receive almost \$800 million in public funds annually. This level of coordinated abuse is not only due to the historically reluctant attitude toward regulating the charter school system but to a systematic effort to garner powerful relationships in government and community leadership. In 2020, for example, reports surfaced that in 2017, U.S. President Donald Trump explored cutting federal funding to Gülen-affiliated schools but never followed through because

of a lack of evidence of malfeasance the schools violated the grant's conditions. Besides, Education Department officials were concerned that the move would appear discriminatory, and that cutting funding would only hurt many low-income children who attend the schools.^[2] However, there is ample evidence of financial malfeasance, discrimination based on nationality on the part of the schools themselves, and efforts to marginalize vulnerable students rather than support them. Officials' hesitance to take Gülen schools to task over wrongdoing is indicative of the amount of influence and control that Gülen-affiliated entities have cultivated over the years through creating cultural organizations and building relationships with lawmakers and members of the media.

At its core, this book is about exploiting a system with little accountability by a group of members of a foreign movement whose primary focus is to exploit the weaknesses in the American public school system. Throughout the public education and charter sector, the Gülen movement has successfully perpetuated this exploitation with relatively little notice from the public, the media, or the authorities. The charter system is designed to allow for innovation, which has translated to a lack of adequate oversight. The rules are so permissive and lenient that the schools can finance the movement's economic and political objectives by diverting public money in various ways. Simultaneously, they grow the movement in the U.S. by facilitating the mass migration of other members from Turkey to teach in American schools. Of course, none of these activities are carried out blatantly; they are presented as measures taken in the students' best interests. By carefully branding themselves as charitable institutions that promote interfaith dialogue, the charter schools can act as vehicles to further the Gülen movement in

the United States without being held accountable for the consequences of students' education outcomes.

The mere existence of the Gülen network of schools is indicative of the ease with which charters have avoided consequences. However, it seems like the tide has started turning. The two recent lawsuits in Alabama against two Gülen schools suggest that the public is finally paying attention. Two years ago, these suits would have been unexpected, given the clout of the actors involved. Today, there is a greater interest in ensuring proper management and minimum scrutiny of charter schools. Moreover, where once charter schools received almost blanket bipartisan support, more and more lawmakers have begun to respond to their constituents' changing attitudes towards the charter school sector. Should this momentum continue, the more we will learn about the vast extent of abuse taking place within the charter sector.

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Chapter 5

The nationwide spread of Gülen charter schools did not occur overnight but rather is the result of a coordinated and methodical process of expansion. State by state, district by district, the fundamental strategic building block for the Gülen organization to obtain its charters begins with establishing non-profit “cultural organizations.” These organizations generate both real and perceived community support and, crucially, public officials’ support, elements that are later marshalled into the charter application process to launch schools and businesses often managed and led by the same individuals.

As detailed in Book I of *Empire of Deceit*, there are dozens of these organizations spread throughout the United States, usually founded by Gülen-affiliated US residents ostensibly pursuing “interfaith” or “intercultural” dialogue. In some cases, these non-profits link themselves explicitly to the teachings of Fethullah Gülen, while others, like the schools themselves, conceal or deny any affiliation with the organization.

Though it remains an ongoing challenge to track and monitor all of these non-profits, several crucial institutions are at the center of the Gülen organization’s operations. The “Alliance for Shared

Values" (ASV), which is seen as the public face of the movement, is based in New York City and oversees dozens of local and regional affiliates. Others include the Rumi Forum in Washington, DC; the Pacifica Institute in California, which is believed to serve as an influence hub for the West Coast schools; the Niagara Foundation, based in Chicago but operating in numerous states, responsible for the Midwestern charters; Cosmos Foundation in Texas (which is now doing business as "Harmony Public Schools"; the Turquoise Council of Americans and Eurasians, also based in Texas; Peace Islands Institute in New Jersey; the Dialogue Institute of the Southwest, which is active in six states; the Atlantic Institute based in Atlanta, Georgia; Federation of Balkan American Association based in New Jersey; Raindrop Turkish House, with locations in Louisiana, Mississippi, Missouri, and Oklahoma. In addition to the regional hubs, local branches often spring up in response to the need to expand the charter network.

Most non-profit organizations are founded by Gülen-affiliated individuals who rarely remain in the non-profit sector but instead quickly move into the for-profit charter schools and businesses that their former organizations helped establish. For example, Alp Aslandogan, who is profiled throughout this book and generally regarded as the most senior Gülen member and next in line to inherit the network, is the current executive director of Alliance for Shared Values and maintains that the charters are in no way related to the Gülen Movement. However, at a closer look, Alp himself was also the founder of a Gülen school called the Wisconsin Career Academy and was intricately involved in major real estate transactions with Gülen schools in Oklahoma and Texas. Earlier in his career, he also served as a former secretary for the

Gülen Institute and was the former President of the Dialogue Institute of the Southwest.

Though non-profit advocacy is not problematic on its own, the common tactics employed by the Gülen cult often cross into unethical or unlawful territory. For example, Kemal Oksuz, who not only chaired the Turquoise Council of Americans and Eurasians but held positions of all sorts throughout the network, was convicted of lying to Congress in 2019 over the funding of foreign travel for members of Congress and their staff. Oksuz was also the founding CEO of Vision Academy (PA), regional director of Apple Education Services for the northeast, which is one of the largest and most profitable Gülen vendor businesses while serving as CEO for the Daisy/Sonoran Schools in Arizona and as a petitioner on numerous school applications from Hawaii to Pennsylvania. Oksuz is further detailed later in this book.

Under normal circumstances, it would be highly unusual for the founders and board members of non-profit charities to later operate schools and simultaneously act as landlords and vendors for multi-million-dollar real estate and vendor contract deals. However, in the Gülen universe, this is a standard operating procedure that can be found all over the country.

The creation of NGOs or cultural organizations is central to Gülenists' strategy for furthering their interests in the charter school sector and other areas. These groups are the first step in new schools' life cycle within Gülen charter networks across the United States. While Gülen non-profits cultivate a non-threatening brand of prestige, cultural exchange, and interfaith dialogue,



internally, individual organizations are not independent, as they claim to be, but hierarchically organized within the broader movement. Although many do not deny their affiliation with Fethullah Gülen, others seek to avoid being associated with the Gülen movement. However, our research into tax records and other public documents shows that the same core group of people running the NGOs is, in fact, affiliated with his organization and heavily involved in running the charter schools as well.

The goals of Gülen non-profits are twofold: first, they aim to develop ties with local communities to gain social support and demonstrate their “goodwill” through the organization of cultural

events or conferences. This outreach is important; without support from families in the community, it is unlikely that the schools will meet their enrollment target. Second, they develop ties with influential public figures who support the school-choice movement and are therefore likely to protect the movement's interest through legislative support or other means. Creating relationships with local politicians is essential to their long-term agenda.

We have seen successful examples of their outreach all over the country, in Oklahoma with the former Attorney General Drew Edmundson, in Texas with Rep. Henry Cuellar, and in Illinois with now-indicted former House Speaker Mike Madigan. All of them took fully funded luxury trips to Turkey and accepted donations from local Gülen affiliates, and in turn, passed exceedingly favorable legislation surrounding charters, or in the case of the former Attorney General, ended up representing the local Gülen schools in his private practice against State investigations into their dealings.

The tactics used by the Gülen front NGOs are strategic and gradual. They begin by engaging local public officials with seemingly benign and harmless activities, such as holding community dinners and presenting community service awards. However, efforts quickly escalate to more material privileges such as gifts, free trips to Turkey, and campaign contributions, often unlawfully and coercively sourced from members of the movement working for Gülen schools, organizations, and businesses. This strategy tends to be directed at elected officials and community leaders in advance of applying for permission to open charter schools when these newfound "friends" can be used to vouch for them during the charter

application process. For instance, politicians often write reference letters to the school board in support of charter schools. With enough powerful backers, it is almost guaranteed that the application will be approved. Once approved, it is challenging for the charter to be revoked as long as backers maintain their support.

In addition to targeting elected officials, Gülenists also seek to develop ties with academics, religious leaders, and journalists. Though they have no political power in the traditional sense, these groups still hold privileged and influential positions in society; thus, having them around serves to legitimize Gülen's cultural organizations. As lawmakers and other figures become more involved with these organizations, accountability for wrongdoing becomes less likely.

In the following sections, we lay out the mechanisms through which one Gülen cultural organization could get into politicians' and community members' good graces and encourage them to pass legislation or lobby on their behalf. Ultimately, this chapter demonstrates how Gülenists have established themselves in several regions around the country, effectively serving as a case study on the Gülen-sponsored NGO's aims and tactics. The study outlines how efficiently they can access the power centers of different communities within the United States and leverage them to increase their political influence and expand their schools and businesses' network.

Chapter 6

There are dozens of such cultural organizations that outwardly market themselves as institutions of “interfaith dialogue.” This includes the Atlas Foundation of Louisiana, the Raindrop Foundation, several different U.S. branches of the Dialogue Foundation, the Niagara Foundation, the North Carolina-based Divan Center, the Pacifica Institute, and dozens of others. Their purpose is to build their support base through community and political outreach.

The Niagara Foundation in Illinois is one of the most illustrative case studies of cultural organizations’ crucial role in strengthening the Gülen network. In Illinois and surrounding midwestern states, the Niagara Foundation serves as the main base for Gülenists’ activities, giving out awards to friendly politicians, organizing trips to Turkey, and lobbying friendly politicians for looser charter school legislation. The actions of the Niagara Foundation provide a clear view of the purpose of the network of non-profits, which are not only used as fronts to strengthen the charter petitions and lobby against oversight, but are also used to cultivate influence, gain credibility within the community, and curry favor with policymakers, members of media, and community leaders.

Founded in 2004, the Niagara Foundation's connection to the Gülen movement is explicit. The group's website itself confirms it was founded "by a group of Turkish-American businessmen and educators to realize the vision of their spiritual leader, Fethullah Gülen."^[1] The foundation has grown quickly, now boasting 22 branches across nine states in the Midwest with the stated mission "to promote social cohesion by fostering civic conversations and sustained relationships between people of different cultures and faiths."^[2]

The foundation's ability to extend its reach and target influential public officials and impact policy that favors their schools was further facilitated by the creation of three centers in 2012, headquartered in Chicago:

1. The Center for Public and Global Affairs – A center that "reaches out to public officials, as well as civic and business leaders active in the community."
2. The Center for Cultural Exchange and Interfaith Collaboration – A center that "hosts interfaith gatherings and intercultural trips to Turkey."
3. The Center for Academic Affairs – A center that "works in collaboration with universities to involve the academic community in the conversations Niagara facilitates."^[3]

Taken together, these centers reflect the methods used by Gülen-affiliated organizations to build a network of allies among policymakers in a state or locality: through direct outreach, foreign trips, and connections with local universities.

CAPITALIZING ON THEIR INFLUENCE

Through its aggressive outreach strategy, the Foundation has built an impressive network of influential public figures who speak at their events, attend their receptions, and happily receive their awards. The foundation is also happy to sell access to this network; for instance, on their website, the group lists three corporate membership levels starting at \$2,500 annually and increasing to above \$10,000. In exchange for these donations, the Niagara Foundation promises “access to Niagara’s influential community of civic, business, and religious leaders.” Donors are also given exclusive “members only” receptions and special pricing for tickets to their Peace and Dialogue Awards Ceremony.^[4]

For groups donating more than \$10,000 annually, the website lists the opportunity for “travel to Turkey on a Niagara-sponsored trip.”^[5] It is unclear if those trips include access to the members of the Illinois State Legislature who so frequently enjoy the group’s hospitality.

The rapid growth, influence, and transactional nature of the Niagara Foundation’s activities should give pause to any public figure or politician. The group’s mission clearly goes beyond fostering goodwill or cultural exchanges. They aim to build strong ties with important people and exploit those ties to benefit their local charter school networks, such as Concept Schools. Those engaging with the Niagara Foundation and accepting their words at face value would be wise to heed the caveat emptor policy – let the buyer beware.

The Foundation's relationship with Illinois Speaker of the House, Mike Madigan, illustrates the caliber of politicians Gülenists target to advance their interests. This relationship would later prove highly beneficial to Concept Schools as they sought to expand their presence in Illinois. Madigan is a powerhouse in Illinois politics, having been called "one of America's most powerful politicians" by Reuters.^[6] A Chicago magazine profile in 2015 dubbed him the "King of Illinois."^[7] Madigan has outlasted five governors and, as Speaker of the House since 1983, has shaped some of the state's major legislation, including pension, labor, and tax laws.

No other state grants as much power to its House speaker. As one Chicago Tribune columnist noted, "Over the years, the House rules have been tweaked and massaged to accommodate [Madigan's] top-down approach toward governing. The House rules are now Madigan's personal handbook on how to control the process."^[8] In his most recent term, Madigan broke the record as the longest-serving House speaker in modern American history, having served as speaker for 11,900 days.^[9] For Gülen-affiliated organizations like the Niagara Foundation, there could be no more powerful ally to have than Speaker Madigan.

To help deepen their connections in the state capital, the Niagara Foundation began holding an annual Intercultural Reception in 2009 to provide diverse communities the chance to "come together with elected officials, cultivate friendships... and deepen intercultural awareness."^[10] This event's inception is also around the time when Speaker Madigan became more involved with the Foundation. That year, he served as co-chair for the Foundation's 2009 Peace and Dialogue Awards. The list of award winners

from that event underscores how the group sought to develop relationships with influential public figures.^[11] The honorees that night included:

- ▶ Neil Hartigan – A former attorney general and lieutenant governor of Illinois, who now serves as a judge on the Illinois Court of Claims.^[12]
- ▶ Tony Hunter – The publisher and CEO of the Tribune Company, which controls The Chicago Tribune, the state’s largest newspaper.^[13]
- ▶ Richard Rosengarten – The dean of the Divinity School at the University of Chicago.^[14]

It is interesting to note that the profiles of the award recipients that year are influential people in the judiciary, media, and academia. Cultivating those figures is central to FETO’s strategy, as they know the importance of those sectors for advancing their movement. Simultaneously, the movement has successfully co-opted “Western scholars into writing “academic-lite” articles” that ignore some of the movement’s more problematic aspects.^[16]

Finally, it is well known that, before the coup, they had successfully infiltrated and controlled large majorities of the police, judiciary, and civil service in Turkey.^[17] Thus, it is no coincidence that certain profiles are selected, celebrated, and presented with awards to cement relationships that may prove useful in the future. Just two years later, the Niagara Foundation’s annual awards ceremony would present Illinois Attorney General Lisa Madigan, Mike Madigan’s stepdaughter, with the Niagara Community Service Award.^[18]

By 2013, Madigan and other local politicians played an integral role in promoting the Foundation, giving it the veneer of respectability and legitimacy; all formal invitations to the annual reception were jointly signed by Madigan, State Senate President John Cullerton, and Illinois Secretary of State Jesse White. For the Niagara Foundation, there seems to be an award for every occasion and everyone that can be useful to them.

The foundation also hosted Madigan on several overseas trips; according to disclosure reports, Madigan took four trips to Turkey between 2010 and 2013 as a Niagara Foundation guest. However, he was not the only public official visiting Turkey: a Chicago Sun-Times report found that between 2008 through 2012, Turkey was the destination of 74% of all foreign trips reported as gifts by Illinois legislators, who described them as “educational missions.”

One of the guests on these trips was then-Illinois state representative Susana Mendoza, whom The Chicago Tribune has described as a longtime “ally and admirer” of Speaker Madigan. In 2008, Mendoza joined the Niagara Foundation at a reception celebrating their new office space. In her remarks at the event, Mendoza spoke wistfully of the amazing experience on a recent Niagara Foundation trip to Turkey. She also mentioned hosting the Foundation’s then-vice president and his wife at her home for Thanksgiving dinner. She assured the crowd that they have “a dear, dear friend in me.” Over time, her relationship with other Gülen foundations would also strengthen. After winning a special election to serve as City Clerk for Chicago, she was a special guest at the Chicago Math & Science Academy, an event that was avidly reported on the school’s website.

Despite clear ethics violations, however, little attention seemed to be given to the relationships between the Niagara Foundation, Concept School and Madigan. The absence of public outcry could be explained by the foundation's approach to endearing themselves to key stakeholders - especially those heavily documented, like the political figures and the press. But other drivers which allowed the foundation to operate under the radar, might include the historically charter-friendly environment Chicago has cultivated; and Madigan's tenure and quiet bravado, commonly referred to as the "velvet hammer"

Throughout his time in the Illinois legislature, Madigan was relatively unmarred by political scandal, and was frequently credited with the "effective wrangling [of] a diverse and occasionally unruly caucus, increasing the power of his party statewide and advancing Democratic priorities."

That changed in 2018 when political consultant Alaina Hampton, went to Madigan and his office to stop one of his top aides from sexually harassing her through text messages. According to Hampton, Madigan did not give much of a reply, so she quit her job and took the story public. Madigan later conceded he was, "not doing enough in the past to change the culture."

Hampton's story would ultimately be the beginning of fractures in the Madigan facade.

On Wednesday, March 2, 2022, Madigan was indicted on racketeering and bribery charges, "for allegedly using his official position to corruptly solicit and receive personal financial rewards for himself and his associates."

According to a press release from the Department of Justice, U.S. Attorney's Office, Northern District of Illinois, the 22-count indictment includes individual counts of wire fraud, attempted extortion and of allegedly using interstate facilities in aid of bribery.

"Corruption by an elected official and his associates undermines the public's confidence in our government," said U.S. Attorney Lausch. "The indictment alleges a long-term, multifaceted scheme to use public positions for unlawful private gain. Rooting out and prosecuting the kind of corruption alleged in the indictment will always be a top priority for this office."

In the end, Madigan had been watched, very carefully. The Federal Bureau of Investigations was collecting evidence over years and had waited until they could be sure they were charging Madigan with crimes that would stand up in a court of law. Long-standing corruption within the Chicago chambers points to the general rot of Madigan's governing, and as such, demands a thorough review of all legislation that Madigan was involved in passing; especially decisions on charter schools made by Madigan in which he overruled the expertise of another decision-making body.

Influencing the Influential: Using Awards to Build Relationships

The Niagara Foundation's Peace and Dialogue Awards started in Chicago more than ten years ago. The group has obviously decided the awards are effective since they expanded them to other states, including Ohio, Michigan, Wisconsin, and Missouri.^[19] All of these states are home to charter schools run by Concept Schools.^[20]

Its awards ceremony always included honorees with connections to Chicago Public Schools in the Foundation's first three years of existence. It is surely no coincidence that between 1996 and 2011, Illinois law stipulated that only local school boards could approve or renew a charter school. Therefore, at the time, the very existence of the Gülenist schools in Chicago depended on Chicago Public Schools' support.

At the 2006 ceremony, the Foundation presented education consultant Mrs. Sunny Chico with the Niagara Community Service Award.^[21] Chico's husband, Gery Chico, had held several high-ranking positions in then-Mayor Richard Daley's administration, including President of the Board of Trustees of the Chicago Public Schools.^[22]

Chico ran for Mayor of Chicago in 2010, where his donors included Salim Ucan, then-CEO of Chicago Math and Science Academy (CMSA).^[23] After losing the mayoral race, Chico was appointed chairman of the Illinois State Board of Education by Governor Pat Quinn.^[24] In 2007, the Niagara Foundation presented a Niagara Education Award to Arne Duncan, then-CEO of Chicago Public Schools, who would later serve as U.S. Secretary of Education under President Barack Obama.^[25] The following year that same award was given to Barbara Eason-Watkins, then-Chief Educational Officer for Chicago Public Schools.^[26]

The Niagara Foundation has also used the awards to build relationships with law enforcement agencies and officials. During their first awards ceremony in 2006, the group presented a community service award to Robert D. Grant, the Special Agent in

Charge of the Chicago FBI.^[27] In 2007, the organization gave a community service award to Philip Cline, then Superintendent of the Chicago Police Department.^[28]

Mendoza and Speaker Madigan worked closely together on legislative measures to promote the Niagara Foundation and favor their affiliated Gülen schools. In 2010, Mendoza introduced a joint resolution to create the Joint Task Force on Turkish-Illinois Relations. While Mendoza sponsored the legislation, the Niagara Foundation would later list Madigan as the task force's founder.^[29] By 2012, the Task Force had grown to 34 members, consisting almost exclusively of legislators and Turkish community members with one exception: Andrew Madigan, Speaker Madigan's son.^[30] Despite not being a member of the legislature or the Turkish community, Andrew Madigan actively campaigned on Niagara and their affiliated schools. In addition to being the son of Illinois' most powerful politician, Andrew Madigan had a prior connection to the Gülen schools as a former employee at Mesirow Insurance Services, whose clients included three Concept Schools and the CMSA.^[31] As a member of the Joint Task Force, he became one of Concept's CSMA promoters, contributing to their positive public image.

In May of 2012, Andrew Madigan posted a testimonial video on YouTube praising the CSMA.^[32] He was joined by his sister, Nicole Madigan, who was also on video-sharing her views about the school's positive energy and class offerings.^[33] Speaker Madigan himself would eventually visit the school in 2013 and praise it in another YouTube video.^[34] In addition to the Madigan family, the CMSA continued to attract a steady stream of political visitors who would applaud and praise the school's methods. The CMSA

heavily promotes these visits, using them as photo-ops that help distract from the controversies plaguing their operations.

Shortly after the task force's founding, Madigan and Mendoza drafted special legislation designed to give the movement and schools greater credibility. In 2011, Mendoza introduced a resolution praising Fethullah Gülen for his "dedication to working towards a better world through education, service, tolerance, and the free exchange of ideas." The bill was adopted just one day after being introduced.^[35] The following year, Madigan himself would introduce a resolution praising Mevlut 'Hilmi' Cinar, then-associate director of the Niagara Foundation, on his appointment to the Chicago NATO Welcome Committee.^[36] These resolutions illustrate the Foundation's capacity to capitalize on its relationships with important people, despite not having policy implications. In this case, the foundation could use influential state actors as tools to legitimize their movement and cleanse Gülen's name.

Illinois's charter school law was enacted in 1996, allowing charter schools to open throughout the state but capping the number of public charters allowed in specific areas. For fifteen years, the authority to approve or renew a charter school rested with local school boards. However, in 2011, lawmakers allied with the Niagara Foundation and the Gülen school movement introduced legislation that would take authority away from school boards and put it in the hands of an unaccountable, state-appointed commission.

The chief sponsor of the legislation was Illinois State Senator Heather Steans, who had joined several members of the Senate

leadership in serving as a host for the Niagara Foundation's International Reception Hosting Committee in 2009 and 2010.^[37] A companion bill in the Illinois House was sponsored by Representative Karen Yarbrough, who also served as a member of the Niagara Foundation's Task Force on Turkish-Illinois Relations.^[38]

It is important to remember what followers of Illinois politics have known for decades: no bill passes the Illinois House without Mike Madigan's approval. As Chicago Tribune columnist Kristen McQueary explained in a 2016 column:

"Every bill, including spending and borrowing legislation, goes straight to Madigan's Rules Committee. It is nearly impossible to discharge a bill unless he agrees. If a bill gets assigned to a committee, it is a committee Madigan has chosen. He picks the majority of members, committee chairman, and vice-chairpersons. Moreover, he will often swap out committee members if he wants to manipulate an outcome."^[39]

The law creating and authorizing the Illinois State Charter School Commission was introduced, debated, and enacted within the first five months of 2011.^[40] Under the law, the commission was given "state-wide chartering jurisdiction and authority." It was granted the ability to "reverse a local school board's decision to deny a charter school proposal."^[41] This latter provision would quickly prove important to Concept Schools.

Just a year after lawmakers created the new state commission, Concept Schools applied to Chicago Public Schools to open two new charter schools in the city. Their applications were

rejected. Officials with Chicago Public Schools cited concerns over fluctuations in Concept Schools' academic performances. A spokeswoman for the Chicago Board of Education stated that they must not approve "weak and inadequate" applications.

The Illinois Federation of Teachers also weighed in with some justifiable concerns over Concept Schools' academic performance.

"Chicago's extremely pro-charter Board of Education rejected Concept School's application for very compelling reasons: The poor performance of its current schools did not qualify the network for replication, its board meetings would be held in Indiana, and entire sections of the application – such as an outline of supports for at-risk students – were missing."^[42]

An article in the Chicago Sun-Times later cited numerous data points that clearly showed mediocre results from pupils attending the schools:

"Most of Concept's schools are in Ohio, where the network was started. Of its 19 schools, 12 were given D grades by state officials, 4 got C's, and 3 received B's this year. Concept's Indiana Math and Science Academy in Indianapolis got an F, according to state officials."^[43]

Based on the metrics mentioned above, it is abundantly clear that Concept Schools did not meet the necessary criteria to expand, which is why Chicago Public Schools did not approve their application. Despite the rejection, they appealed to the newly installed



Illinois State Charter Commission; the decision was overturned, and their charter application was accepted. Thanks to friends in high places like Speaker Madigan and Senator Heather Steans, Concept was able to bypass a set-in place to protect the public against bad charter schools.

The Illinois charter commission's decision to approve the Concept applications was made with a minimum of five 'yes' votes from the nine-member commission. Among those voting 'yes' was Glen Barton, who served as president of a Peoria school board also managed by Concept. In the face of this evident conflict of interest, commission officials decided before the vote that Barton's

connection to Concept should not prevent him from voting on a Concept application.^[44]

More than half the state charter commission's budget came from private contributions from known charter advocates and financial backers like the Walton Family Foundation and the Joyce Foundation. Although legal, this dynamic undermines the democratic process. A commission that is mostly financed by wealthy, private pro-charter school entities is bound to make decisions heavily biased toward charter school applicants.

After the controversy surrounding the Illinois charter school commission's approval of the Concept Schools expansion, members of the Illinois legislature began to look at the commission with greater scrutiny. After voting in favor of the legislation creating the Illinois State Charter School Commission in 2011,^[45] Illinois State Representative Linda Chapa LaVia would introduce legislation in 2013 to effectively repeal the commission's authority.^[46]

Chapa LaVia was particularly critical of the commission's ability to overrule the decisions of local school boards. "It is kind of interesting that the Mayor of Chicago denies (charters) and then (the commission) can supersede somebody with that much authority," Chapa LaVia noted. "If they can do it to the mayor, they can do it to anybody."^[47]

In 2017, state representative Emanuel Chris Welch introduced similar legislation to strip the commission of its authority. Welch noted that Chicago Public Schools had voted against new charter schools on five different occasions. The state's charter commission overruled all

five times.^[48] The bill was passed by both the Illinois House and Senate last year but vetoed by Illinois Governor Bruce Rauner, a non-Gülen charter school named after him in Chicago, in February 2018.^[49]

In addition to policymakers, Gülenists have sought close connections with journalists, raising troubling questions about the nature of media coverage and objectivity. In Illinois, the Niagara Foundation serves as the centerpiece of these efforts inviting reporters and editors to speak at events and presenting them with awards.

One of the most telling examples is the Niagara Foundation's decade-long close relationship with the Chicago Tribune and its executives. The Tribune is the most daily read newspaper in the Great Lakes region and the 6th most circulated paper in the United States. As noted earlier, the group presented the Tribune's publisher, Tony Hunter, with their Niagara Media Award in 2009. By 2015, the Tribune served as a sponsor of the Foundation's Peace and Dialogue Awards ceremony.^[50]

In February 2012, the senior vice president and editor of the newspaper, Gerould Kern, was the Niagara Foundation luncheon featured speaker. In his remarks, Kern made a note of the awards, saying, "I know that [the Niagara Foundation] share[s] the Tribune's values about honesty and openness in government because the foundation honored our publisher Tony Hunter a couple of years ago at the annual awards program."^[51]

Just two months after speaking at the Niagara Foundation, Kern visited the Chicago Math and Science Academy. During the visit, he sat down for a video interview where he spoke fondly of the

school, saying the students had a “fantastic opportunity” there. The video remains on the school’s website today.^[52]

In January of the following year, the Chicago Tribune editorial board would weigh in favorably after CMSA won a case in front of the National Labor Relations Board over the process for how the school’s teachers could unionize. The Tribune called it “an important victory for charter freedom and flexibility.”^[53] That September, the Tribune’s editorial page editor, Bruce Dold, gave a presentation at the Niagara Foundation entitled “Illinois Politics and Fiscal Solvency.”^[54]

The Tribune has not been the sole focus of the Niagara Foundation. Since their awards ceremony was created, the Niagara Foundation has presented its media award to executives at Chicago’s NBC-5, ABC-7, Chicago Public Radio, and the local PBS television station WTTW.^[55] The event has also featured local anchors from all three major broadcast networks to serve as emcees.

In stark contrast, the city’s only other major daily newspaper, the Chicago Sun-Times, whose investigative reporter Dan Mihalopoulos has written several articles that include criticisms of the Chicago Math and Science Academy and cover the investigations into it, does not appear to have ever been honored by the Niagara Foundation.

As a regional organization that operates across nine states, the Niagara Foundation’s sphere of influence is large. For instance, their connections with Ohio lawmakers are quite extensive. They

include former Speaker of the Ohio House of Representatives, Cliff Rosenberger. One of the most influential politicians in the state, he has also been a longtime supporter of charter schools and enjoyed close ties to the Gülenist Niagara Foundation. In December 2011, Rosenberger was one of several Ohio Representatives and public officials to travel to Turkey on a Foundation trip. The trip was led by Serkan Aykan, the president of the Ohio chapter of the Foundation. Guests on the trip included:

1. State Rep. Peter Beck
2. State Rep. Bob Peterson
3. Highland County Commissioner Jeremy Shaffer
4. Clinton County Economic and Business Development Director Bret Dixon
5. Sezer Corporation President Ilhami Sezer
6. Department of Agriculture Markets Division chief Janelle Mead
7. Global Agriculture Program Manager Tim Sword^[56]

According to the Niagara Foundation, the eight-day trip included visits to farms and sightseeing excursions to Istanbul. Upon their return, Rosenberger presented Aykan with an official certificate from the Ohio House of Representatives thanking him for organizing the trip. Just three months after the trip, the Akron Beacon Journal reported that Rosenberger received \$1,850 in donations from individuals with connections to Gülen schools or Turkish interests.^[57]

Rosenberger and the other legislators on the trip would prove to be good friends and allies to the Niagara Foundation and

the Gülenist schools in the years to come. In 2012 and 2013, the three representatives would serve on the Host Committee for the Niagara Foundation's Ohio State House Reception.^[58] These receptions are a critical component of the Niagara Foundation's plan to develop ties with other lawmakers.

In 2015, Rosenberger was elected Speaker of Ohio's house and would be especially valuable to Ohio charter schools in his attempts to preserve the status quo and avoid oversight that year. The legislation was introduced to build new accountability and reporting rules for the state's charter school industry. Simultaneously, the bill was eventually enacted into law that October, only after the House leadership went above and beyond to slow the bill's progress. The Cleveland Plain Dealer reported that House leaders skipped a vote on the bill during the summer and later left it off the schedule before the House left for its summer recess. Some said the delays were part of an effort to water the bill down to appease the state's charter schools.^[59]

Rosenberger has not been the only influential elected official with close ties to Concept Schools and the Niagara Foundation. Ohio Secretary of State John Husted is known as the "architect" of Ohio's original charter school law, which provided little oversight over Ohio schools.^[60] Husted is a former state representative from Kettering, Ohio, who served as the Ohio House speaker from 2005 to 2009 before becoming Secretary of State in 2010. Husted wrote the law in 2003. It was designed to create a "buffer between the Department of Education and charter schools by placing control in the hands of 'sponsors,' or 'authorizers,' who generally were school-choice advocates," according to the Akron Beacon Journal.^[61]



Husted's history with charter schools and a powerful position in the legislature made him a prime target for outreach by the Niagara Foundation and the Gülenist schools in Ohio. As in other states like Illinois, the Niagara Foundation chapter in Ohio has held annual Peace and Dialogue Awards to honor influential Ohioans and strengthen their own connections. However, unlike in Illinois, information on Ohio awards ceremonies is harder to locate, at least on the Niagara Foundation's website. Fortunately, videos of the award ceremonies exist on a YouTube channel that has not been updated in several years. The videos demonstrate how these awards and ceremonies are designed to flatter and influence prominent policymakers.

In 2012, the Niagara Foundation presented Husted with a Niagara Lifetime Achievement Award. [JM29] Husted is seen accepting the award and telling the crowd, "I am proud to be a recipient and affiliated with such a wonderful organization."^[62] Before presenting the awards, the audience was shown a nearly ten-minute-long promotional video on the Niagara Foundation.^[63]

The Gülen network has also used connections with Husted to promote their own schools. Between 2011 and 2013, Husted visited Horizon academies in Columbus, Cleveland, Cincinnati, and Dayton. During one visit, he signed a note saying, "I hope you consider me a friend and supporter of your mission."^[64] Since then, the schools have actively used photos of Husted on their promotional materials.^[65]

In 2014, the Akron Beacon Journal reported that in the weeks before and after each visit to a Horizon academy, "people who identified themselves as with Horizon, Concept, Noble, or Turkish interests donated \$5,400 into Husted's campaign fund."^[66] Another member of the Ohio legislature, former-Representative Gerald Stebelton, was also a favorite Niagara Foundation target. In what was doubtlessly not a coincidence, Stebelton happened to serve as Chair of the Ohio House Education Committee before retiring in 2014. In 2011, the Niagara Foundation awarded Stebelton their Educational Award at their annual Peace and Dialogue Awards banquet. Stebelton said he accepted the award on behalf of the entire Ohio House of Representatives. The following year, Stebelton would visit the Niagara Foundation, where he was the featured speaker at a Lunchtime Forum to discuss the Education Committee's duties in the Ohio House of Representatives.^[67]

The Niagara Foundation's relationship with key figures in Illinois and Ohio reflects a larger tendency within the Gülen movement to solicit the support of the decision-makers and storytellers who can facilitate their operations and help shore up their brand and avoid accountability for their actions. Elite support does not just help keep Gülen operations running smoothly—it legitimizes the movement and Fethullah Gülen in the eyes of the American public. It ties the movement's reputation to the reputations of policymakers, journalists, and community leaders. As a result, holding the Gülen charter network accountable entails challenging the integrity and authority of the movement's allies as well as the movement itself. In the following chapter, we will explore a particularly troubling tactic to further the Gülenists' political machine: free trips provided to lawmakers in exchange for support and goodwill.

"Killing Ed"

DOCUMENTARY EXPLORES SECRETIVE OPERATIONS OF GÜLEN SCHOOLS

The documentary *Killing Ed* was released in 2015. It featured firsthand interviews with teachers and students who witnessed firsthand how Gülen schools operate. The film was independently researched and produced by acclaimed documentarian Mark Hall beginning in 2011 and was not funded or influenced by The Republic of Turkey.

In the film, teacher Amy Warren raised serious questions about how Gülen schools treat teachers and students. Warren

taught at the Harmony School of Excellence in Austin. After she started at the school, she was told that she would be teaching health despite not having any experience or certification in the subject. When she complained to the school's principal, she was told she could take the kids outside for recess instead.

Warren also expressed concerns about possible academic fraud. "Our principal has told us if a student is failing, you are just going to 'help them out,'" she said. "I think he meant to change their grades."^[1]

The documentary also interviewed "Melissa," a former teacher at the Harmony Science Academy who wished to remain anonymous. She also complained about the number of unqualified teachers at the schools. "I think at this point, and we have more uncertified teachers than certified. We have more first-year teachers than seems legal. Most Turkish teachers' English is so bad that I cannot understand them, and they clearly cannot understand me," she said. Melissa called the school's administration "completely underqualified" and said they "are more concerned with sharing the 'awesome-ness' of Turkey forcefully with staff, faculty, and students than with providing a good education and work environment."^[2] The documentary also looked at how the Gülen movement has been able to build strong support among policymakers. "The Gülen movement has been brilliant in targeting politicians and people of influence. Grooming them to be its sympathizers," said Sharon Higgins from Parents Across America, an advocacy group for public schools.

The film includes an interview with a former Gülenist who described how Gülen organizations use foreign trips to build public officials' relationships. "They usually invited influential people to Turkey – governors, senators, congressmen, legislators, deans, academics, and journalists. They try to make a connection with them because they might use the connection in the future for their own purposes," he said.^[3] Higgins noted that thousands of people have been on these trips. "I am sure it is a very pleasant trip, but it is a propaganda trip. You don't get a multi-thousand-dollar trip to Turkey for no reason. They'll take politicians; when they return, many times these influential people will do favors for them," she concluded.^[4]

[Endnotes: Chapter 6

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Chapter 7

One of the most common lobbying approaches by Gülen NGOs was the use of free trips to Turkey for public officials or influential community members, such as religious leaders or academics. The California-based Pacifica Institute argues that the sponsored trips are a way to facilitate encounters between East and West,^[1] giving participants the “opportunity to make new friends and invaluable connections.”^[2] Although it is fairly common for different interest groups, including governments, to sponsor public officials’ trips, the Gülen movement’s efforts have been exceptional both in cost and scale. For instance, the Pacifica Institute’s sister organization, BAKIAD, estimates that it has sponsored more than 7,000 visitors to visit Turkey between 2003 and 2010, with a total cost of roughly \$17.5 million.^[3] Participants included elected officials, journalists, academics, and several community leaders from the United States.^[4]

On the surface, it would appear that the trips organized by the likes of Pacifica, or the Turquoise Council have the sole purpose of promoting Turkish culture and exposing Americans to a different version of Islam, one that was not antagonistic to the West. However, aspects of the trips have attracted negative attention, both because of the sponsoring entities and the participants.

THE PURPOSE OF THE TRIPS

A stunning number of American officials, ranging from state lawmakers to congressional staff members, have taken trips to Turkey, partly financed by cultural organizations founded by the Gülen movement's followers. Liz Whyte from the Center for Public Integrity documented that, between 2006 and 2015, 151 legislators from 29 different states visited Turkey at the invitation of several Gülen non-profits.^[5] The trips themselves were presented as a learning experience for those unfamiliar with Turkey. However, the more subtle, hidden objective was to get close to lawmakers and create goodwill that may prove useful in the future. Joshua Hendricks, one of the leading scholars on the movement, sees the trips as a clear political effort presented as a grassroots mobilization of dialogue and confirms they "certainly have the impact of cultivating influence."^[6]

Given that officials at the state level do not formally participate in foreign policy questions, it is unusual for them to take so many international trips. However, state lawmakers can directly impact the Gülen Movement's expansion of their charter schools as they control the budget and formulate localized education policies. In that sense, state officials can be the movement's most powerful ally or worst enemy. While the trips are not usually intended to influence politicians' positions on specific issues, they act as part of a larger public relations scheme that establishes Gülen organizations and the leadership of Gülen non-profits as good-faith political actors. Once an elected official accepts a trip and speaks positively of the experience, it legitimizes the movement further. It gives it the positive publicity it needs to entice others

to participate in a trip or event. Even state legislators from states without Gülen charter schools can be useful should the movement expand to the state in question. They provide key voices of support that add to the movement's legitimacy. Following a detailed investigation of these trips, the movement has largely stopped the practice and is now much more selective about their overseas excursions.

Whistleblower Trip

WHISTLEBLOWER EXPOSES HIDDEN AGENDA BEHIND TURKEY TRIPS

Whistleblower Yunus Avcu also helped expose some of the connections between Gülenist groups and their schools and their practices to develop relationships with top public officials surreptitiously.

Avcu told LA Weekly that during his monthly visits to the Accord Institute, Turkey was always the overriding topic of conversation. "Turkey always seemed to him the overriding concern – trips to Turkey for American dignitaries, Turkish cultural dinners for local officials, and the guarantee that Turkish majorities on the charter schools' boards would hire Turkish principals, who would, in turn, sponsor the H-1B visas for Turkish teachers to come to the United States to work – and according to Avcu, to make the all-important donations from their salaries to the organization."



Most of the lawmakers who went to Turkey had a positive outlook on their time there. Senator Troy Fraser described his trip as a fact-finding mission and “the best I have taken” because of the officials and business leaders he was able to meet.^[7] This report aligns with those trips’ stated purposes, which have been described to further the commercial and business relations between the two countries. However, the Center for Public Integrity reports that several state officials have introduced resolutions either honoring Turkish Americans or Fethullah Gülen himself.^[8] For instance, after five senators returned from Turkey in 2010, they co-authored a senate resolution that read: “That the Senate of the State of Texas, 82nd Legislature, hereby commend Fethullah Gülen for his

dedication to working toward a better world through education, service, tolerance, and the free exchange of ideas and extend to him best wishes for continuous success in all of his endeavors.” Troy Fraser, Eddie Lucio Jr., Joan Huffman, Jane Nelson, and Leticia Van de Putte were the sponsors of the resolution.

To be praised and have a resolution dedicated to one’s life and works is certainly an honor. However, sincere, or not, the senators’ admiration for Gülen’s philosophy and work is the direct result of a strong public relations campaign by Gülen’s followers. Further, in 2012 Harmony senior officials Ilker Gure and Yasmin Ekici would donate \$5,850 to Senator Lucio’s campaign. The Turquoise Council contributed \$3,800, a total of \$9,650 from Gülenists or Gülen-affiliated entities. Taken together, the free trips to Turkey and the campaign contributions create at the very least the appearance of an incentive to view Fethullah Gülen and his followers favorably as a matter of policy.^[9]

Similarly, Leticia Van de Putte, who also authored a resolution celebrating Harmony Public Schools’ achievement,^[10] Received \$5,000 from the then-superintendent at Harmony Schools, Zekeriya Yiksel, and \$3,200 from the Raindrop Foundation.^[11] Texas State Representative Alma Allen has been to Turkey twice and was the recipient of \$8,500^[12] from individuals associated with Harmony. She was the vice-chair of Texas’ public education committee and a former advisor on the board of Harmony Public Schools.^[13] Allen is a staunch supporter of Harmony and has defended their educational achievement on more than one occasion.^[14]

None of the above donations amounts to legal improprieties from the donor or recipient; if asked, either party would state their

rights to support the candidate that best aligns with their interests financially. Nevertheless, beyond all the legal and transparent contributions, followers of the movement have made several illegal political donations. In November 2015, a USA Today investigation reported that dozens of large amounts were contributed by people with relatively low incomes or people who knew next to nothing about the candidate they were giving money to. Also, the donors were all of Turkish descent and had ties to the Gülen movement. For example, on April 30, 2014, Senator Kelly Ayotte received 19 separate donations, totaling \$43,100.^[15] A Republican from New Hampshire and a strong advocate for school choice,^[16] Ayotte was seeking a second term as senator. Strangely enough, none of the nineteen donors actually were New Hampshire residents. When asked why they supported her candidacy, they did not seem to know who she was. In many cases, the donors thought she was male: “He is doing good so far. ... I know him,” or “I just liked what he said at that time and wanted to donate.”^[17] Contributions to Senator Ayotte likely violated campaign finance laws. Getting multiple donations on the same day by a group of voters who are not familiar with the candidate is a red flag.

Rep. Henry Cuellar, a Democrat representing Texas’s 28th congressional district, was also targeted. In October 2013, he received nine donations of \$2,500 from out-of-state Turkish Americans. Among them was Bilal Eksili, the current President of the Turquoise Council of Americans and Eurasians, which was investigated for illegally funneling money to finance trips for congress members. Eksili donated \$2,500^[18] to Cuellar’s campaign on a yearly salary of \$31,592. Public records reveal that, despite not owning a home and earning a low salary, he donated \$38,000 to

various campaigns between 2010 and 2015.^[19] Interestingly, in early 2022, the FBI raided the home and office of Rep. Cuellar, with early reports indicating that they are continuing to seek further targets involved in this scandal beyond the Congressman.

In the other matters, no criminal investigation has been launched to date, the dynamics involving several contributors donating large amounts of their income to a candidate they do not know indicate potential campaign finance duplicity. This behavior pattern is not surprising, as Gülenists often resort to extra-legal methods to achieve their goals. As we have shown so far in this book, in cases where their public-facing activities have the appearance of something untoward without crossing legal lines—such as leaders donating to political candidates who have participated in trips to Turkey—digging deeper shows that their internal activities are much more likely to be illegal or highly unethical.

Kemal Oksuz

KEMAL OKSUZ: SELF-REINFORCING LEGITIMACY

The 2010 trip to Turkey for Texas state senators was one of Oksuz's more impressive lobbying efforts. The senate resolution honoring Fethullah Gülen that they co-authored when they returned is an endorsement of Fethullah Gülen. While there are no policy decisions associated with it, it is an indication of the influence Oksuz was able to exert over the Texas lawmakers.

Moreover, the prompt adoption of the resolution after a trip to Turkey undermines the claim that the trips are conducted for cultural exchange. Public political support is invaluable to an international figure like Gülen, who depends on his host country's goodwill, and a free trip is a clear incentive for the state senators to provide that support. The senators' participation in the trip further legitimizes Oksuz and the TCAE as a promoter of peace, dialogue, and Turkish culture, rather than a lobbying outfit to facilitate the charter school racket. Local politicians in Texas and beyond should stop accepting free trips and other gifts and favors to avoid the appearance of participating in a quid pro quo.

The New York Times article by Stephanie Saul exposed the links between the NGOs that offered state legislators free trips and Gülen-affiliated charter schools and made some lawmakers think twice about accepting those trips.^[20] The article's publication and its attention to the Gülen movement also signaled a change in tactics for cultural organizations such as the Turquoise Council and its affiliated organizations. While Gülen-affiliated organizations had traditionally focused their outreach efforts on state and local officials who had jurisdiction over charter schools and charter school oversight, they soon focused their attention and resources on federal policymakers.

In the same article, the New York Times reported that as of 2011, the US Department of Labor was investigating whether Gülen-affiliated schools were abusing the H-1B visa program. It also noted that in 2010, the Inspector General at

the U.S. Department of Education had sent a memo alerting the agency that it had concerns about “vulnerabilities in the oversight of charter schools.”^[21] Given the timing of the increase in lobbying activities targeting federal lawmakers and officials, the Gülen network began focusing on the federal government when federal investigators began focusing on them.

USA Today estimates that Gülen cultural organizations such as the Pacifica institute, the West America Turkic Council, the Turquoise Council, and other umbrella groups have sponsored as many as 200 trips for congressional lawmakers to build influence at the federal level. Despite being initially approved by the House Ethics Committee, further investigations revealed serious inconsistencies in the disclosure forms on which information about the trips was recorded. Many of the forms seem to have been falsified. For instance, as the sponsor of dozens of trips for lawmakers, the Pacifica Institute claims on its disclosure forms to be an IRS-recognized non-profit. However, the IRS has no record of the organization.^[22] Pacifica states that it is a subsidiary of a group called Global Cultural Connections on some disclosure forms. In contrast, on others, it claims to be a part of the West America Turkic Council. Both groups are registered as non-profits, but neither reported expenses for the trips they supposedly sponsored for Congress members in 2011 and 2013, suggesting that neither Pacifica, the Global Cultural Connection, nor the West American Turkic Council actually paid for the trips. The true source of the funding is unknown.

This culture of deception and withholding information from Congress about the source of funds came to a halt after eleven lawmakers and their staffers traveled to Turkey in 2013. In this instance, the House Ethics Committee discovered that the Turquoise Council and another group, the Assembly of the Friends of Azerbaijan (AFAZ), were funneling money from Azerbaijan to finance a trip for eleven lawmakers to attend an Azerbaijan energy conference. As before, the Turquoise Council lied on the disclosure forms, claiming it was the only organization funding the trips. This event would eventually spur a federal investigation and, finally, bring to light vital information about how Gülenists had been funding lavish trips for federal policymakers.

Of the 11 members of Congress on the trip, four were from Texas. They included:

1. Congressman Ted Poe, member of the Foreign Affairs Committee and chairman of the subcommittee on Terrorism, Nonproliferation, and Trade.
2. Congresswoman Sheila Jackson-Lee, member of the Homeland Security Committee, which oversees the Department of Homeland Security, the agency that helps run the H-1B visa program.
3. Then-Congressman Ruben Hinojosa, member of the Financial Services Committee.
4. Then-Congressman Steve Stockman, member of the Foreign Affairs Committee.

Both Congressman Poe and Congresswoman Jackson-Lee are particularly illustrative cases. While being on opposite

sides of the ideological spectrum—Poe is a Republican and a House Freedom Caucus member. Jackson-Lee is a Democrat and a member of the Progressive Caucus—they both support increasing funding for charter schools. Furthermore, they have received generous donations from Gülen-affiliated organizations, including Harmony officials, the Turquoise Council, and even AFAZ. Political contributions to Congresswoman Jackson-Lee amount to more than \$78,000 from those groups. At the same time, Poe has received \$39,200 from the same donors.^[23]

In addition to travel and accommodations, guests on the trip were treated to a vast number of gifts that included jade earrings, pens, tea sets, silk scarves, and leather diaries, among other items. According to The Hill newspaper, one Congress member ultimately surrendered 34 gifts to the House clerk that they had received on the trip. Among the gifts were three briefcases, two decorative plates, paperweights, earrings, and two cologne bottles.^[24]

While the vast number of gifts generated headlines, the centerpiece of the investigation into the trip was Kemal Oksuz, the president of the Turquoise Council, whose company had earned millions of dollars from contracts with Harmony Schools. Oksuz also happened to be the president of AFAZ and allegedly organized and funded the trips using the Turquoise Council's general funds. An investigation by the Office of Congressional Ethics (OCE) later found that the Turquoise Council and AFAZ had concealed their funding source and filed false statements with Congress swearing they were

sponsoring the conference. Their inquiry eventually revealed that Oksuz had intentionally concealed the true source of funding for the trip.^[25] Oksuz's illegal money funneling scheme to finance the trip for federal lawmakers exposed them to considerable influence by a foreign entity whose foreign policy interests do not necessarily align with those of the United States.

Since controversy first erupted over the Azerbaijan trip in 2014, it is unclear whether trips to Turkey or Azerbaijan by the Turquoise Council or its affiliate, the Raindrop Foundation, have continued. The last trip mentioned by the Raindrop Foundation – Austin on their website was a trip made by representatives of the Austin Independent School District in May 2014, two months before the Houston Chronicle published their investigation into the Turquoise Council's congressional trip. For now, at least, there seems to be little interest in promoting this tool that had once been so effective. Policymakers and staff who embark on privately sponsored trips understand the political risk they are taking and thus are putting trust in their sponsor's hands that the trips will be handled legally and ethically. In the case of Gülen-affiliated NGOs, that trust was misplaced.

For Gülen groups, companies, and schools in Texas, these trips were helpful for years in fostering greater ties with influential figures and helping to build legitimacy around questionable enterprises. In the future, policymakers should be leery of accepting trips, gifts, or invitations from any cultural organization linked to the Gülen movement and their schools.

Kemal Oksuz

BUILDING INFLUENCE WITH THE TURQUOISE COUNCIL OF AMERICANS AND EURASIANS

Around the time he founded TDM, Oksuz also took on the role of promoter of Turkish culture when he founded and became the CEO of the Turquoise Council of Americans and Eurasians (TCAE). As a non-profit based in Houston, Texas, the TCAE is an umbrella organization for many Gülen-associated non-profits across the United States, primarily in Texas, Arkansas, Kansas, Louisiana, Mississippi, Oklahoma, Washington, D.C., and New Mexico.^[26] Their goal is to promote communication and good relations between Turkish Americans and the wider community, according to their website. This statement is partly true; in reality, the organization's main goal is to facilitate lobbying on behalf of Gülen and influence public opinion of the movement. The TCAE mainly hosts dinners for public officials and sponsors trips to Turkey and other affiliated countries to promote its economic and political interests.^[27]

With Oksuz as founder and president, the TCAE has been an important structure within the Gülen movement by acting as its outreach arm to build its influence in Texas. It has not hurt that Texas is home to the nation's biggest chain of Gülen charter schools, where funds collected from the school via various schemes can be channeled to the organization to finance political activities. For instance, a 2011 article in the

Austin American-Statesman noted the Turquoise Council's growing one of its favorite tactics for building relationships.

"Opportunities to visit Turkey—a U.S. ally and trading partner—have increased dramatically in the past two years with the creation of the Turquoise Council. The council, which operates in seven states and the nation's capital, raised its profile at the Texas Capitol earlier this year, with a congressional delegation from Turkey visiting Gov. Rick Perry, Education Commissioner Robert Scott, and Comptroller Susan Combs, as well as hosting a Texas-Turkic Friendship Reception for state officials on Jan. 25th," reported the Statesman.

While Oksuz insists that the council's outreach is about goodwill and furthering commercial and cultural relations between Texas and Turkey, it is undeniable that the TCAE endeavors to influence policy on many levels. For instance, in 2010, Robert Scott, Texas' Education Commissioner from 2007 to 2012, visited the Raindrop Foundation, a subsidiary of the TCAE, and subsequently permitted Harmony to open new schools outside the normal approval process.^[28] The National Association of Charter School Authorizers would later complain that Texas lacked the ability to properly oversee schools, with a total of nine people overseeing more than 500 charter school campuses. Greg Richmond, President of the Association, complained, "They do not have the capacity at the state level to do the job."^[29] One year later, auditors would discover serious discrepancies in Harmony's accounting practices and another Gülen charter school network, Riverwalk Schools.

Oksuz's success in influencing lawmakers came to a halt in 2013, when the federal government launched an investigation into the Turquoise and another group's activities, the Assembly of the Friends of Azerbaijan (AFAZ). An inquiry by the Office of Congressional Ethics would find that the trip was actually not funded by the TCAE or by AFAZ, the entities listed on the travel disclosure forms. It was further discovered that, during his time as president of the TCAE, Oksuz also became the CEO and president of AFAZ. AFAZ's only founding member was SOCAR, the state oil company of Azerbaijan. The group's charter gave vast powers to SOCAR, including the power to amend the charter and appoint new board members. As CEO of both AFAZ and the TCAE, Oksuz would funnel money from outside sources to pay for 11 members of Congress and 32 staffers to go on a trip to Azerbaijan to attend an energy conference. Several of the attendees also added two days in Turkey to their itinerary.

Oksuz purposely misrepresented the source of the funds to the members of Congress who attended the conference. In one email on March 17, 2013, an attorney from the Ethics Committee requested that Oksuz confirm that the TCAE would cover all expenses for the trip using its general funds, to which Oksuz responded, "Yes, TCAE will be paying for all trip expenses using its general funds. TCAE never receives additional outside funding to subsidize expenses for the trips. Our donors are our members: individual and corporate members."

^[30] This statement was proven to be false. Only a month before the email, Oksuz opened a Wells Fargo business checking account in the name of AFAZ. He was the only authorized

signatory. Bank records show that from May to July 2013, large wire transfers were made from SOCAR to the AFAZ account in increments of \$750,000.

There are clear reasons that the Ethics Committee has strict rules about members of Congress receiving gifts or going on trips funded by private or foreign institutions. Control systems are put in place to shield lawmakers from influence by entities that do not have American political and economic interests in mind. The fact that most of the funds came from SOCAR, a state-owned oil company, violates the House Travel Regulations. Members of Congress are allowed to take trips financed by others, as long as those others are not foreign governments or lobbyists. Oksuz was fully aware of this rule, which is why he assured the Ethics Committee that all the funds came from the Turquoise Council accounts on the travel application form.

In the aftermath of the trip, at least two Congress members spoke out in favor of the natural gas sector of Azerbaijan. Shortly after returning from the conference, Rep. James Bridenstine sponsored an amendment to the annual defense appropriations bill that would require the Department of Defense to issue reports on the importance of natural gas in the Caspian Sea and the value of building a pipeline in the region. He also argued that part of the Freedom Support Act of 1992 should be repealed because the language bans Azerbaijan from participating in economic programs available to other former Soviet states. Moreover, during the 2014 election cycle, Bridenstine received \$29,000 from donors associated with AFAZ or the TCAE. The funds came in three installments:

the first came three weeks before the conference, the second came nine days after he wrote an op-ed calling for U.S. support of Baku's energy sector, and the third came in October of 2014, shortly before the election.

Similarly, Rep. Michael Turner, who also attended the conference, drafted a resolution to promote energy security in Europe by opening the southern gas corridor. The resolution emphasized the value of the pipeline, as the organizers of the Baku conference did. Out of the ten participants of the conference in Azerbaijan, seven co-sponsored the bill, including Bridenstine. Turner has also received donations from AFAZ and TCAE donors to the tune of \$38,200.

It is difficult to ignore Oksuz's role in all these events. He falsified documents to obtain money to finance a trip to further the interests of a foreign nation. At the very least, he put Congress members in a situation that could have proved embarrassing to the United States. Had the Ethics Committee known that SOCAR sponsored the trip, lawmakers would have been barred from attending the conference. As it stands, the lawmakers' decisions are colored by their unwitting participation in an illegal lobbying scheme, damaging their credibility around a key issue for US foreign policy in the region.

Oksuz refused to cooperate with authorities. As federal investigators closed in on him, he fled to Armenia for two years, leaving his family behind. Even as a fugitive, Oksuz continued to engage in criminal activities. According to the Armenian Prosecutor General, in 2017, he established a tourism and

event planning business, the Sena Group, which is currently being investigated by the Armenian police for tax evasion.^[31]

Interpol eventually captured and extradited Oksuz to the United States to face one count of “devising a scheme to falsify, conceal, and cover up material facts from the Ethics Committee” and four counts of making false statements to Congress. Oksuz’s trial brought to light further information about other activities that were previously unknown to the public. It turned out that a man whose friends had described as “a non-profit leader devoted to charity and international understanding” also had ties to Arlington Strategic Supplies and Manufacturing, a New York company reportedly involved in international arms sales, including guns and grenade launchers.^[32] Little is known about Arlington, an opaque company owned by Furkan Kosar, a top member of the Gülen movement operating in New Jersey. Kosar is no stranger to controversy: he is the president of the Council of Turkic American Association, an organization not unlike Oksuz’s TCAE that exists solely to promote the Gülen movement’s interests. Kosar is also the former principal of a New Jersey Gülen charter school flagged for mispending federal funds.^[33] Based on his involvement with this company, it is evident that Oksuz is far from a leader devoted to charity, as he was depicted during his trial.

Ultimately, Oskuz was found guilty of one felony count, fined \$20,000, and given five years’ probation. Although his crimes warrant a minimum of six months behind bars, Oksuz was credited with three months he spent in an Armenian jail, plus

another week during which he was detained upon his return to the U.S. Oksuz's actions undermined the integrity of an essential American political institution and exposed eleven lawmakers to considerable influence from a foreign entity. For Gülen groups, companies, and schools in Texas, free trips were helpful for years in fostering greater ties with influential figures and helping to build legitimacy around questionable enterprises.

Furkan Kosar

OKSUZ'S "CLEAN" COUNTERPART

On top of his work as a principal of a charter school, in 2010, Furkan Kosar became the president of the Council of Turkic Americans Association, an umbrella organization comprised of approximately 45 members, including 27 branches of Turkish Cultural Centers, the Brooklyn Amity School, Pioneer Academy of Science, and the Universal Foundation. The CTAA's stated mission is "to serve as a resource about the Turkic American Community, to bring people together with interest in the Turkic and American Culture." The CTAA was an organization like Kemal Oksuz's Turquoise Council, whose main purpose was to help form powerful political relationships for the Gülen movement. In that role, Kosar hosted various fundraisers for politicians and was able to win over influential personalities by offering them free trips to Turkey.^[34]

Kosar's clout and access to political elites became evident during the 2012 election cycle. He not only donated to various local electoral campaigns, including a close governorship race, but he was also able to raise over \$500,000 for U.S. President Barack Obama's re-election bid.^[35] Kosar himself also hosted then-Vice President Joe Biden at an expensive D.C. fundraiser with over 200 members of the Turkish and Azerbaijan communities. Ticket prices started at \$2,500, with all proceeds going to the Obama Victory Fund and the Democratic National Committee.^[36] Judging by Kosar's proximity to important political actors, it is obvious that, by then, he had attained an important status in the American branch of the Gülen movement. He had close relationships with high-level politicians and made sizeable donations, both personally and through his events.

The CTAA and other Turkish cultural organizations worked tirelessly to lobby lawmakers. By 2013, Capitol Hill lawmakers and staff had taken 159 privately sponsored trips to Turkey, making Turkey second only to Israel in this area. These trips eventually raised multiple red flags and spurred an ethics investigation by the House of Representatives.^[37] The results, which were not surprising given Gülenists' propensity for secrecy and misinformation, found that a dozen different Gülen organizations had organized the trips and filed forms with the House falsely certifying that they were funding the trips. The trips' real sponsors were either foreign entities or did not exist in the IRS database. Five other Turkish sponsors, including Mr. Kosar and the CTAA, later admitted to congressional investigators that a Gülen group in Turkey was secretly covering the travel costs inside Turkey for lawmakers and staff.^[38]

In 2015, Kosar and the CTAA were caught up in the same scandal that got Kemal Oksuz indicted on fraud charges. According to the investigation's final report, "Overwhelming evidence from witness interviews and documents from the non-profits showed that they made willful and intentional misrepresentations to the Committee concerning funding and sponsorship." In his interview with the ethics committee, Kosar, who had worked closely with Oksuz to organize the event, eventually admitted that he had purposely misled lawmakers regarding the conference's actual sponsors.^[39] Compared to the TCAE, the CTAA played a relatively small role in organizing the Baku conference. They sponsored three members of Congress, two of whom traveled to Turkey before attending the conference. On the travel disclosure form, the organization confirmed that it had "not accepted funds directly or indirectly from any other source to finance any aspect of the trip."^[40] Kosar, as director, signed the form, certifying that all the funding came from his organization. This statement was a lie, as he would later admit. When confronted about the funds' true source, he readily acknowledged that he had falsified the forms and had accepted money from outside organizations to finance the trips.^[41] Kosar's cooperation with the Ethics Committee possibly spared him from criminal charges. In contrast, Oksuz, who refused to cooperate and fled the country, was indicted and guilty of fraud in 2018. However, the two would go on to work together on various other ventures going forward.

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Chapter 8

Who are Gülen's victims?

Despite the innocuous names of many Gülen schools – Magnolia, Harmony, Pioneer, Beehive, Lotus, etc. – and their administrators' denial of any connection to the Gülen movement, we have uncovered a massive, coordinated, and interrelated nationwide network of charter schools, charter management corporations, educational foundations, real estate companies, and school vendors that work closely together. These groups operate in a synchronized and coordinated way to exploit the American charter school model. Our research has found that the Gülen movement has been making massive profits—at the taxpayer's expense—through abusive financial schemes; this pattern is widespread throughout the network and its education arm and through various businesses and community organizations. In other words, the scams are not exclusive to one type of activity. However, they encompass the entire day-to-day management of charter schools. Abusive practices include but are not limited to:

1. The systematic use of Gülen vendors to purchase goods and services, rather than following legal procurement protocols and competitive bidding laws. Not only do they contract with affiliated companies, but they are overpaying these vendors, often for sub-par services

that are either done poorly or not at all. Frequently, the companies are not even in the industry they have been hired for.

2. Highly suspect real estate and land acquisition deals using public money to generate private profits for their own real estate companies rife with conflicts of interest and party-related transactions.
3. Using unfair and discriminatory practices for hiring; replacing qualified and certified American employees with unqualified Turkish employees, who were paid higher salaries through misuse and rampant abuse of the H-1B visa program, forced them to kick back significant parts of their salary to the movement.
4. Discriminating against minority and special education students.

The above activities constitute the basic template for setting up and running a Gülen school. Such activities were recently outlined in a settlement agreement between the Department of Justice and “Concept Schools.” The Gülen schools agreed to pay \$4.5m in a civil settlement to resolve allegations of engaging in “non-competitive bidding” practices connected with the Federal Communications Commission’s e-rate program. The practices mentioned here enrich the actors involved and finance the Gülen movement, giving it the means to continue its operations in the United States and abroad. Through scams that funnel taxpayer money towards their interest, the Gülen organizations leave behind a trail of waste, potential fraud, and underserved communities, all of whom are vulnerable and do not possess the means or the know-how to fight back.

For instance, American companies and taxpayers lose out when Gülen schools violate fair-bidding procedures and hand out lucrative contracts to other Gülen-affiliated companies. The suspect real estate deals in which taxpayer-funded schools are charged rents 50% to 150% above market value leave taxpayers on the hook and take away vital resources from schools that should be used for education. The abuses of the H-1B visa program create an unemployed class of qualified American teachers. Simultaneously, public money finances immigration costs for Turkish teachers who are not certified to teach in the United States. Finally, English language learners and special education students are at risk in Gülen schools that accept additional funding to create language development and special education programs but fail to follow through in providing the services that help those students succeed.

In the following two chapters, we explore the financial scams that misuse taxpayer funds and drain resources away from public schools. We then document the human costs of the visa schemes and discrimination against special education students and English language learners. Ultimately, we aim to show that when hundreds of millions of federal dollars find their way into the wrong hands, someone has to bear the cost. This is not a victimless crime. Unfortunately, this cost falls disproportionately on the shoulders of everyday Americans, especially those families living in vulnerable communities.

CELEBRITY SPOKESMAN ENES KANTER, ENES GÜLEN, ENES FREEDOM

Possibly one reason why there has not been more investigations and accountability into the unlawful thieving by the Gülen charter network is that they have tremendous soft power. One of this religious cult's most popular and famous members is former N.B.A. player Enes Kanter, who now has legally changed his name to Enes Kanter Freedom. After establishing himself as a formidable talent in the league, Kanter developed a large social media platform and found a following from loyal fans from his former team, the Oklahoma City Thunder, as well as across the league.

On top of being a professional basketball player, Kanter has made efforts to launch a charter school in Oklahoma and hold basketball camps across the country for youth basketball. Aside from his work for the N.B.A, Kanter has become an out-sized political figure and works as a highly effective lobbyist in furthering the interests of the Gülen movement. Kanter has never hidden his allegiance to Gülen or his membership in the cult. He grew up attending a Hizmet school in Turkey that taught math and science but was focused on preaching the core beliefs of the Gülen movement.

In a 2018 interview with the sports network "The Ringer," Kanter said that to try to "ease his transition" into the United States, he decided to connect with other Turkish nationals linked to the Gülen movement and, before long, was taking regular trips to visit Gülen's home in Pennsylvania. These visits

to the Pennsylvania compound are highly sought after by members of the movement and very hard to “earn.” It is seen as a “great honor” to sit in the presence of the leader of the group, and Kanter is not shy about his frequent visits and the amount of time he enjoys spending in the compound.

This includes a video shared by Turkish journalists of Kanter behaving with almost alarming devotion towards the imam, excitedly receiving a discarded teacup that Gülen had slipped from, stating what an honor it was to share and later drinking from the same cup. Kanter later tweeted what an honor it was to receive this gracious gift.

Following the 2016 coup attempt, the BBC reported that Kanter had decided to cut ties with his natural family over their view of his membership in the Gülen movement. Kanter was quoted, “Today I lost those who for 24 years, I called my family.” Following the coup attempt, Kanter made clear he intended to maintain his loyalty to the group alleged to have masterminded the attack on Turkey. Only later would Kanter reveal that he was actually visiting the compound on the day of the coup and spent the hours of the attack sitting with Fethullah Gülen himself. While Kanter publicly questioned why the Turkish government had issued a warrant for his arrest, knowing he was sitting next to the man accused of masterminding the coup may provide some clarity.

Kanter found early success as a lobbyist and was quick to develop strong allies in the halls of Congress on both sides of the aisle. He began to shift his approach away from

openly praising the teachings of his spiritual leader, Gülen, and instead began to use his platform and influence to lobby against the bilateral relationship between Washington and Ankara. With the assistance of the political relationships the Gülenists had already developed around the country, Kanter was able to get access, through his celebrity status that other lobbyists could only dream of. A Washington Post article from November 2019 was titled "On Capitol Hill, officials line up to back Enes Kanter, N.B.A. player, and political dissident." The article details his close relationships with Republican Senators James Lankford, Roger Wicker, and Democrat Senators Ron Wyden and Joe Kennedy. The article explained, "Kanter, 27, has cultivated almost his own caucus among U.S. lawmakers, urging them to support policies to undercut Erdogan's government..." The Gülen movement officially had established one of their most staunch loyalists as one of the more powerful lobbyists in D.C. This led to resolutions being passed against Turkey, in which the sponsors of the resolution flatly explained "was drafted with Kanter in mind."

Kanter's influence continued to grow, with legislators publicly saying, "when questions about Turkish-American relations arise now, they know to call Kanter for input." Kanter penned an op-ed for the Washington Post that was highly critical of the Turkish government and had stories written about him in publications across the political spectrum. One glaring exception from the extensive media coverage surrounding him was his devout allegiance to the Gülen movement. Articles would quietly state, "Kanter describes himself as a close ally of Gülen," or "Kanter is a member of the Gülen movement,"

without explaining the inherent bias of his views as a member of a cult or providing context to his political beliefs.

Journalists have rushed to cover every aspect of Kanter's story, and politicians are openly using his narrative to craft resolutions and policy towards a NATO ally and refuse to acknowledge or even address the apparent issue of using the views of such a devout member of a cult. In a New Yorker interview from December of 2021, the only context provided was "Enes Freedom is a supporter of the Turkish scholar Fethullah Gülen – whom Erdogan claims were behind the failed 2016 coup against him." This type of light touch on his allegiance to the movement is highly misleading and deserves increased scrutiny.

Kanter continued to ride the fence politically, but in more recent years his intolerant brand of anti-democratic politics has begun to come out. Kanter appeared on FOX News with Tucker Carlson and made comments in which he attacked immigrants who failed to step in line with President Donald Trump's agenda. He said, "I feel like they should just – please, they should just keep their mouth shut and stop criticizing the greatest nation in the world..." The quote was poorly received and highly hypocritical from a so-called free speech advocate. While the more progressive news networks seemed upset at Kanter's pivot to the right, Kanter continued to lobby, holding a meeting with Utah Senator Mike Lee. Following the meeting, Kanter was invited to attend a Republican Steering Committee meeting in which he was able to sit and have lunch with all 50 Republican senators. Multiple Senators followed the luncheon

with tweets promoting Kanter and sharing pictures of them posing together. Kanter was invited to speak at C.P.A.C., a Conservative Republican conference where leading politicians and right-wing voices gather to talk about the party's future. Although he accepted the invitation initially, he was later released by the Houston Rockets N.B.A. franchise and decided the C.P.A.C. conference may not be in his best interest while looking to find another home in the league.

With the support of the Gülen movement behind him and working the political allegiances they have formed, Kanter's lobbying efforts have been swift and effective. He spends much of his time on Capitol Hill in meetings, lunches, and hosting events. Senator Joe Kennedy stated, "he is a friendly guy, and he is not shy about reaching out." He has been trying to get a meeting with President Biden for over a year and has begun working through his expansive network. In February 2022, Kanter told a podcast, "I was actually having lunch in the Senate with one of the really, really big senators, and he was a Democrat too, and I asked him if President Biden knows my story." Later, he has been told President Biden is "scared to have a conversation with him." In an interview with "Real Clear Politics," Kanter made clear he has been trying to get the meeting with the White House through "established back channels."

While Kanter's shift to lobbying has been effective, it does raise the question of the duty of journalists who sit for these "Prime Time" interviews or politicians that pass resolutions with "Kanter in mind", is to what degree do we question the narrative as told from someone who is such a devout follower

of a religious cult? This is a critical context that speaks both to the veracity of his allegations and his ability to stay neutral when it comes to diplomacy with a country that is a NATO ally and critical to U.S. interests in the region. The fact that journalists refuse to dig into the political leanings of this movement or how Kanter's narrative could be painted as an extension of Fethullah Gülen's views is a failure on every level. As one famous Turkish journalist quoted, "If a journalist is calling Enes Kanter a 'brave hero of democracy' without mentioning that he is a top member of a secretive, anti-democratic, pseudo-religious cult, they're a terrible journalist."

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Chapter 9

A Primer on Public Procurement: The Importance of Fair Competition

Fair bidding laws are essential to a fair market system. They promote mechanisms to ensure that companies will compete on the same level without having an undue advantage over another. As public sector entities, charter and public schools are required to issue public bids for their projects so that companies can compete to come up with the best proposals in terms of service and cost. This process allows school districts to choose from many firms that offer the services desired and subsequently choose the offer that suits them best. Competitive bidding processes are designed to be inclusive and accommodating to all eligible companies to allow them to win a bid, regardless of size or revenue. It is a critical component of any school district's budgeting process. Making it fair and competitive, the entity issuing the project can keep costs low and attract the most competent enterprise that can offer the best value for money to complete the work. With public money involved, any decision maker involved in the procurement process of a competitive contract bid has a fiduciary duty to make the best decision possible for the school they are serving. If they accept a more expensive bid, they are obliged to explain their decision and why it was in the school's best interest.

Therefore, first and foremost, in any competitive bidding process, there must be an absence of a conflict of interest; otherwise, the competition is no longer fair. The bidding entity must not have a pre-existing relationship with the tendering entity because it gives the bidder an unfair advantage. Most organizations would not use public money to bid from an affiliated organization to avoid such a situation. This precaution decreases potential biases that may arise. More importantly, it protects the integrity of the public financial system by minimizing taxpayer dollars' waste.

Understanding public procurement and the importance of fair, transparent bidding laws is essential to comprehend the extent to which Gülen schools have swindled the public for personal gain using taxpayer dollars. Gülen schools habitually rely on Gülen vendors and service providers to exclude other, often more capable, or affordable third parties. This close-knit network of businesses and organizations, run by Turkish immigrants connected to the Gülen movement, ranges from major contractors to smaller vendors that provide products like school lunches, uniforms, and after-school programs. With a "closed-loop" circle, like the one created by the Gülen schools, there is no oversight to determine whether the service provided is up to standard or was performed as contracted. It is the equivalent of relying on self-reporting between affiliated companies with individuals who are often on both sides of the transaction.

The abuse of procurement processes can result in actual harm. There are instances where the principal of a school hires a company of which they are a board member to perform a service. Virtually all construction and renovation work on these schools is

conducted by contractors associated with the movement or the school itself, often resulting in substandard buildings. This opaque system is far from how a competitive market is supposed to function. In the end, public money is allocated to serve private interests rather than the interests of the school or the community. Ultimately, this dynamic hurts both the taxpayer and American companies that were circumvented during an unfair procurement process. The following examples show the negative impact of Gülen schools' tendency to contract affiliated companies for services needed to educate students in a safe and healthy environment.

Conflict of Interest and Related Party Transactions at Harmony Schools

In 2011, the New York Times investigated Harmony Public Schools in Texas, the largest Gülen school network in the United States. The investigation revealed how public money was allocated to vendors who had close relationships with the schools, even when the services provided cost more than their competitors.

The investigation found that Target Design Management (TDM), a small, inexperienced construction company, was awarded an \$8.2 million contract within the first month of opening its doors by Harmony Public Schools.^[1] In other words, qualified, well-established construction companies were passed over in order for Harmony to hire a closely affiliated construction company that had no experience in this type of project. Over the course of two years, TDM and another partner company would be awarded over \$50 million in projects by Harmony. TDM's owner at the time was Kemal Oksuz, one of the Gülenists we profile throughout the book

and the former president of the Turquoise Council for Americans and Eurasians, an association created by Gülen followers.^[2] Since its creation in 2009, all of TDM's contracts have come from the Harmony schools. TDM's principal engineer, Osman Ozguc, a Turkish national, has direct ties to Harmony Public Schools. Ozguc previously worked for Solidarity, a Houston construction firm that has won major contracts from Harmony. At the time, Solidarity was managed by Levent Ulusal, formerly employed by Harmony as a business manager for one of their schools.^[3]

According to the investigation, this connection is merely one example that caught national attention, but, in general, Harmony relies on a network of affiliated contractors and vendors, many of whom are also followers of Fethullah Gülen, according to the investigation. Local contractors have expressed concerns over the fairness of bidding on other Harmony projects, as more established local companies have lost contracts. However, their bids were several hundred thousand dollars lower than the winner.^[4] When questioned, Harmony's superintendent, Soner Tarim. Another of the Gülenists we profile declared that his schools followed competitive bidding rules to the letter of the law. He also provided a list of American companies awarded construction contracts. However, a New York Times review of contracts from 2009 to 2011 found that, of 35 contracts worth \$82 million, only three (worth \$1.5 million) were awarded to American contractors.

Tarim's claims that Harmony schools followed proper procurement procedures are clearly false, especially when we consider that between 2009 and 2011, over 90% of contracts were awarded to businesses owned by men of Turkish descent, which, given local

demographics, is an unusually high figure.^[5] Overall, the procurement landscape begs the question of how TDM, a company no more than a month old at the time, managed to win such lucrative contracts, all of which came from Harmony. With so many locally established firms with a proven track record, it is highly improbable that such a young firm managed to outbid them all or provide the same level of service a school would get from a more established business. All the evidence points to collusion in the bidding process and favoritism of businesses affiliated with the Gülen movement.

The malfeasance goes beyond TDM, as Harmony Schools has awarded numerous contracts to other Gülen-affiliated businesses. For example, \$13 million was awarded to three different catering companies with Omer Baday, a Turkish national, as managing partner, president, or governing person.^[6] Similarly, Yunus Dogan, a follower of Gülen, affiliated with construction and catering companies as either president or partner, has received up to \$16 million in contracts from Harmony Schools.^[7] Because of the close links between Harmony and the individuals submitting bids, there is reason to suspect strong bias in favor of the likes of Baday and Dogan. More importantly, there is a precedent for this dynamic. It is not the first time that Harmony has handpicked Gülen-affiliated companies for lucrative contracts instead of going through the competitive process. In 2010, Atlas Texas Construction and Trading won a contract from Harmony even though it had the highest bid among the other competing firms. The same day, the company's catering arm Atlas Food and Beverages, also won a large contract at another Harmony school even though four other firms had much lower bids.^[8]

The evidence of Harmony's potential violations of state and federal bidding laws is overwhelming. IRS forms for the ten-year period from 2004 to 2014 indicate that self-dealing, and related party transactions were the norm rather than the exception. During that period, 61% of all contracts from Harmony were awarded to Turkish-owned and operated businesses.^[9] Of all the state and federal funds paid out to Harmony's top 54 contractors over that same period, 76% were awarded to Turkish-owned and operated businesses.^[10] This pattern strongly suggests that Harmony chooses to do business with related vendors outside the scope of the law and in breach of their duty to serve both the students at the school and their communities. While Harmony's violations are abundantly clear, it is essential to note that Harmony is just one of the over 250 Gülen schools across the country, all with the same modus operandi.

Conflict of Interest and Improper Procurement at Fulton County Schools

There was a similar case in Georgia in 2012, where an audit by Fulton County Schools revealed that a group of Gülen schools had awarded over \$500,000 in contracts to vendors, many of which are connected to the Gülen Movement.^[11] The audit further found that \$239,266 was paid to the Grace Institute, an organization whose Board included at least three employees from the Fulton Science Academy, including the school's then-executive director, principal, and curriculum director.^[12] According to the Fulton County Superintendent, the schools violated bidding requirements. There was an apparent conflict of interest due to the pre-existing relationship between school officials and the routinely selected vendors. At the time of the audit's release, the

Grace Institute had six employees, four of whom were former employees of the Fulton Science Academy.^[13]

The audit also found the schools hiring Turkish immigrants as teachers problematic. Many of these teachers had zero teaching experience and those who did receive low grades from the school where they received their degrees. From 2009 to 2012, the Fulton Academy of Science alone incurred \$39,636 in immigration expenses for ten teachers who had emigrated from Turkey.^[14] According to the principal, Ali Ozer, he did not require international teachers to necessarily have experience because “he felt teachers with a lot of experience were not a good fit for FSA schools because they had preconceived ideas about how a school should operate.”^[15] Mr. Ozer’s justification for hiring Turkish teachers was to hire excellent international teachers for low salaries. In contrast, local teachers were not qualified and would not be interested in working for so little money. This is a poor excuse, especially when considering that most Turkish teachers who ended up teaching at the school had no teaching experience or graduated with sub-par GPAs.^[16] Even more improper, the effort to hire teachers from abroad was not discussed with the school’s governing board members, who were completely unaware of all the expenses incurred in immigration and legal fees. Some members of the governing Board argued strongly against Mr. Ozer’s claim that the school could not find qualified local teachers; one member’s response upon hearing Ozer’s argument was simple and direct: “That is B.S.”^[17]

The audit disclosed some major governance issues and prompted the Fulton County School Board to terminate the Fulton Science

Academy High School charter in 2012.^[18] Earlier that same year, the Board had also closed down its sister school, the Fulton Science Academy Middle School, for similar issues.^[19] This case is a rare example of school authorities taking action once they discovered the level of corruption occurring at a Gülen school. The Fulton County School Board showed tremendous leadership and accountability by taking immediate action to end the mess that was taking place. Other school boards should follow their example and take action to end the corruption, promote accountability to the public, and cut off the Gülenists' main source of finance.

Bypassing Fair Bidding Laws at the Syracuse Schools

A similar pattern of behavior has been documented in Syracuse, New York. An audit by the New York State Comptroller in 2013 found that the Syracuse Academy of Science had “purchasing practices that did not serve the purpose of honest competitive bidding to ensure that the school obtained the best goods and services at the lowest possible price.”^[20] Essentially, the evidence suggests that the school manipulated its own purchasing procedures to ensure that certain vendors were selected for contracts. According to auditors, the school could have saved \$383,390 worth of equipment had it followed proper bidding procedures.^[21] The school officials would purchase school equipment and furnishings from a limited group of four vendors that were affiliated with one another. In some instances, companies with no history of providing the listed products were paid invoices. For example, invoices were paid to a company for tables and chairs when its website stated that it only sells school uniforms.^[22]

Also, auditors found that school officials did not keep sufficient records of purchased items. Several discrepancies were identified between goods that were supposedly bought and the inventory, which was often incomplete. In one instance, the record showed a purchase of 10 projectors, while the purchase order showed 17 instead.^[23] Consistent accounting of physical assets like projectors keeps records up to date and accurate; without it, there is no proof that the school actually received all the items it bought and paid for. One Syracuse Academy of Science administrator said she would see purchase orders for brand new IT equipment and would see the money going out but would never actually see the school's equipment and was unaware of where the money was actually going. These contracts were all signed with the New Jersey-based company Apple Education Services, a Gülen-affiliated entity.^[24]

The audit also found discrepancies in the school's enrollment records and their shoddy billing practices. Out of a random sample of 42 students, only ten addresses could be confirmed, a worrisome result that indicates potential waste and incompetence from administrators.^[25] Because charter schools get public funding based on how many students attend, it is essential to have an exact number of students for each school so the state can provide the appropriate amount of funding. Auditors found that the school's failure to record and check students' addresses resulted in incorrect billing for public funds to the wrong school district. The school ultimately had to refund \$43,790, which should have gone toward students' education.^[26]

The findings shed light on blatant mismanagement at multiple levels. School officials did not care to follow rigorous procedures regarding financial management. The reliance on the same four



related vendors and the lack of good record-keeping to the point where the school itself does not know its assets are not accidental. They are tactics designed to favor affiliated individuals and transfer public funds into private hands, tactics that recur at school after school in the Gülen charter networks.

Collusion and Anticompetitive Practices at Concept Schools

While this kind of behavior is common across all of the Gülen schools, one of the more blatant cases of this sort of corruption involves the Concept charter school network in Ohio and Illinois,

which recently settled currently with the Department of Justice in a federal investigation. According to the FBI's search warrant application, Concept executives violated the competitive bidding rules of the e-rate program by bypassing proper procurement procedures and colluding with Turkish vendors to defraud the program of millions of taxpayer dollars.^[27] The e-rate program is a federally funded program that allocates billions of dollars annually to finance telecommunication services, internet access, and internal connections for disadvantaged schools. (FCC) The program requires schools seeking funding to follow state and local procurement laws to select vendors and federal regulations. Federal authorities claim that Concept's use of the e-rate program was illegal due to the following alleged activities:

1. Concept executives manipulated the program to enrich themselves by steering big contracts to associates.
2. In some cases, school administrators or former affiliates have been found to create companies that provide school services to benefit from funds disbursed through e-rate.
3. In total, the federal government found that service providers with close links to concept schools were paid a little over \$5 million. In comparison, other companies that have no ties to Concept received just over \$100,000.^[28]

In a nutshell, it appears that over \$5 million circulated between three businesses that have close ties to Concept Schools administrators. Each business received a contract valued at an average of \$1.6 million. Meanwhile, a little over \$100,000 went to businesses that have no relationship with Concept Schools. Those enterprises received contracts valued at an average of \$8,000.^[29]

Concept's eventual settlement with the Department of Justice had both parties claiming a victory. The DOJ alleged that Concept violated the federal False Claims Act "by engaging in non-competitive bidding practices" when they awarded contracts funded with taxpayer dollars from the government's E-rate program. "Today's settlement demonstrates our continuing vigilance to ensure that those doing business with the government do not engage in anticompetitive conduct."^[30]

In a statement released after the settlement, Concept celebrated avoiding criminal charges portraying the agreement as an exoneration, shifting blame to their E-rate consultants for "non-compliance."

Who bears the cost? Taxpayers and American Companies as Victims

All the examples above amount to a redirection of taxpayer money towards a closed network of individuals. While charter schools are intended to represent the communities they serve and provide educational opportunities to their children, they are also intended to provide employment opportunities and hire local businesses. When the system is abused, there is no benefit to the community because the money circulates only among individuals affiliated with the Gülen movement, with a portion going to finance other Gülen activities. Besides, those practices take money away from qualified American companies who have no chance of winning any bids because the system is rigged against them. All the public money that has been funneled to a small group of affiliated individuals and businesses to the detriment of American companies constitutes a clear manipulation of the system, negatively impacting communities, and students.

ALP ASLANDOGAN: CONCEPT-MANAGED SCHOOLS IN WISCONSIN

Despite adamantly claiming that the Gülen schools have no affiliation to the Gülen movement, Aslandogan started his career in the United States by opening one of the country's first Gülen schools. He founded the Wisconsin Career Academy (WCA) in 2000, the first Gülen school in the state. This example is in line with the timeline of some of the other initial schools run by the movement popping up in New York and New Jersey. This small core group of individuals was in the early stages of launching one of the largest charter school chains in U.S history. By 2008, schools operated by the movement were in full swing, sprouting up all over the country. Unfortunately, like so many of their counterparts, Alp's Wisconsin Career Academy suffered from various financial issues that began garnering local education regulators' attention.

In 2008, Milwaukee Public Schools started losing confidence in WCA's capacity to effectively manage the school and meet the school district's compliance requirements. An audit revealed ongoing issues in the school's administration, operations, and academic health. The WCA was reported to have issues with delivering special education services, academic performance, and cash flow. The audit also showed inappropriate use of funds for immigration fees: the school spent \$24,568 to hire foreign teachers between 2006 and 2008, including \$1,390 in legal fees for immigration expenses for someone the school never employed.^[31] These indicators match the red flags documented

in other Gülen schools around the country, from the immigration fees to the financial irregularities and problems with record keeping.

With all these irregularities, the WCA received several one-year extensions under the condition that they submit a clean audit and improve students' performance. The school eventually shut down for good in 2012 after losing its accreditation after failing to meet the school district's standard. The following year, the school re-opened as a voucher school under Wisconsin College Preparatory Academy. However, it was closed again because of students' below-average performance.^[32] As the founder, Aslandogan had an obligation to ensure that the school provided adequate educational services and properly managed its finances; despite the many extensions and even after rebranding itself as a college prep institution, the school could not succeed. The provision of sub-par services and the school's subsequent closure represented a traumatic and undue interruption in its students' education, who in large part represented low-income minorities.^[33]

Under usual circumstances, this school would be closed much earlier. After so many years of failing to clean up the various issues outlined in the audit and numerous extensions with no change from the administration, one would assume that the school district would have taken action before students could be significantly negatively impacted. However, local authorities have limited power within the constraints of the system. As we have seen in many other instances, when it comes to the Gülen movement, they accepted the closure and opened up under a new name. In this case, to ensure they did not lose the goodwill they had

earned with various community organizations, the Gülenists quickly applied to open Milwaukee Math and Science Academy (MMSA) in 2010. To erase its history of improper management, the WCA became the MMSA, shedding its bad reputation and reappearing as a new school under a new name. Not surprisingly, it did not take long before MMSA would be plagued with the same issues—inadequate academic performance, poor reporting, and cash flow problems—eventually led to the school's probation in 2014 by Milwaukee Public Schools.^[34]

Before its closure, both the Wisconsin Career Academy and MMSA engaged with Concept Schools for external charter management services. Concept, the Gülen-run management organization, based primarily in Illinois and Ohio, operates in Wisconsin. As discussed, Concept recently settled with the Department of Justice, after an FBI investigation because of their alleged violation of fair bidding rules of the federal e-rate program. Shortly before they merged with MMSA, WCA sold its physical assets to several Concept-managed schools at unusually high prices. For instance, two iPads were sold for \$4,750; a school in Indiana paid \$51,418 for an unknown number of iPads, smart boards, and school supplies; MMSA bought an old Ford Van for \$10,250, and a school in Chicago paid \$2,000 for a portable stage.^[35] With Gülenists' propensity to overcharge each other to benefit from taxpayer money, these sales should be further examined to determine whether the goods were sold at their actual value.

The Wisconsin Career Academy has repeatedly denied its connection to Fethullah Gülen. However, with the central involvement of Aslandogan, who publicly represents Gülen, the movement,

and the affiliation to Concept and other Gülen-related entities, this denial is inconsistent with the facts. In addition to their contract with Concept Schools, a known Gülen entity, Aslandogan, WCA's founder, would publicly work for Gülen as his official spokesperson and publish books and articles praising the movement. Also, Aslandogan is the President of the Alliance for Shared Values, a Gülen cultural organization, and has financially profited from his relationship with other Gülen charter network members in Texas and Oklahoma (activities which are detailed in subsequent chapters). As such, any denial of Aslandogan's ties to the movement cannot be credible, especially when he demonstrates his affiliation to Gülen so publicly and has been involved with numerous Gülen-affiliated schools and conducted business with other Gülenists in the country. Moreover, Aslandogan followed the same model as so many of his Turkish counterparts, suggesting that their activities are part of a coordinated network despite their denials.

Endnotes: Chapter 9

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Chapter 10

Questionable Real Estate Deals: How Gülen Institutions Enrich Themselves at the Expense of the Taxpayer

In almost every Gülen charter network across the country, real estate transactions are used to benefit Gülen businesses financially through various practices intended to misuse taxpayer funding. These practices include leases that are above market value, insider real estate purchases, and bond payments that go far beyond what is owed on the bond. With Gülen affiliates serving on both sides of these property transactions and no public oversight over such obviously problematic conflicts of interest, students' and the public's interests are disregarded. The profit generated by these deals passes through the Gülenist landlord to support and strengthen the Gülen movement through various activities.

Meanwhile, the schools are trapped in multi-decade rental contracts they cannot afford. Often, these contracts are padded with abusive terms and annual rental escalation clauses, and even when the cost of a building purchase has been paid, the schools still do not own the building and must continue paying rent. This type of abuse is well documented, and several Gülen schools have been audited or investigated by the authorities, who have all come to the same conclusion: those real estate scams result

in a significant waste of public funds and immense financial gains for the Gülen entity leasing the building to the schools. Dozens of Gülen schools are known to be involved in these suspect property arrangements; here, we look at a few of them that perfectly illustrate the real estate schemes used by Gülenists to profit off public dollars.

ALP ASLANDOGAN AND HARMONY PUBLIC SCHOOLS

While his Wisconsin Career Academy was still in its infancy, Alp also expanded and developed other charter schools for the movement as quickly as he could. In 2002, Aslandogan bought a property in Austin, Texas, for \$1.375 million that would subsequently become the Harmony Science Academy campus.^[1] For the next eight years, Aslandogan profited by as much as \$2 million from the sale-and-lease scheme we have seen between similar schools and their landlords in many instances.^[2] This case is yet another example of cronyism and related party transactions that have come to characterize Gülenists' real estate activities. At the time, Aslandogan was the director and CEO of the Texas Gulf Foundation (TGF), a charter school vendor whose leadership structure is composed almost exclusively of Turkish individuals who were all somehow involved with the Harmony schools. In fact, since its founding in 2007, and with Aslandogan at the head, TGF's relationship with Harmony has proved to be quite profitable. Between 2007 and 2011, TGF received \$525,000 for performing various services for Harmony.^[3] Thus, Aslandogan played the roles

of both landlord and vendor to the Harmony School of Science at the sale in 2010. This relationship between Gülen charter schools and their service providers has become too familiar. It constitutes an apparent conflict of interest and a possible violation of procurement laws.

The strategies implemented behind the scenes of the Harmony School of Science's purchase run deep. It suggests a concerted effort among Aslandogan and the leaders of Harmony Public Schools to scam the public. After Aslandogan bought the property in 2002, the broker who negotiated the sale agreement filed a lien against him, stating that Aslandogan concealed the actual party's identity to avoid paying the broker's commission. According to the lien document, the original buyer was the Harmony Science Academy represented by Soner Tarim, once again involved in suspicious activities. Yetkin Yildirim, Fercan Kalkan, Suleyman Bahceci, and Mustafah Yavuz.^[4] The buyers from Harmony agreed to buy the property for \$1.375 million. However, they refused to pay the \$82,500 broker fee in breach of the broker's agreement.^[5] At this point, negotiations for the purchase came to a halt, and Aslandogan appeared as an interested buyer who was supposedly separate from Harmony. In reality, Aslandogan was used as a front to purchase the building on Harmony's behalf and avoid paying the commission owed as per the contract signed by Harmony. After completing the purchase, Harmony was given the notice to pay the broker, which they refused, claiming that Aslandogan had nothing to do with the school and was a separate independent entity.^[6] Harmony was grossly misrepresenting their relationship with Aslandogan to avoid paying the fee, especially when, later that year, the property was rented to the Harmony School of Science.

Years later, when asked about the difficulties of acquiring the campus, a Harmony representative claimed that “the organization attempted to purchase the structure and was denied due to a lack of established credit history.” With a limited credit history, HSA-Austin turned to a member of the local Turkish community (Aslandogan) who was able to purchase the building.”^[7] Thanks to the lien document, we know this statement to be untrue. Harmony was already set to purchase the land; contracts were drawn up, and both parties had agreed on a price.^[8] They did not want to pay the commission, so they found a way to circumvent the payment by having a close associate purchase the property on their behalf. The idea that Harmony had a limited credit history is simply an excuse to cover up their flagrant abuse of the system—one that did not need to be particularly plausible, given the lack of adequate oversight. If nothing else, this fiasco around the purchase of Harmony Science Academy’s campus indicates, once again, that a network of Turkish men, all of whom openly follow Gülen’s teachings, work together to game the system in order to advance their financial interests and those of the Gülen movement.

With his television appearances and his elegantly written columns, Aslandogan presents himself as a mere mouthpiece for the movement. However, like the other top Gülenists we have covered so far, Aslandogan is an active participant in the scams and what appear to be unlawful activities that have come to characterize the movement. His passionate defense and allegiance to the Gülen movement are undercut by his ties to the various wrongdoings, strategic ambiguity, and lack of respect for American educational institutions we have seen from the rest of the movement.

Dove Academy

In 2016, the Oklahoma State Department of Education released an audit of the Dove Charter Schools, a network of four Gülen schools tied to Harmony Public Schools in Texas. The schools are managed by a non-profit, the Sky Foundation, an affiliated entity that owns one of the schools and leases the remaining three school properties from outside vendors. Sky then sub-leases each of the four properties to the Dove Charter Schools.^[9] The audit concluded that between 2012 and 2014, Sky charged the schools \$2,518,000 to cover lease payments made by Sky on the schools' behalf.^[10] However, Sky merely paid \$1,325,557.894 for the leases. In other words, Sky pocketed the difference of \$1,192,442.11 from Dove, almost doubling its profits.^[11] The scam is blatant; the Sky Foundation acts as a middleman paying the lease on behalf of the Dove Schools and doubles its money by charging the schools almost twice what they paid. These agreements are baffling, with terms that would be completely unacceptable in any other sector.

The case of the Dove Science Academy – OKC is especially cogent. According to county records, the property from which it operates is owned by the Sky Foundation and was purchased at \$628,000.^[12] The school began making monthly lease payments of \$13,500 that same year, and by 2008, payments had increased 122% to \$30,000 per month. By 2014, the school had paid the foundation “\$3,810,000 in lease payments, \$3,182,000 over the property’s original purchase price.”^[13] The Oklahoma State Department of Education concluded that no benefit was provided to the school that could justify charging such high rents above and beyond the facility’s purchase price.^[14]

The scam becomes more apparent upon realizing that Sky, as a non-profit corporation organized exclusively for charitable, educational, and scientific purposes, created the four Dove schools. They are, in essence, the same entity; the lease agreements are merely a redirection of taxpayer dollars to the Sky Foundation's bank account. The company was paying itself to act as a landlord for a property it already owned. The audit also found that the Foundation's only income was public money they received through lease agreements with their schools. There was no evidence of Sky raising money on behalf of the schools or donating any money to the school. In conclusion, it seems as though "the schools were supporting Sky instead of Sky supporting the schools."^[15]

ALP ASLANDOGAN, THE SKY FOUNDATION, AND THE RAINDROP FOUNDATION

In Oklahoma, Aslandogan was once again involved in a real estate deal that flew under the radar but was no less suspect than his activities in Texas. Besides profiting from Dove Charter Schools by charging high rents, the Sky Foundation was also involved in a suspicious transaction with the Raindrop Foundation. The Raindrop Foundation is a Turkish cultural organization under the umbrella of the Turquoise Council headed by Kemal Oksuz, a Gülenist profiled in this book who was later convicted of fraud by the federal government. Oklahoma is the third state so far in which Alp has done business, working exclusively with the

Gülen schools' arms at the highest level. As the spokesperson of the movement, he has claimed that the schools are independent and have no affiliation with each other while working closely with the schools as a network. As a result, continued denials of the affiliation between the schools or their various Turkish vendors become difficult to believe.

In 2008, the Sky Foundation bought a property in Oklahoma City for \$780,000. It was resold two years later for \$1,025,000 to none other than Alp Aslandogan. Only four months later, Aslandogan flipped the property and sold it to the Raindrop Foundation at a considerable loss of \$375,000. Given that the transaction included public funds and occurred among three affiliated parties, the Oklahoma State Auditor believed that it required further investigation and implied that the funds used to purchase the building and the profit received were not satisfactorily accounted for.^[16] This difference in purchase and sale price is unusual, especially without explaining the drastic decline of the property value. The transaction is even more suspicious when considering the school's poor track record of financial management and the lack of fiscal transparency within the organization. The transaction details suggest that the price Mr. Aslandogan paid to the Sky Foundation was intentionally inflated to move money to the Foundation or to be reinvested in one of the schools that are at times financially insolvent.^[17] More importantly, transactions such as these raise serious concerns, as they have several markers of a money-laundering operation. The property was resold for an amount that was far below its market value and was flipped after only four months are both red flags for financial authorities investigating money laundering.^{[18][19]}

We believe there are enough peculiarities in these transactions to warrant further inquiries from financial regulators. Transactions involving taxpayer dollars that raise this type of red flag and involve related parties should automatically be audited to ensure they are above board. This view is shared by the Oklahoma State Auditor, who singled out Aslandogan's purchase in his report. Gülen organizations habitually engage in these inter-entity lending transactions, which are clear warning signs of serious financial offenses, including money laundering.

Concept Schools

As previously mentioned, Concept Schools in Illinois and Ohio defrauded the e-rate program of millions of dollars. In addition, Concept engages in similar abusive property deals and leasing arrangements. The similarities are striking and suggest a synchronized strategy and a common playbook that all the Gülen schools seem to follow. The real estate schemes by the entity that owns the campuses and the members of the school board of Concept Schools are not very intricate or subtle, which makes it that much more shocking that they have been allowed to continue running for so long. When it comes to its campuses, Concept Schools has an exclusive deal with New Plan Learning, Inc, a nonprofit umbrella entity that acquires property for the schools and acts as the landlord to most of the schools in the network.^[20] New Plan controls several other Ohio-based subsidiaries, including Breeze Inc., 250 Shoup Mill LLC, OG-Ohio LLC, NOG-Ohio LLC, and 2350 Morse LLC.^[21] Under New Plan's leadership, those branches buy, renovate, lease, and sometimes sell properties to Concept-managed schools, allegedly as a supporting organization to those

schools. New Plan Learning follows a similar model as that of the Sky Foundation by entering into a lease agreement with the building owner and, in turn, subleasing the building to the schools. Like Sky, New Plan Learning often acts as a middleman whose position allows it to charge each school higher rents paid with public money.^[22]

The parties involved in these real estate scams are not only engaging in unethical behavior and often appear to be breaking the law in the process; they are taking vital resources away from schools and enriching themselves using public money. While all the Concept School network runs on this model, a few schools in the network deserve special attention due to the severity of their malfeasance.

HSA Cincinnati

In 2005, a subsidiary of New Plan Learning bought three parcels of land, one of which now houses HSA Cincinnati, for \$1.25 million. Vedat Akgun—the founder of Concept Schools and Breeze—signed the lease with Breeze on the school's behalf.^[23] This type of transaction is reminiscent of the Sky Foundation's redirecting public money to their bank accounts. Between 2005 and 2015, the school, located on one of the land parcels, paid \$3.6 million in rental fees, which is more than three times what Breeze paid for the three parcels together.^[24]

HSA Columbus HS

Breeze bought HSA Columbus's campus for \$1.5 million in 2004, but the school paid about \$4.8 million in rent between 2005 and



2015. The school finally purchased the building from Breeze in 2015 for \$3.6 million, although the tax value at the time was \$1.9 million.^[25] Breeze was supposed to support the schools; instead, it made \$6 million in profits from charging high rents and selling the building at almost twice its value.^[26] This transaction is highly suspect, and a close look at the players involved during the purchase and sale shows apparent conflicts of interest. For instance, the same board members from New Plan Learning, which owns Breeze, were also on the school board at the time of both transactions. This means the schools were contracting with themselves as landlords and charging higher rents, knowing that the money used came from taxpayers.

HSA Youngstown

The building for HSA Youngstown was bought in 2010 by NOG-Ohio, another New Plan Learning subsidiary. Over the three years from 2010 to 2013, the school paid out \$577,000 in rental fees, even though it was bought for \$550,000.^[27] NOG-Ohio made a handsome profit when it sold the building to the school in 2013 for \$980,000. However, the property's value remained at \$550,000, the original purchase price, because, over the three years, no improvement was made to the building. Thus, in only three years, NOG-Ohio managed to extract \$577,000 in rental fees and an additional \$980,000 from the sale, amounting to over a million dollars in profit for them and New Plan Learning.^[28]

The list of schools involved in these abusive property schemes is exhaustive. We can cite HSA Denison MS, which, between 2006 and 2016, paid \$4 million in rental fees on a building that was bought for half that, plus renovations and upkeep.^[29] There is also HSA Lorrain's case, which was paying about \$100,000 per year in rent to an unaffiliated third party. Once it fell under New Plan Learning's management, the rent more than quadrupled to \$470,000. Concept Schools, along with other Gülen charter school networks, prioritizes profits at the expense of the students they are supposed to help and the taxpayers who are financing their multi-million-dollar enterprise.

Overall, based on public tax documents, we estimate that New Plan Learning and its subsidiaries have made about \$18.75 million in net profit from rental arrangements and property deals with the Ohio Concept schools.^[30] Despite massive profits, New Plan still applied to be exempt from taxation due to its status as

a nonprofit. The application was denied by the Ohio Supreme Court, which found that New Plan Learning operated with a “view to profit through leasing at a substantial rent” from their property arrangements with the schools.^[31] New Plan Learning claimed that the rent amounts were calculated to cover expenses as part of its defense. However, a simple examination of financial statements confirms that expenses amounted to a few thousand dollars at most every month. In contrast, “the rent amount still substantially exceeds those expenses.” Also, public documents indicated a “steady increase in ‘net assets’ from year to year for New Plan.”^[32]

The Revolving Door of Concept, Breeze, and New Plan

This misuse of public money through concept schools’ real estate schemes is partly made possible by the revolving door and closed-loop decision-making between Breeze, Inc., New Plan Learning, and Concept Schools. The three organizations’ boards often have overlapping members and are managed more or less by the same people. The conflict of interest, in this case, is clear and well documented by the Ohio state auditor who found that “thirteen of the eighteen schools managed by Concept in Ohio currently have or previously have held leases with a subsidiary of New Plan Learning.”^[33] Many founders of the Concept network’s schools have relationships with Breeze and New Plan, including Taner Ertekin, who co-founded the first Horizon Science Academies and Concept, and Vedat Akgun, who co-founded Concept and Breeze and served on the governing board of Horizon Science Academy with Ertekin. New Plan’s board’s president was also one of the directors of Concept and president of the governing board for

Horizon Science Academy Cincinnati, Horizon Science Academy of Dayton Elementary School, Horizon Science Academy Dayton High School, and Horizon Science Academy Dayton Downtown. He was also on the Horizon Science Academy Columbus High School and Horizon Science Academy Toledo board.^[34] Several other employees of New Plan have also served on school boards of other Concept schools. The state auditor's investigation concluded that "members of New Plan Learning have served on the board for twelve of the seventeen Concept-managed community schools in Ohio, nine of which have held leases with a New Plan Learning subsidiary, which constitutes a conflict of interest."^[35]

As it can be difficult to keep track of the interconnections between the school board and paid vendors, the chart below shows the interconnectedness and conflicts of interest observed between the different players involved in this scheme.

These abusive property arrangements leave the taxpayer on the hook to finance an unproductive investment and allow a few individuals to fill their pockets with public money. This scheme falls neatly in the pattern of self-dealing that seems to characterize all Gülen-affiliated schools. This behavior is not exclusive to the schools outlined in this chapter. Many other Gülen schools have been found guilty of some financial impropriety. For instance, California's Magnolia network has faced numerous audits from state officials, who have uncovered a lending pattern among its schools, itself, and its management company, Accord, a clear sign of money laundering.^[36] Officials also found inadequate attendance reporting that resulted in inflated state funding. Finally, they reported significant discrepancies between what schools

reported they paid in management fees to Magnolia and what Magnolia recorded as their fee.^[37] Many instances detailed in public documents explain how those schools engage in abusive financial schemes. Further, because these activities occur in the public education sector, students and their families are directly affected.

Endnotes: Chapter 10

[1] Saul, Stephanie. "Charter Schools Tied to Turkey Grow in Texas."

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[10] Jones, 4

[11] *Ibid.*, 4

[12] *Ibid.*, 4

[13] *Ibid.*, 4

[14] *Ibid.*, 4

[15] *Ibid.*, 9

[16] *Ibid.*, 11

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[21] *Ibid.*, 6

[22] *Ibid.*, 6

[23] *Bid.*, 14

[24] *Ibid.*, 14

[25] *Ibid.*, 14

[26] *Ibid.*, 14

[27] *Ibid.*, 14

[28] *Ibid.*, 14

[29] *Ibid.*, 14

[30] *Ibid.*, 15

[31] 250 Shoup Mill, L.L.C. v. Testa, Slip Opinion No. 2016-Ohio-5012

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Chapter 11

Victims: Taxpayers and Students

The impact on taxpayers is evident. Hundreds of millions of dollars are lost every year through these simple, brazen property schemes that go unchecked with little to no oversight. When these non-profit charters are charged with educating children and are funded with public money, there is no reason the public should not know where its money is going, how it is being spent, and whether students attending these schools are getting the best education possible with the finances they receive. Gülen schools can siphon millions from disadvantaged public schools to enrich themselves and expand their operations in the U.S. The impact on American students' academic performance is less discussed and more difficult to determine based on the schools' lack of accountability and data outside of state testing.

Safety Measures at school stemming from lack of transparency:

It would be hard to argue that the siphoning of resources that could be used on school supplies or additional instructors is beneficial for children's education. We see a clear case of a negative effect in the Concept schools in Ohio. The audit into Concept found that the schools it manages performed below average

relative to other Ohio community schools.^[1] In almost every Concept-managed school, the performance relative to the school district and the state was not comparable. In some cases, scores in reading and math were half the state average.^[2]

Moreover, one teacher at Concept schools in Ohio believes some of those scores have been doctored: "One Saturday after the OAT [state exam], I was at the school to work. There were many cars in the lot, and many Turkish teachers, maybe 20 or 25, in the teacher's room. There were stacks of OATs on the desks, and the principal came to me with cookies and tea and, without prompting, said that some of the students did not know how to darken in the circles. The principal said the staff was re-darkening the student's answers. However, I believed they were changing the answers and doing the tests again." The same teacher was asked to change grades and saw administrators pressuring parents to pull students who were struggling out of the school. Why? "If the student were expelled, it had to be reported to the state. If the parent transferred the student willingly, it could stay off the record."^[3]

The extent to which permissive charter school laws, lack of oversight, or lack of capacity contribute to these financial abuses is difficult to define. However, it is clear that these arrangements would have been unacceptable in any other sector, private or public. A 2017 article analyzing some of the practices mentioned above warned that charter schools are the second coming of Enron. Their study details how individuals used their control over charter schools and their affiliates to obtain unreasonable management fees and funnel public funds into other business

ventures.^[4] This description exactly matches how Gülen charter schools operate; through their real estate arm, they grossly over-charge rents to the schools, whose campuses they often own. They make millions in profits, allowing them to enrich themselves and finance other Gülen operations.

Student Mailers

The Oklahoma State Bureau of Investigation opened an investigation into Dove Charter Schools officials after a lawsuit accused them of illegally accessing and sharing confidential student information. The Oklahoma Education department filed the suit after officials heard complaints from parents who received recruitment mailers for a new school addressed directly to over 107,000 fifth and sixth graders in Oklahoma.^[1] These students did not attend a Dove School and have not been involved in the charter school's program. The mailers arrived unsolicited, causing parents to take to social media asking how Dove knows their children's full names and addresses. School officials Ibrahim Sel and Ilhan Guzey, the named defendants in the case, did have legal access to the student information system but, by law, were only allowed to access the records of students who attended Dove Schools.^[2]

Former Oklahoma Attorney General Drew Edmondson is representing Dove in the lawsuit. Edmondson said, "We've reached an agreement with the department on a temporary restraining order that would prohibit us from using any of the data on an ongoing basis..." The investigation is ongoing.^[3]

Using shady tactics to recruit students is another method the Gülen schools use to push their agenda for rapid expansion. In multiple states, charter school applications need to show a significant interest in the community and a need for the school through parent signatures. This usually involves a canvassing method where administrators or officials would go door-to-door asking parents their thoughts on developing a new charter school in the area.

In New Jersey, investigative journalists at “The Record”, and North Jersey, looked into the Gülen charters within the state and produced an expose detailing their findings. Aside from the real estate and financial schemes outlined in this book, they also used a method of gathering signatures that included falsifying names and addresses on their applications to inflate the number of interested parents. The expose states, “two petitions had street addresses that don’t exist within the city limits. Another listed a vacant lot. And yet another bore the name and address of a resident who said she had never seen the document, much less signed it.”^[4] These were all found on petitions supporting a new charter school in Union County, New Jersey.

Linden district officials filed an affidavit stating that an “overwhelming number of the petitions purportedly signed by city residents in support of the Union Arts and Science Charter School were bogus” and described in the affidavit as “either forged or were completely fictitious.”^[5]

FURKAN KOSAR'S THEFT OF TITLE I FUNDING

In 2010, Furkan Kosar, who was previously detailed in Chapter 7, came under investigation by New Jersey's Department of Technology. At the time he served as the principal at the Paterson Charter School for Science and Technology. In a letter addressed to Mr. Kosar, the Director of the Office of Fiscal Accountability outlined how the school had been misspending close to \$1 million in government funding.^[6] As a low-performing school, The Paterson School for Science was designated as a School in Need of Improvement (SINI) and was therefore eligible for Title I funding, which it requested and subsequently received. However, the auditors found that the school had "failed to develop a plan on how to use the Title I funds to provide support to their students."^[7]

In addition to their failure to properly implement this much-needed financial support, the school's administrators lacked the competence and organization to manage crucial financial reporting processes. For instance, the school could not account for the activities of Title I-funded staff, nor was there evidence that parents were informed of the school's participation in the program, which is a federal requirement.^[8] The portion of the Title I funding that was spent financed entertainment-related activities that are not allowable under federal cost guidelines. Auditors found that "the school utilized Title I funds to provide a trip to Great Adventure in Jackson, New Jersey to serve as an incentive-based activity for student attendance."^[9] This is, of course, a significant waste of federal funds; Title I funds are supposed to go to schools that



have a large concentration of low-income students, to be spent in ways that help disadvantaged students improve their educational outcomes. The overall results of the audit underscore the fact that none of the program's funding went to the proper projects and questioned the school's capacity to keep good financial records.

This is a pattern we often see within the Gülen charter school network. In almost all of the schools we have investigated that have been audited, the audit highlights the poor management of financial records and the schools' inability to maintain adequate record-keeping of its financial decisions and contracts. Clearly, these schools are either unable or unwilling to fulfill the

requirements of administering public funds. Though plausible for individual cases, administrator incompetence is less believable as an excuse given Gülen schools' consistent failure to appropriately manage and report funding and the repeated involvement of the same group of individuals, including Kosar. Therefore, we must conclude that Paterson's misuse of Title I funding was a deliberate attempt to pocket public money—one that failed students who were already struggling.

FURKAN KOSER and Kemal Oksuz:

ARMS DEALING

Furkan Kosar made an unexpected business move in 2016 when he started an arms company based in New York. It all started in early 2016 when a Turkish businessman named Vuslat Bayoglu purchased a South African Arms Manufacturing company named Milkor. Bayoglu has close ties with FETO and is the owner of various businesses in the region. After purchasing Milkor, the company thrived, rapidly expanding its client base and venturing into a whole new wide range of products. In its expansion, Milkor targeted the American market to sell various guns and grenade launchers to the U.S. military. However, U.S. law dictates that foreign arms sellers must go through a US-based agent, who can then sell the weapons directly to the military. Bayoglu quickly found an agent who could grant him access to the U.S. market in Furkan Kosar. Kosar opened a small arms company in the United States called Arlington Strategic Supplies and Manufacturing

in 2018. He is the only employee listed for the company and its sole director. Arlington Strategic has two addresses, one in New Jersey and one in New York. While the official records reveal no other employees, another figure has claimed to work for Arlington: recently indicted Turkish-American businessman Kemal Oksuz. This arrangement was revealed during Oksuz's sentencing hearing when the prosecutor brought up his current employment with Kosar at the arms company to contribute to a harsher sentence.

Kosar's participation in the arms trade essentially means that he profits from war and conflict and indirectly promotes it. His sudden move into arms trading undermines his public commitment to education and interfaith dialogue as a path to peace and development and does not seem to align with the values Gülen portrays in the United States or of a professional who spent his career as an educator.

Endnotes: Chapter 11

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[3] *Ibid.*

[4] <https://www.northjersey.com/story/news/watchdog/2017/03/19/district-alleges-fraud-charter-school-application/99333820/>

[5] *Ibid*

Chapter 12

Discrimination against Students with Special Needs and English Language Learners

Logically, charter schools should be held to the same educational and admission standards as other public schools since they are funded with public money. They are subject to less oversight than traditional public schools, but charters cannot pick and choose who attends their schools. For instance, the Individuals with Disabilities Education Improvement Act (IDEA) applies to all public schools and protects students with special needs.^[1] Charters have failed to pull their weight regarding catering to students with disabilities and English language learners (ELL). Compared to traditional public schools, charter schools enroll a smaller proportion of those students; this gap puts an additional burden on traditional public schools that have budget constraints. Systematic discrimination against special needs and ELL students is widely reported across charter schools. It is not easy to prevent, especially with so little transparency around the school's finances and operations.

While states can take legislative action to ensure that students with disabilities and English language learners are catered to adequately, the schools will continue to be selective in their admissions processes without the accompanying oversight. As

publicly funded entities, charter schools should be required to disclose their finances so that school districts can ensure appropriate funding is being directed towards special education students, not misused or otherwise directed.^[2] The Government Accountability Office (GAO) reported in 2012 that charter schools across the U.S. enroll only 8 percent of students with disabilities, while traditional public schools enrolled up to 11 percent.^[3] Because most charters are concentrated in urban areas, where the percentage of special needs students is higher, the 8 percent reported by the GAO may be a lot higher.^[4]

The United States' second largest chain of charter schools, run by Fethullah Gülen and his followers, seem to include some of the foremost perpetrators of this cherry-picking when admitting students. Many reports have detailed the systematic exclusion of special needs and English language learners. These students usually do not perform as well as others on state exams, which is why Gülen schools have limited their enrollment to keep their test averages high. Gülen schools consistently admit fewer special needs students than other charter schools and public schools. This unlawful practice disproportionately affects lower-income students, who are more likely to be diagnosed with learning disabilities. It forces public schools to take on more students than they have the resources to serve appropriately.

As recently as October 2019, a new Gülen school in Alabama was accused of manipulating the system by pressuring students with disabilities to withdraw. The former principal of the LEAD Academy, Nicole Ivey-Price, alleges that the school actively sought ways to deliberately minimize the number of students

with special needs to boost school revenues.^[5] She also says that she witnessed the school founder telling parents of special needs students to re-enroll their kids elsewhere. Part of the strategy to discourage parents includes refusing to hire a special needs educator or a backup nurse. When confronted with this blatant violation of federal regulation, the founder responded that she did not want those students in her school and that charter schools do not have to follow the law. Given the prevalence of this pattern among Gülen schools, the LEAD Academy's tactics are far from surprising. They fit well into past efforts to discriminate against special needs students. The school receives public money to finance special services like special education teachers and dedicated nurses, then proceeds to remove the students who benefit from those services while pocketing the extra money.^[6]

Discrimination against students with specialized learning needs clearly and directly impacts their educational outcomes. One parent we spoke to whose children attended a Magnolia school in California said, "Two of my children are special needs students, and the school does not take adequate steps to ensure they are being provided the extra care they are entitled to. The special needs program in the school is wholly inadequate."^[7]

Minnesota School of Science

In 2012, the families of 40 Minneapolis students with special needs enrolled at a Gülen school in Minnesota were informed that their children would not be welcomed back to the Minnesota School of Science due to its poor performance on standardized tests. ^[8] Diane Ravitch states, "This action suggests MSS is bouncing

these students to improve test scores.”^[9] One board member, Gene Scapanski, explained that having 40 students with disabilities was more than the school could handle^[10] - a poor excuse for a publicly funded institution that shows the school’s ineptitude. If the school must expel 40 vulnerable students to stay afloat, it should not be involved in education. The school seems to have forgotten that it is publicly funded. Part of its mandate is to accept students of all abilities. As usual, public schools, which could never get away with this behavior, must pick up the slack and accept the extra students without the additional funding to educate them properly.

Abramson Science and Technology Charter School

In Louisiana in 2011, the Department of Education closed down the Abramson Science and Technology Charter School. It terminated its contract with Pelican Educational Foundation. The investigation found corruption, bribery, and an institutional lack of regard for their special education students. A teacher at Abramson who asked to remain anonymous claimed that special education teachers helped disabled students cheat on their exams. “Often, the tests would be written in the special education teacher’s handwriting. When the tests were not written in the teacher’s handwriting, it was clear that the students had used a Spanish-English dictionary or an electronic device with a translator because students often came up with vocabulary words that we had not learned in class.”^[11]

The Abramson insider went on to detail some of the indifference towards students with special needs. “At the beginning of the

year, I had concerns about a particular student who was in high school ... When I asked the special education teacher to help me develop a plan to help this student be successful, she stated, 'Give [student name] a D. He is not going to get a diploma, but if he gets enough Carnegie credits, he will be able to get a certificate. If you think he is trying to give him a C.'"^[12]

The list of violations of students' rights with disabilities is exhaustive. It has been documented throughout the entire Gülen school network (see "*Empire of Deceit*" Book I). This practice does not work in the students' favor, as they are denied a chance at a decent education. It is especially shameful in light of the students' social and financial disadvantages because of their disabilities. Their treatment at these schools is effectively a legal form of social exclusion. The schools refuse to fulfill their obligations toward special needs students. The responsibility falls on parents, who rarely have the means to hire special education professionals, or on the surrounding public schools, which are often under-resourced and understaffed. The financial burden for this discriminatory treatment falls on the taxpayer.

Endnotes: Chapter 12

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Chapter 13

The H-1B Visa Program

As part of the Immigration and Nationality Act passed in 1965, the H-1B visa program loosened U.S. immigration policy and allowed American employers to provisionally hire foreign workers with “specialized knowledge” for positions that could not be staffed with U.S. citizens. This program created more flexibility in the U.S. labor market by allowing employers to pick from a wider talent pool. To protect other American workers in the same sector, the law requires that H-1B workers earn wages that “are at least equal to the actual wage paid by the employer to other workers with similar experience and qualifications for the job in question, or the prevailing wage for the occupation in the area of intended employment—whichever is greater.”^[1]

The Department of Labor stipulates that all H-1B employers must first try to recruit American workers for any job they seek H-1B workers.^[2] In other words, before even thinking about hiring a worker from abroad, firms must advertise for the position locally. If they cannot find American workers for the position, they can start looking outside of the country for potential employees. As we will see, this law, which was created to open the United States to the world, is often abused and used for purposes that have nothing to do with finding qualified workers. This section will explore

how the Gülen charter schools abuse this program by bringing vast numbers of uncertified teachers with no experience from Turkey to teach in schools all over the country, to the detriment of American teachers.

Gülen Schools' Abuse of H-1B

Charter schools and school districts using the H-1B visa to bring over teachers from other countries cite the shortage or lack of qualified American teachers to fulfill the desired position. H-1B sponsors must prioritize American workers before hiring abroad. However, it is doubtful that the Labor Department checks whether a position was advertised for U.S. citizens and residents. Conducting those checks would require massive oversight and human resources that the state does not possess. According to David North from the Center for Immigration Studies (CIS), how the H-1B program is designed greatly hinders enforcement. For instance, the Immigration and Nationality Act requires the Labor Department to approve all applications within seven days, if there are no mistakes on the form. Oddly enough, the same law prevents the Labor Department from going back and reviewing the application. These mechanisms give H-1B sponsoring entities free reign to write whatever they like on the forms with little fear of repercussions.^[3] This discrepancy allows Gülen charter schools to double as an immigration pipeline, enabling the relocation of other Gülen affiliates using the schools as justification.

The misuse of the H-1B visa is a defining characteristic of a Gülen school. This program, created to expand immigration and employment opportunities in the U.S., is now being used by Gülenists to

infiltrate the American education system. Gülen charter school administrators use the program to facilitate the migration of Turkish citizens and employ them as elementary school or high school teachers in American schools. Data on H-1B applications are publicly available. They show that, between 2001 and 2016, Gülen schools across the United States applied for 6,504 visas to bring foreign (primarily Turkish) teachers to work in primary and secondary school institutions.^[4] The employers pay the legal and immigration cost with public money that could have been used to employ American teachers. Depending on the sponsoring institution's size, the H-1B visa processing costs can vary from \$2,000 to \$4,000 per person. As a result, since 2000, taxpayers have paid between \$13 million and \$26 million to finance uncertified teachers from Turkey, who not only have zero experience in the field but do not have a sufficient grasp of the English language to teach in the United States.

A charter school watchdog group conducted an analysis and found that in 2010, the Gülen schools and their related organizations accounted for 31.5% of all H-1B visa applications requested by the top 100 H1-B visa sponsors for secondary school education.^[5] This tendency is ongoing, as the available data on H-1B visa applications clearly shows that the Gülen network of charter schools is still by far the biggest consumer of the program among secondary schools. Among the top 100 visa sponsors for secondary school teachers in 2019, Harmony Science Academy in Dallas tops the list with 89 visa applications.^[6] The second name on the list has less than half that number, with only 34 applications. In total, Gülen schools represented 26.6% of the top 100 visa sponsors for secondary schools in 2019.^[7] This number is exceptionally high, especially when considering the thousands of other charter

schools across the nation educating a more significant number of students on more campuses, which are also STEM-focused and have not had to use the H-1B program because of a so-called “teacher shortage.”

The data also clearly shows that the overwhelming majority of Gülen schools’ applications were on behalf of Turkish individuals. This figure is telling, mainly because the other names on the top 100 list employed diverse teachers from various countries. For instance, the second on the top 100 list submitted a visa application for teachers from countries including the Dominican Republic, Colombia, China, and others. There is clearly a preference for Turkish males in the Gülen schools’ applications, which is not illegal, but it is unusual.

It is similarly unusual to recruit only from Turkey when qualified math and science teachers in other countries are available for hire locally. Particularly for schools struggling financially, hiring should balance qualifications and diversity while minimizing cost and effort to recruit personnel who can do the job well and positively impact students and the community without requiring significant resources to immigrate and relocate. There are certainly cases where a teacher from abroad is the best and most appropriate candidate. However, those cases are the exception, not the rule. Even if there is a demonstrated need to justify using that many visas, it does not make sense for so many schools to need so many teachers from a single country with a different native language. Taken together, the atypical features of Gülen schools’ use of the H-1B program suggest that applicants are selected for their affiliation to the movement rather than their qualifications.

This practice is nothing new; it has been an integral part of FETO's strategy since their arrival in the United States. In recent years, this tendency has abated to an extent, likely because Turkey's current political situation has soured US-Turkey relations. Also, the press has covered this issue extensively over this past decade, shining a light on the schools' behavior and prompting authorities to take a closer look. Consider the following cases:

Magnolia Schools

The Magnolia charter schools, a chain of 11 Gülen schools based in Los Angeles, have used the visa program heavily to recruit teachers from Turkey. Established in 2002, data shows that the schools' excessive use of the program goes back to 2008 and submitted 282 H-1B visas,^[8] to bring uncertified Turkish instructors to teach in California public schools and fill jobs such as English teachers, career counselors, and compliance managers.^[9] Again, these visas are supposed to be used exclusively when American workers cannot be found for the position. It is absurd to suggest that no Americans were qualified for these jobs in an area as dense as Los Angeles. Parents noticed the discrepancy. "A lot of the Turkish teachers can barely speak English," said one parent. "They cannot read or write English proficiently. They were the ones that kept getting promoted into administrative roles or paid more! As parents, we do not have any information on them. We do not even know if they are qualified for the teaching jobs they have!"^[10]

The schools' over-reliance on foreign teachers was eventually discovered by the Los Angeles Unified School District, which



threatened to shut down at least three of the worst culprits. Ultimately, an investigation into the schools revealed that, between 2010 and 2013, Magnolia filed 138 visa applications, mostly for teachers from Turkey, 97 of which were approved. In all, the total costs of facilitating the migration of those individuals and their spouses and children came to nearly \$1 million.^[11]

Funding so many applications is clearly an unnecessary waste of public money generated by the very institution entrusted with the responsibility to spend efficiently on students' education, including buying supplies and improving facilities. Of course, they pay the migration costs for the teachers who were eventually approved and

the expenses of rejected candidates. Magnolia has tried to justify this spending by claiming that the expenses were paid from its management fees. However, this assertion is merely another example of how Gülen schools tend to manipulate facts to fit their purposes. Magnolia is one legal entity, with the charter school under one governing board, which means that those management fees are taxpayer dollars that Magnolia uses to pay itself.^[12] These activities are no different from schemes exposed in the past, where Gülen schools manipulate the education system to line their pockets with public money. The “management fees” explanation does not hold water, especially when Magnolia itself is the “recipient and trustee of all public funds that flow through its legally non-distinguishable schools and its corporate office and thus, cannot use those funds for purposes that violate the requirements of 2 CFR §200.464.”^[13]

Magnolia also works almost exclusively with Gülen-affiliated vendors. One whistleblower described how “Magnolia stopped using the food that was offered and pre-arranged by the [Los Angeles Unified School District] and instead hired a private Turkish catering company that comes in to bring the students their meals.” Students were also required to buy uniforms from a private, Gülen-affiliated company that frequently visited campus.

Harmony Public Schools

We previously discussed Harmony’s violation of fair, competitive bidding laws and how they engaged in self-dealing to benefit businesses in the Gülen network. The Harmony charter schools have been under scrutiny for their extensive use of the H-1B program. The school source an extraordinary number of teachers

from other countries, primarily Turkey.^[14] For four years in a row, from 2015 to 2019, Harmony sponsored more H-1B visas than any other elementary or secondary entity in the U.S. During the same period, they filed a remarkable 1,068 visa applications for a wide range of employment positions.^[15]

The number of visa applications sponsored by Harmony is especially abnormal considering the small size of its workforce. For the 2018-2019 school year, Harmony employed approximately 3,600 personnel.^[16] By contrast, Dallas Independent School District—which sponsored the second-highest number of H-1B visas among elementary and secondary schools in the U.S. in 2019—employed over 20,428 full-time staff.^[17] The use of H-1B visas to bring over Turkish teachers began with the school's opening almost twenty years ago. From 2001 to 2019, Harmony filed over 2,900 H-1B applications. In contrast, the Dallas Independent School District employs ten times the number of people. It serves four times as many students who only filed 4,400 visa applications during that same period.^[18] This discrepancy suggests that hiring locally is, for the most part, sufficient to fulfill staffing needs. If the second-largest school district in Texas can get by without relying on foreign teachers, Harmony cannot reasonably argue that so many H-1B visas were necessary, particularly at such a high cost.

Harmony's stated rationale that it cannot find qualified teachers within Texas to teach its STEM curriculum is weakened when examining the positions hired through the H-1B visa process. Harmony positions H-1B visa employees staff include physical education teachers, English teachers, fine arts teachers, legal counsel, budget accountants, human resources managers, area

superintendents, counselors, librarians, and assistant principals. When viewed in its totality, Harmony's extensive use of the H-1B visa process for all kinds of positions and not just those in documented shortage areas indicates an abuse of the H-1B visa program to facilitate an unlawful preference for hiring individuals of the same national origin as Harmony's leadership.

Using the more conservative \$2,000 per H-1B visa application filed, Harmony may have spent upwards of \$6,560,000 from 2001 to 2015 on visa fees alone. Rather than employ local, qualified, and certified teachers, Harmony systematically engages in a process that costs more money, takes more time, and leaves teaching, administrative, and support positions unfilled for longer, to the students' detriment and at the cost of hardworking, qualified American teachers overlooked for these positions. Moreover, it demonstrates a discriminatory preference for individuals of the same national origin as Harmony's leadership.

The Beehive Academy

In 2010, the Beehive Academy, a small Gülen school in Utah, had its charter license revoked after an investigation found that during a time of mass teacher layoffs, Beehive recruited a high percentage of teachers from Turkey, many of whom had little or no teaching experience before arriving in the United States.^[19] Records show that in five years, the school spent about \$53,000^[20] on the immigration fees of fourteen Turkish nationals, more than the average salary of a teacher in Utah.^[21] In many cases, Beehive also covered legal fees for these new transfers and, in some cases, their relocation expenses. Simply put, taxpayer money was used to strengthen

the Gülen infrastructure in the state of Utah. For every dollar the school spent on textbooks, fifty cents were used to finance Turkish teachers' recruitment; this figure clearly illustrates the schools' priorities before they were shut down.^[22] Beehive was also accused of several financial improprieties and gross fiscal mismanagement that wasted hundreds of thousands in taxpayer money.

Financial impropriety was not the only source of concern at the Beehive Academy. Female teachers reported discrimination, including being asked to cover their hair and told that "a woman's place is home raising her children."^[23] American teachers formally complained to the State Charter School Board that the school favored Turkish teachers for hiring and promotion. A first-year teacher was fired for taking academic freedom concerns to the state board; he had proposed an elective on World War II that would discuss the Holocaust, and his supervisor, principal Muhammet Erdogan, who called the topic "controversial," and added that Jews were to blame.^[24] The teacher recorded the conversation, but the school's charter ultimately had to be revoked for financial reasons because of how few mechanisms Utah's State Charter School Board has for holding charter schools accountable.

The school went to great lengths to avoid the discovery of these activities, including removing Kelly Wayment, also a Beehive parent, from the school's board after he voiced his concerns to other parents that Beehive was affiliated with the Gülen movement.^[25] His primary concern was the lack of transparency and irresponsible spending, although he also discovered personnel problems. According to Wayment, the Accord Institute for Education Research—the one mentioned in the introduction—oversaw

charter schools in Arizona, California, Utah, and Colorado and made hiring decisions that should have fallen to the principal.^[26] Beehive was also paying Accord a considerable amount of money for professional development. However, only Turkish teachers were invited to teacher training workshops. He also believed the school was pocketing money raised for the PTO from community 5ks.^[27]

After removing Wayment from the board, the school then threatened him with legal action. It accused him of using his seat on the board for sectarian purposes, suggesting he was anti-Islam. Wayment contends he never suggested ties to terrorism or Islamic extremism, saying, "These were my friends" before he attempted to report their behavior.^[28] After leaving the board, he experienced harassment from teachers, noticed individuals connected with the school following him around town, and later discovered his passport had been placed on Turkey's watchlist.

Surprisingly enough, the school was reopened a few months later, despite the problems identified. According to the state charter school director, this reversal is likely due to Utah's charter school laws' vagueness, which allows for the significant interpretation of the rules.^[29] The law's ambiguity leaves the Utah charter sector vulnerable to the pattern of mismanagement and abuse perpetrated by Gülen schools.

Concept Schools

As outlined in previous chapters, Gülen schools throughout the nation have consistently been misusing taxpayer funding meant for educating their students. In Ohio, the Concept schools network

filed 657 H-1B visa applications from 2001 to 2016. As seen in other states listed above, the schools claimed the visas were necessary for sourcing teachers in specialized fields like science and math. In practice, however, visa applications were filed for P.E. teachers, art directors, English teachers, and Turkish language teachers.^[30]

As early as 2002, state audits of the Gülen schools in Ohio uncovered unlawful spending of thousands of taxpayer dollars to finance the U.S. citizenship process for its Turkish employees, including their children and spouses. Under the law, public money cannot finance the immigration-related expenses for the visa recipient's family members. Also, the state's auditor found suspicious wire transfers totaling \$36,000 and checks made out to "cash" used to repay personal loans of people in Istanbul, Turkey.^[31]

An Akron Beacon Journal investigation in 2014 provided some perspective on the school's excessive use of the visa program. It found that between 2012 and 2013, the state's 19 Gülen schools had submitted applications on behalf of 97 Turkish teachers. During that same time, Ohio's public-school districts (which serve roughly 270 times more students) only sought foreign teachers on 11 occasions. Half of those requests were for Mandarin or Chinese teachers.^[32]

IMPUNITY IN THE IMMIGRANT VISA PROGRAM

An interview with a former H.R. Administrator of one of the Gülen Schools stated, "I was never warned of the arrival of these new

teachers, nor did I ever receive any application or CV before they showed up. They would just show up at the door, and the Turkish principal would tell me what job they were there to do and ask me to print them an I.D. card." None of the teachers had completed personal information forms, handed over any teaching certification, or explained any experience or knowledge of the subject they were assigned to teach. The administrator added, "On top of the unqualified teachers being hired, in some cases, they would then bring their spouses over from Turkey as well, who were given job titles at the school but would never actually show up for a workday."^[33]

Profiting from Teachers, Students, and Taxpayers

Gülen schools have effectively managed to use the H-1B visa program to grow the movement exponentially and strengthen their position in the United States. The H1-B scheme in place facilitates the "legal" migration of Gülenists to capitalize on the vulnerabilities of one of the most important institutions of the United States: the education system. While the migration of teachers to the United States is a legal process when done properly and through the correct channels, the abuse and misinformation that we have described throughout the text constitute a stark violation of the H-1B process, rendering the applications unlawful. The taxpayers directly fund the group's efforts to bring Turkish teachers to the U.S. The millions spent yearly on visa applications and immigration fees are unnecessary to the American teacher, especially when considering that the individuals hired are not certified, have no teaching background, and speak little English.

This practice ultimately contributes to creating a class of unemployed American teachers while strengthening the Gülen movement. More importantly, students' educations are negatively impacted by these activities. Parents have complained about the lack of English skills and the harsh disciplinary measures used by unqualified teachers. School administrators often point to their schools' academic records. However, there is reason to suspect that the teachers and administrators engage in academic fraud to inflate scores to keep getting public funding.

No matter what financial issues or inadequacies are evident in the audit reports, they are often overlooked, if the schools are reporting high standardized test scores for their students. For instance, reports have revealed that school officials in Ohio were falsifying exam scores and attendance records to benefit the school's profile. Online testimonies from teachers and parents about those schools confirm that most students are not prepared for advanced university work. One teacher stated that the schools are much more interested in prestige and their public image and do little to educate pupils. One student commented that his Turkish teacher was completely ignored when he asked for help with a class. At the same time, that same teacher diligently helped another classmate who was also from Turkey. The complaints vary in nature and can be easily found online. They range from the bad quality of education to the lack of transparency of the schools' use of public funds to the teachers' inadequacy. In the process, students get shortchanged.^[34]

Endnotes: Chapter 13

[1] U.S. Department of Labor: Wage and Hour Division, H-1B Program: Overview. <https://www.dol.gov/agencies/whd/immigration/h1b>

[2] U.S. Department of Labor: Wage and Hour Division. Fact Sheet #62O: Must an H-1B employer recruit U.S. workers before seeking H-1B workers? <https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/whdfs62O.pdf>

[3] North, David. Primer for Reporters Looking Into the H-1B Program. Center for Immigration Studies. <https://cis.org/Miano/Primer-Reporters-Looking-H1-B-Program>

[4] Amsterdam & Partners LLP, 32

[5] "Gülen Schools and Their Booming H1-B Visa Applications." *Charter School Scandals*, 2010, [charterschoolscandals.blogspot.com/search?q=H1-B visa applications](http://charterschoolscandals.blogspot.com/search?q=H1-B+visa+applications).

[6] *2020 H1-B Visa Reports: Secondary School Teachers, Except Special And Career/Technical Education*

<http://www.myvisajobs.com/Secondary-School-Teachers,-Except-Special-And-Career/Technical-Education-2020OC.htm>

[7] *2020 H1-B Visa Reports: Secondary School Teachers, Except Special And Career/Technical Education*

<http://www.myvisajobs.com/Secondary-School-Teachers,-Except-Special-And-Career/Technical-Education-2020OC.htm>

[8] "Magnolia Educational & Research Foundation." *My Visa Jobs*, www.myvisajobs.com/Visa-Sponsor/Magnolia-Educational/799321_Visa.htm.

[9] Amsterdam & Partners LLP, 576

[10] Interview with Anonymous Whistleblower

[11] Later, Gordon. "Spending Blind: The Failure of Policy Planning in California Charter School Funding." 2017. <https://www.nea.org/assets/docs/FINAL_ITPI_SpendingBlind_April2017.pdf>.

[12] Amsterdam & Partners. «Brief In Support Of Uniform Complaint Procedure

[13] *Ibid.*, 4

[14] George Joseph, *Education, Inc.*, Jacobin (Nov.4, 2014), <http://bit.ly/22u7YEg>.

[15] Compiling 2013-2015 H-1B visa applications for Cosmos Foundation, Harmony Science Academy-Dallas (the bulk), Harmony Science Academy-West Houston Cluster Office, www.myvisajobs.com (last visited January 2020).

[16] *Staff FTE Counts and Salary Reports*, Texas Education Agency, <http://bit.ly/1pXIAFB> (requires search query; select "2018- 2019" year and "selected district totals using district number" report; Harmony district numbers are 015828, 071806, 101846, 101858, 101862, 161807, and 227816).

[17] *2015 H-1B Visa Reports: Elementary and Secondary Education*, MyVisa-Jobs.com, <http://bit.ly/1S8p2HM> (last visited March 18, 2016); *Baltimore City Schools*, U.S. Department of Education, <http://1.usa.gov/22sm6hi> (last visited March 18, 2016).

[18] Compiling the H-1B visa applications for Cosmos Foundation and Harmony Science Academies for years 2010-2019 and utilizing a legacy search for years 2001-2009, [myvisajobs.com](http://www.myvisajobs.com) (last accessed February 2020).

[19] Beauchamp, Scott. "120 American Charter Schools and One Secretive Turkish Cleric." *The Atlantic*, 12 Aug. 2014, <https://www.theatlantic.com/education/archive/2014/08/120-american-charter-schools-and-one-secretive-turkish-cleric/375923/>.

[20] Stuart, Elizabeth. "Islamic Links to Utah's Beehive Academy Probed." *Deseret News*, <https://www.deseret.com/2010/6/1/20118718/islamic-links-to-utah-s-beehive-academy-probed#students-at-the-beehive-academy-walk-out-of-classes-may-6-to-protest-the-decision-to-shut-down-their-school>.

[21] "Utah Teacher Salary." *TeacherPortal*, www.teacherportal.com/salary/Utah-teacher-salary.

[22] Beauchamp, Scott. "120 American Charter Schools and One Secretive Turkish Cleric"

[23] Stuart, Elizabeth. "Islamic Links to Utah's Beehive Academy Probed"

[24] Ibid.

[25] Ibid.

[26] Ibid.

[27] Ibid.

[28] "Beehive Science and Technology Academy." *Beehive Science and Technology Academy*, charterschoolscandals.blogspot.com/2010/06/beehive-science-technology-academy.html.

[29] Stuart, Elizabeth. "Charter Board Reverses Decision to Close Beehive Academy." *Deseret News*, Deseret News, 11 June 2010, www.deseret.com/2010/6/10/20120621/charter-board-reverses-decision-to-close-beehive-academy.

[30] Concept and its schools use several different versions of their names to make it difficult to aggregate how many H-1B applications they are filing. The sum total of all of the Concept (O.H.) schools from 2001 to 2016 is 657, and the numbers supporting that total are located at the following links: 1) HSA Toledo 79 H-1Bs <http://tinyurl.com/h2wzgx> and <http://tinyurl.com/hvm6c3g> 2) HSA Columbus MS 88 H-1Bs <http://tinyurl.com/hm2huqp> and <http://tinyurl.com/zwh2dm3> 3) HSA Lorain 40 H-1Bs <http://tinyurl.com/jftczdy> 4) HSA Cincinnati 119 H-1Bs <http://tinyurl.com/z8rh67o> 5) HSA Springfield 24 H-1Bs <http://tinyurl.com/zcy5wbs> 6) HSA Dayton HS 44 H-1Bs <http://tinyurl.com/jk8v67g> 7) HSA Dayton Downtown 14 H-1Bs <http://tinyurl.com/h958de9> 8) HSA Denison MS 10 H-1Bs <http://tinyurl.com/ztxhlca> 9) HSA Toledo Downtown (now closed) 12 H-1Bs <http://tinyurl.com/hbfvk85> 10) HSA Denison ES 16 <http://tinyurl.com/hh6ph6j> 11) HSA Cleveland MS 15 H-1Bs <http://tinyurl.com/grttwzk> 12) HSA Columbus 11 H-1Bs <http://tinyurl.com/zjkpnhh> 13) HSA Cleveland ES 1 H-1B <http://tinyurl.com/hzaj227> 14) Noble Cleveland 35 H-1Bs <http://tinyurl.com/zvs68d3> and <http://tinyurl.com/j76pnvs> 15) Noble Columbus 25 H-1Bs <http://tinyurl.com/zslwyng> 16) Noble Academy (general, no other info) 11 H-1Bs <http://tinyurl.com/hegbswl> 17) HSA Cleveland HS 74 H-1Bs <http://tinyurl.com/za497gb>; <http://tinyurl.com/jgkq4tp> and <http://tinyurl.com/jpye349> 18) HSA.

Columbus HS 39 H-1Bs <http://tinyurl.com/z5oyngk>. Concept filed 176 H-1B applications 2001-2016. See <http://tinyurl.com/j3whatt> for Concept Schools, Inc.; <http://tinyurl.com/zhgx3xl> for Concept Schools Nfp.

[31] Livingston, Doug "Ohio Taxpayers Provide Jobs to Turkish Immigrants through Charter Schools." *Akron Beacon Journal*, Akron Beacon Journal, 5 July 2014, www.beaconjournal.com/article/20140705/NEWS/307059540.

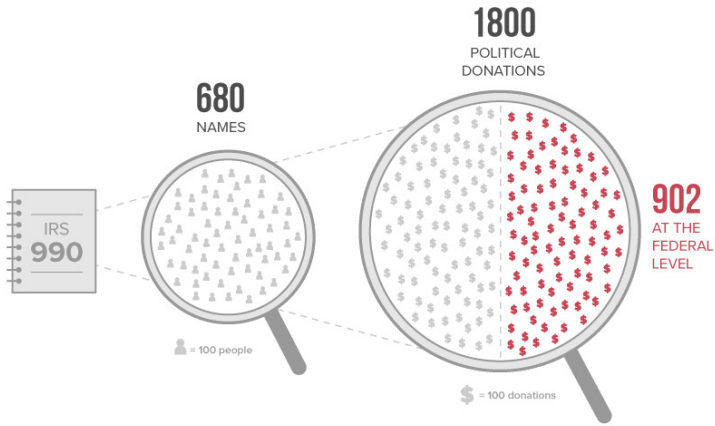
[32] Ibid.

[33] Interview With Anonymous Whistleblower

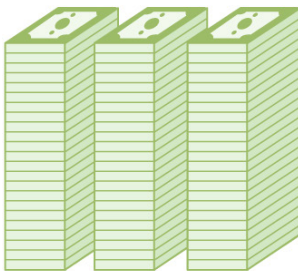
[34] Comments from various students and parents. Available at great-school.com

By searching Gülenist schools' and cultural organizations' IRS Form 990s, we were able to compile a list of more than 680 names associated with the movement. We ran these names through the FollowTheMoney.org database and discovered 1,800 contributions, of which 902 were federal-level, since 2012.

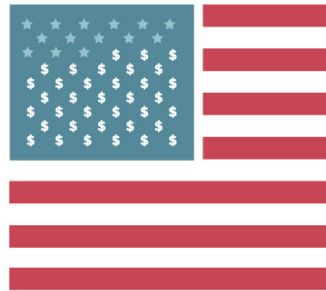
We provide in this book a list of the 298 races or committees that received political contributions from the identified Gülenists. Gülenists, we found, contributed more than \$1,250,000 to federal races in at least 36 states since 2012. This figure does not include their contributions to state or local candidates.



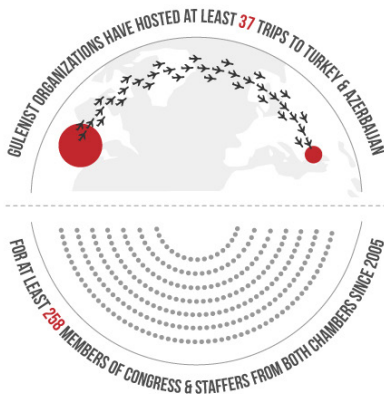
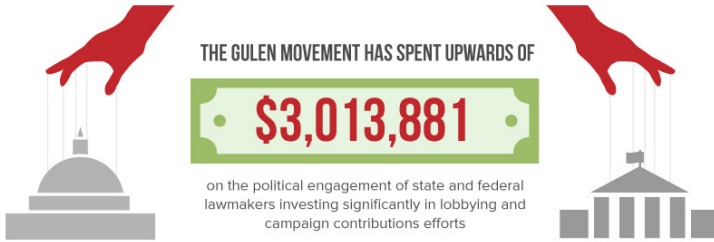
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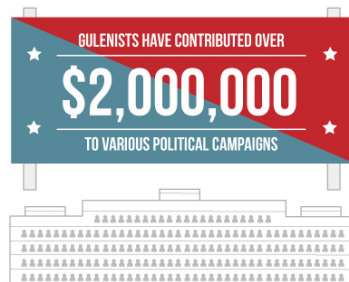
IN AT LEAST **36** STATES



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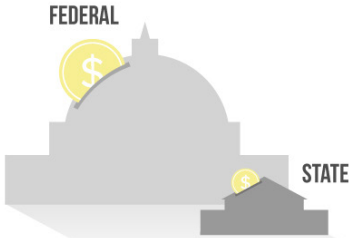


Has been spent by Gulenists on known federal lobbying efforts since 2016

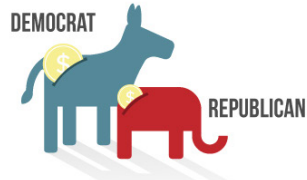


Including **182** candidates for federal office

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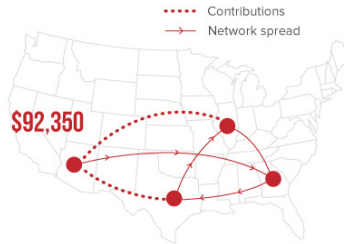


Gulenists spent over **three times** as much on federal races as they did state or local races



Gulenist officials spent more than **twice** on Democratic candidates than they did on Republican candidates.

One Example: In 2012, a democrat US Senate candidate in Arizona received contributions from Gulenist officials in Texas and Illinois over three synced dates: March 31st, May 18th, and June 15th. Our research revealed a total of \$92,350 from 39 contributions. Coordinated contributions in the Gulen network began in Arizona, then spread to Georgia and Texas, and then Illinois and surrounding states.



H-1B ABUSES RANKED BY REGION 2000-2022

WESTERN REGION

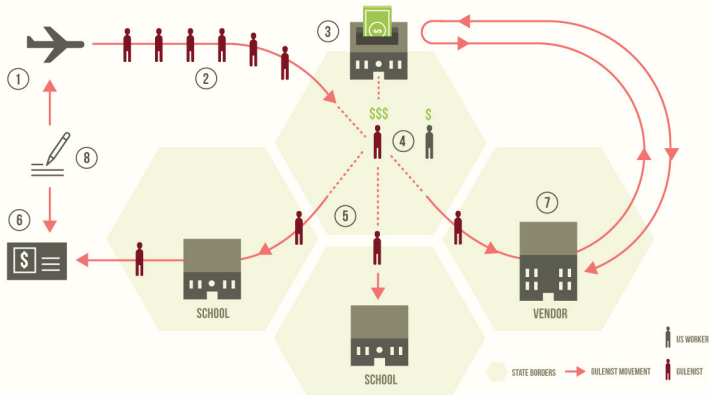
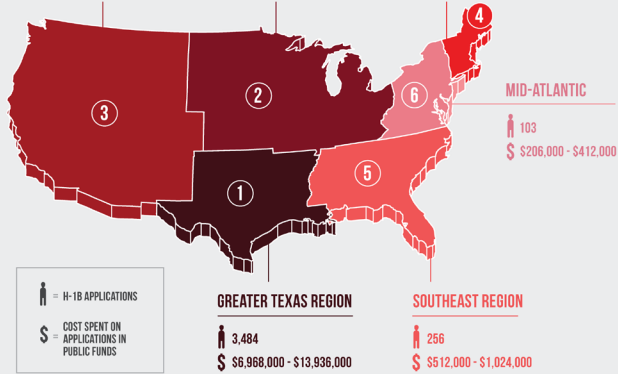
924
\$ \$1,848,000 - \$3,696,000

MIDWESTERN REGION

1,286
\$ \$2,600,000 - \$5,100,000

NORTHEAST REGION

451
\$ \$902,000 - \$1,804,000



1 Large numbers of Gulenists immigrate from Turkey on three-year H-1B visas.

H-1B visas are usually intended for U.S. employers to hire foreign employees to fill positions that cannot be filled by local candidates.

2 The charter school uses the H-1B visa program to sponsor, employ, and immigrate high numbers of Turkish teachers and employees.

3 The legal and immigration costs for the employee and his/her family are often paid for with public funds entrusted to the schools for educational purposes.

4 Gulenist H-1B employees are usually paid significantly more than their American counterparts.

5 H-1B employees are illegally shuffled quickly, on average, three to five Gulen charter schools across state lines.

6 H-1B employee transitions to green card status paid for with public funds.

7 Gulenist vendors are often owned and operated by former H-1B employees of the charter schools they now service.

8 Utilizes some H-1B immigration attorney as other Gulenist charter networks and Gulen's home compound, the Golden Generation Retreat

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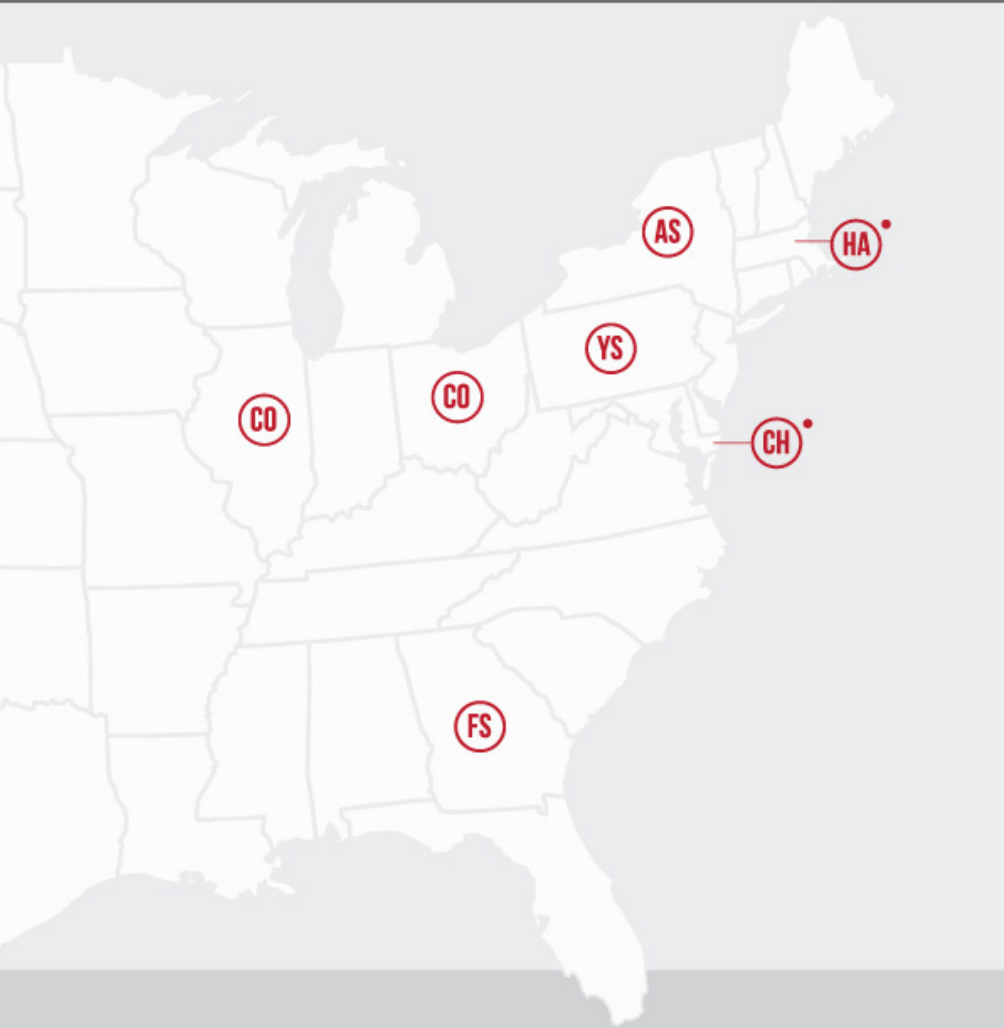
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Chapter 14

Front Lines of Gülen's Cult

FETO's systematic cultivation of political influence is also a grass-roots effort. In addition to their public-facing jobs as teachers, administrators, and staff, whistleblowers from inside the movement described similar roles as recruiters for the movement and facilitators of many of their unlawful and unethical activities. However, many of the movement's rank and file are under extreme pressure to comply with the movement's expectations. The system that allows FETO to recruit in Turkey and facilitate migration to the U.S. using the H-1B visa program gives the movement almost total control over their followers, especially at the lower end of the hierarchy. From forced donations and wage theft to potential cases of human trafficking, FETO's treatment of their followers, who are often vulnerable and unaware of what they are getting into when first recruited, indicates a culture of fear and control inside the movement.

Recruitment in Turkey and the U.S.

The journey to becoming a loyal member of FETO in the U.S. begins at a young age. Whistleblowers we spoke to recall being invited to meetings at the homes of teachers and religious leaders. At the same time, they were still high school or university

students. In many cases, the young people invited to these gatherings were not even aware that they were affiliated with FETO. One young man whose family in Turkey is staunchly anti-Gülen was offered an internship with the Turkish Cultural Center in Manhattan while studying in the U.S. He believed the internship would help promote dialogue between his home country and his adopted country; when he discovered the truth, he was already dependent on the movement for his status in the U.S. and his employment. Another described attending a dinner he thought was simply a gathering for Turkish people living in Phoenix.

Recruits tend to have two major attributes: first, they show academic or professional potential. One whistleblower recalled, "I was in 10th grade when I first met with these people. I was an excellent student, and they invited me to their student houses. We were studying math and playing video games, eating biscuits and teas. In my first visit, I questioned that; I question everything." The goal is to identify young people with the potential to become high-level members of society and recruit them early. From that first stage, the movement supports students' education, offering tutoring, exam preparation, and, according to reports in Turkey, often engaging in cheating on state exams to facilitate their admission to top universities. A major draw for these students is the potential for working abroad: "In this organization, people went to Africa, central Asia, the United States, South America, so this is the best advertisement they are doing in Turkey."

The second major attribute is vulnerability. "You feel like this," said the whistleblower who met the movement in 10th grade in

Turkey. “Your family does not care about you, you are a teenager, but these Abbis [FETO recruiters] are caring for you, spending time with you, studying with you—so this affects kids.” He recalled how the recruiters become “like a big brother – there is nothing material but an emotional relationship. Like a new family. Sometimes you will fight with your father for them.” By the time young people are ready to consider a career teaching for the Gülen movement abroad, said another former movement member, “They are completely—I mean, brainwashed, yeah, I mean that is it, brainwashed.”

Migration to the U.S.

Once a group of young people in Turkey are committed to working for the movement, the placement process begins. In many cases, H-1B applicants have no information on where they will go or what they will do in the U.S. We spoke to a whistleblower who played a role in coordinating the process from the U.S. side for the Accord Institute, which, he said, oversaw all the West Coast charter school network. First, he said, the teachers are gathered in a common housing in Istanbul. “They prepare all the teachers, especially single teachers usually, and whenever somebody they think is ready to go to the United States, they let, the person in Accord, they let them know that there are some teachers available, you can employ them, and they do the job application for them.” At this point, the movement requires them to commit to a position with very little information about what the job entails. “Even the teachers in Turkey, they do not know where they are going... Some of them do not know what they are going to teach. It is very weird.”

The teachers themselves do not submit any applications, even though the H-1B process requires it. Moreover, according to the individual who worked for Accord, the schools rarely advertise for the position unless they facilitate a Green Card application because the requirements are stricter. In this case, they post advertisements and leave them up for the requisite two months without moving forward with the hiring process, having already selected the person who will fill the position. Typically, the Green Card process begins after five years because an H-1B visa has a six-year limit.^[1] A vital feature of the H-1B program is the holder's total dependence on the sponsoring employer to remain in the country. The track structure from H-1B to the greater autonomy provided by a Green Card essentially allows the movement to impose a trial period on its followers—by the time they could become independent, they do not want to.

Wage Theft, Kick Backs, and Forced Donations

Once the H-1B holders arrive in the U.S., they become subject to a dual salary system; crucially, they are not told about this system until they migrate. One former teacher called it a “parallel salary,” saying the salary he received “has nothing to do with official salary,” reported in the school's finances. Further, there is “no negotiation. The accountant says to you; you are to receive 3180 dollars. It is a random number... Everyone in the Gülen movement is subject to the same thing. They see your salary, check every month what you earned. If it is more than your actual salary, you give the difference. If it is less than your actual salary, they give you the difference. It all is on the salary scale.”

The internal salary is calculated based on life circumstances, such as marital status or level of education. However, the difference in pay based on educational achievement is far from industry standards. As the former Accord employee explained, “There is a base salary for everyone, and then they add, if you are married if you have one kid, they add a little bit more. For example, I have a master’s degree; that is why I was getting \$100 extra, just \$100, and, if you have a Ph.D., I think you have \$200 or \$250 extra. It was ridiculous to me.” In his case, kickbacks were paid either directly to the Accord Institute or given to a political campaign or advocacy group that the leadership had identified as potentially helpful.

Many teachers, administrators, and staff were moved frequently from school to school. Principals were required by contract to transfer from school to school, no questions asked. According to a whistleblower, “The teachers were told in a meeting that when principals sign on with Concept Schools, their contract stipulates they have to go to any school they are told to. The Turkish principals’ contract has a clause requiring them to accept transfers and be free to move from school to school without any explanation.” Another whistleblower explained that this practice was used, in part, to reimburse teachers over the amount they actually paid to move. Teachers were then required to return the school’s difference or contribute it to a specific group or political campaign.

Teachers, administrators, and staff are also required to subscribe to Gülen magazines and make substantial donations to the movement on top of the money already withheld from their salaries. One teacher described the pressure he felt to comply with these demands: “It is just like peer pressure—you collect fifty people,

and everyone is giving. You cannot say, 'No, I do not want to pay, I do not believe you are good people. You are stealing money.' You cannot say that."

The structure of the donation schemes makes it difficult for outside organizations to track, as you have so many small donations that do not raise red flags on their face, until you see the number of teachers that are being forced to comply. Another element that makes the donations challenging to track is that the Gülenist as a group are not strictly partisan towards one political party but willing to donate on both sides of the aisle. They do not actually worry about Republican vs. Democrat but instead look purely at who is most willing to further their cause and allow their expansion with the fewest questions. We saw this shift in the last election cycle where the group largely donated to Hillary Clinton in 2016 as the democrats were seen as the "pro-education" party, leaning into "school choice." In 2020, the left took a drastic shift in their rhetoric towards charter schools as discussed previously in this book, and we saw a large shift to Republicans and the Trump campaign. One "red flag" we have noticed is the increase in out-of-state donations, where teachers making a modest salary will donate more than one would expect, in a small race in a state on the other side of the country. These types of donations raise questions, and we have reports of a "pooling" of funds which get distributed and sent to a predetermined list of recipients.

Pressure on VISA Holders

While working for a Gülen school, everyone holding an H-1B visa—teachers, administrators, staff, and consultants—must complete

various recruiting activities, assigned points in a MAT system, or “monthly activity target.”^[2] Activities range from home visits to field trips to special college prep classes, all offered to a special cohort of students the school believed showed academic potential and could be counted on for support after graduation.

According to a former teacher, “it is actually a way to establish a core group of students, usually 4 or 5, that seem to have a good academic future. These groups are called “seed groups”, so it is like you are planting your seed in the ground for it to grow; we can say core group. We give them special attention, take them on trips, invite them to our houses, and play games together. This is done because the Gülen movement wants to establish relationships with the brilliant students because they will have a good future and keep in touch later in life.” Teachers outside the movement noticed this dynamic. One teacher stated, “There seemed to be a premium placed on teachers bringing students for home visits or creating after-school activities. They would even bring students to Turkey, sometimes! I brought two different students to Turkey, and all they would talk about was how many ‘points’ I was earning on this scale like it was grades for the teachers.”

The structure of the seed groups is markedly similar to FETO’s recruiting practices in Turkey. According to the former teacher, everyone had a monthly MAT score quota, lower for staff, first-year teachers, and female teachers, “because they are busy in the house.” A high MAT score was essential for success within the movement. It could lead to rewards like visiting Fethullah Gülen’s compound in Pennsylvania. In his opinion, the MAT program was much more important to the movement than teaching

quality. He remembered, “they were more interested in the points performance at meetings because this is what they present to Gülen... In the meetings, they will say, guys, look—we made only 83%, we are going to present this to Gülen, so we must work more because he is going to see this. I do not know if they do it, but this is what they said.” Further, he was penalized for his poor point performance, even though his students performed better than other teachers’ classes. In his view, substandard teachers were pushed forward because they were successful at recruiting.

An additional benefit of the MAT system was cultivating relationships with parents who could be relied upon to defend the school against criticism. The teacher recalled, “if there is something against the school, they want to know how many people you can invite here to defend us... This is a set goal for teachers: how many parents can you call to write a review about our school?” For example, when the USA Today article criticized his school, he was asked to call parents to speak publicly about their approval.

The consequences for refusing to comply with the parallel salary system, the demands for donations, or the MAT quotas could be severe. “You can lose a teaching job because you are not performing well for the Gülen movement,” the former teacher said bluntly. For H-1B holders, losing their job means losing their legal status in the U.S. Also, the movement takes all steps to ensure that its low-level adherents are dependent on their employers for housing, with single teachers housed together.

Further, the Accord Institute went so far as to hire a consultant to match followers with other movement members. According

to the former Accord employee, “whenever somebody wants to get married, they give [the consultant] their profile... they match the two sides and arrange some meetings. However, you must be a believer of Fethullah Gülen, so you must believe that Fethullah Gülen is a chosen person. Otherwise, they are not going to help you. You must prove that you are an excellent follower of Fethullah Gülen. Otherwise, they will never let you get married to somebody.”

Alarming rumors circulated that some schools went as far as to confiscate passports. “I heard when they opened the first school in Houston—a Soner Tarim is the COO of the movement. He told us in a group this story. When they opened the first school in Houston in 1999 or 2000, he found some Turkish teachers as they found us, and the school was terrible. It was their first experience in the U.S. The kids were running around, throwing things at teachers—there were too many incidents, and the Turkish teachers were frustrated. They all wanted to go back to Turkey, so he took all their passports and kept them in a locker in his office. However, this did not happen to me.”

Also, a culture of fear and secrecy pervades the movement. Multiple whistleblowers described systematic cleaning of emails and hard drives during “inspections.” Members of the movement are required to attend regular meetings to disclose any personal dealings or if they have been contacted by anyone outside of the movement for information. Each school and organization had strict policies on taking notes. The former Turkish Cultural Center Manhattan intern described an environment of stealthy behavior, with no speaking on the phone and only face-to-face meetings.

According to a former teacher, “they started to check teacher’s emails, cell phones, and even their houses and bedrooms.”

The former teacher had a special reason to pay careful attention to the movement’s efforts to monitor members. He began to have doubts when he had children. “I started to make documentation in 2010,” he said. “I printed all of these lists, these charts and emails. I prepared everything, and I emailed it to the FBI Dallas office in 2012. I told them I am a Turkish citizen, but my kids are American. They are citizens of this country, they are going to live in this country, and these guys are stealing money from my children.” In doing so, he took an enormous risk. As it was, he did not begin documenting the movement’s activities until he was no longer in the precarious position of holding an H-1B. “Honestly, I was not feeling safe until I got my green card,” he said.

He described an investigator whose job was to ensure members of the movement were loyal. When the investigator would come to town, “all of the teachers are supposed to bring their computers, provide their emails and username and passwords. They have a special program to install and then search the computer and even erase data.” He said they would search for keywords tying them to the movement, like “Gülen” or “Abbi.” The investigator would “randomly choose two people” for a more intensive search, and, he added, “they tell you this before because they want you to be scared.”

One of the most telling features of the former teacher’s story is his fear of telling it. At the beginning of our interview, he told us that he was concerned for himself and his family in Turkey if the movement discovered he had spoken out. “There are too many rumors around

these guys, that they are dangerous, they can arrest people, they are very powerful... I am more concerned about my family's safety more than myself. We are safe in the United States, but my family in Turkey could be in trouble because bad things happen to some people. They stay in jail for four years, five years." The bottom line: "It is not about religion, it is about the movement, and it is about the power."

The Trafficking Victims Protection Act (TVPA) of 2000 is the primary United States law governing human trafficking.^[3] The TVPA prohibits, among other things, involuntary servitude, forced labor, and compelling or coercing people to perform labor or services in the context of migration.^[4] Many courts have determined that threats of deportation constitute a condition of servitude induced through abuse of the legal process. Applying key questions to the situation of H-1B holders suggests that in cases where people want to leave the movement and are prevented from doing so, the movement's activities may violate the TVPA.

The Gülen Organization as a Cult

In "American Messiahs," Adam Morris writes of the Puritans, "We tend to forget... Puritans weren't oppressed because they were religious; they were oppressed because they were fanatics...the impulse to purify the group through separation from mainstream society, now regarded as the signature of a cult, could not be more fundamental to the nation's history."¹

Certainly, in Turkey, cults date as far back as the the formation of the state, and continue with persuasions like that of Fetullah Gülen's, also known as the Gülenist Terror Group (FETÖ), a cult that



infiltrated Turkish institutions for decades to ultimately overthrow the government.² It comes as no surprise then, that Gülen's self-imposed exile in the United States – and therefore the movement's homebase – has easily evaded large-scale attention. Yet, this safe haven within U.S. borders has been methodically designed using the blueprint of the Turkish coup organized by Gülen.

Broadly speaking, cults in America are nothing new with deep roots in a Puritan founding. With deliberate dedication to religious freedom and freedom of speech, the U.S. is historically cautious in the quick labeling of any persuasion. It is through the exploitation of these pillars of American democracy, that FETO has shielded itself

from scrutiny, and manufactured sympathetic allies. After all, FETO can highlight parallels of their own “persecution” in the widely publicized and contentious relationship with the Erdogan Presidency; and further endear themselves to these democratic values in claims the movement is not fanatical, but rather a modern example of Islam, pointing to their dedication to education for all.

However, the Gülen Movement only appears modern at surface level; in reality, it embodies something far more insidious.

According to Dr. Janja Lanich, an emerita professor of sociology at California State University, Chico, and expert in extremism, cults, and conditions of undue influence, there are four main components that make up a cult: a charismatic leader, transcendent belief system, system of control, and systems of influence. Without these four components cults can’t indoctrinate and build a web of supporters.

The Charismatic Leader

Without charismatic leaders who are able to manipulate followers, for example Jim Jones, David Berg, Marshall Applewhite and Bonnie Nettles, cults wouldn’t be successful. Fetullah Gülen is a subtle example of these leaders, hiding shadowy intentions behind a value system which is outwardly benign. This value system is allegedly based in hizmet, or service, an important component within Islam, and speaks to why the movement has grown quickly.³

Hilmi Demir, an academic at Hitit University, says that Gülen believes he is a “prism chosen by God,” claiming to be in communication with Allah and Prophet Mohammad. According to Demir, Gülen

alleges the Prophet Muhammad compliments his teachings, giving false credence to his movement. In suggesting he has a direct line to Allah and Mohammad; the movement is taking advantage of those devout followers of Islam who may be in a psychological or emotional state for "mystic manipulation" - a common practice used by cults. Of this, Demir says, "Gülen brainwashes people from early childhood and controls them like a totalitarian leader, to the point that he will eventually change their identity. In this manipulation technique, the fear of outsiders plays a major part."

According to Dr. Paul Martin, the Director of Wellspring Retreat, a licensed residential treatment facility that provides a program of counseling and instruction to victims of cultic abuse, religious abuse and/or thought reform:

"The claim of divine authority or spiritual advancement that allows the leader to reinterpret events as he or she wishes, or make prophecies or pronouncements at will, all for the purpose of controlling group members... The inevitable next step after milieu control is extensive personal manipulation... Initiated from above, it seeks to provoke specific patterns of behavior and emotion in such a way that these will appear to have arisen spontaneously from within the environment... ..Ideological tonalists...are impelled by a special kind of mystique which not only justifies such manipulations, but makes them mandatory... They are the agents 'chosen' (by history, by God, or by some other supernatural force) to carry out the 'mystical imperative,' the pursuit of which must supersede all considerations of decency or of immediate human welfare. Similarly, any thought or action which questions the higher purpose is considered to be stimulated by a lower purpose, to be backward, selfish, and petty in

the face of the great overriding mission... At the level of the individual person, the psychological responses to this manipulative approach revolve about the basic polarity of trust and mistrust. One is asked to accept these manipulations on a basis of trust (or faith) ... When trust gives way to mistrust... the higher purpose cannot serve as adequate emotional sustenance. The individual then responds to the manipulations through developing... the psychology of the pawn. Feeling himself unable to escape from forces more powerful than himself, he subordinates everything to adapting himself to them. He becomes sensitive to all kinds of cues, expert at anticipating environmental pressures, and skillful in riding them in such a way that his psychological energies merge with the tide rather than turn painfully against himself. This requires that he participate actively in the manipulation of others, as well as in the endless round of betrayals and self-betrayals which are required. But whatever his response...he has been deprived of the opportunity to exercise his capacities for self-expression and independent action."⁴

This kind of behavior is why some in the press, including *The Guardian* editorial board, have described the movement as having "some of the characteristics of a cult or of an Islamic Opus Dei"⁵ Having a following that is malleable and agreeable to directions from leaders, allows the Gülen movement to serve its own interests - even those that are illegal. This wouldn't be possible without a platform - Islam - that appeals to an audience.

A Transcendent Belief System

Under the scaffolding of Islam, Gülen claims its movement is a moderate and modern approach to followers, and the outside

world. In doing so, the movement employs a popular tactic and the second component of cults – a transcendent belief system. “An idea is transcendent when its followers treat it as the be-all and end-all; a transcendent belief doesn’t have to involve gods or spirituality at all.”⁶

The transcendent belief system is what motivates many leaders within FETO to participate in the cult-like behavior, as described by investigative journalist Mustafa Aykol.

“Deep down, what is the main problem with the Gülen community? In my view, it is over-idealistic collectivism. There is a sacred cause, a single leader with supra-human wisdom and a cadre of devotees who sacrifice their lives and individual minds for the utopia. The sincerity one sees here is admittedly admirable. But the self-righteousness and the aggressiveness it breeds are destructive – to others, and ultimately to itself.”⁷

Systems of Control

In the 2015 documentary *Killing Ed*, Director Mark Hall followed the insidious thread that exposed the corruption, politics and anti-democratic efforts to privatize U.S. public schools by Fetullah Gülen. Through a taxpayer-funded, charter school network - America’s largest - the Gülen movement has successfully defrauded the American taxpayer and been the subject of FBI investigations.

“This growing network is being investigated by the FBI for everything from fraud and malpractice to misuse of public funds. One

spokeswoman for the bureau said that an investigation is ongoing and FBI agents carried out raids at 19 Gülen-affiliated charter schools in Illinois, Indiana, and Ohio in 2014. Receiving approximately \$150 million a year in tax breaks and subsidies, government officials are increasingly concerned that taxpayer dollars are being used to fund a close-knit network of Turkish teachers and businesses using charter schools as a Trojan horse for embedding into the U.S. education system. Largely designated as 501(c)(3) non-profit organizations, many of these charter schools use their charitable status to funnel foreign teachers from Turkey into the homeland. These teachers arrive with a special visa called H1-B, which is intended to incentivize professionals from abroad with critical skills needed in our labor force. According to the Philadelphia Inquirer, Gülen affiliated schools are among the largest users of H1-B visas. In 2009, for instance, Gülen affiliated charter schools received 684 H1-B visas. By comparison, Google Inc. only received 440 that same year. Suspicion of irregularities arose when whistleblowers from within the Gülen network came forward.”⁸

The movement is able to manipulate and control especially their most vulnerable followers who are immigrants hired to work at schools in the United States. The documentary features former Texas-based Concept School employees and teachers, who came to America on work visas, and were ordered to give some of their taxpayer-funded paychecks to the religious Gülen movement – or risk deportation (working at the schools is a condition of their stay in America).

“Former Gülen follower and Gülen school math teacher Ersin Konkur said that the school administration made Turkish teachers give a portion of their salary back to the school. Konkur said, ‘they

were asking for cash [from the teachers]! Konkur paid around 20,000 throughout his time as a teacher. Mustafa Emanet, who works at a Gülen-linked school in Ohio, said that he had to give 40% of his salary back to the administration.”⁹

Though Gülen himself, has for years denied a direct connection to decisions that would influence charter schools, a wiretap of a former employee speaking directly with Gülen proves he is aware of, and an active participant in, controlling and influencing systems which benefit the movement.¹⁰

Systems of Influence

With allegations of human trafficking, tax-fraud and money laundering, and former Gülenists whistleblowing, it is a wonder there isn't more scrutiny being paid by politicians in districts and states where Gülen-linked schools are operated and under investigation. Yet it is the final pillar of cults – systems of influence – that explains much of why the Gülen Movement has been swept under the rug.

“A key point among the exposures was Gülen’s full control over his organization. In a wiretapped conversation between Gülen and one of his followers, posted on YouTube in early 2014, the latter was asking Gülen what to do about a refinery in Africa, planned gifts to Turkish businessmen and even campaigns on Twitter. Gülen, it turned out, was really not the ascetic Sufi we were told about, but a micro-manager of a global organization based on secrecy and hierarchy.”¹¹

There is a growing body of evidence, not only in Turkey but “amongst foreign observers including Gareth H. Jenkins,

Nonresident Senior Fellow with the Central Asia-Caucasus Institute, Soner Çağaptay, Director of Turkish Research Program, The Washington Institute for Near East Policy; Dani Rodrik, Professor of International Political Economy at the John F. Kennedy School of Government, Harvard University - that some of these Turkish religious movements are capable both of influencing the judiciary system and the path of the Ergenekon investigation."¹²

Conclusion

The pressures and risks of working for the Gülen movement as an H-1B holder in the U.S. help complete the story of teacher incompetence, unexplained campaign contributions, and discrimination against non-Gülen-affiliated teachers. H-1B holders have little control over their professional and personal futures; everything from their livelihoods to their immigration status to their housing depends on fulfilling the movement's expectations. Even their marital choices are determined by loyalty to Gülen.

In addition to the inherent problems for young people who are brainwashed and misled into an impossible situation, the classroom's effects are dire. Students learn from teachers who do not speak adequate English and teachers who are required to favor a select group and create an unequal learning environment. In the worst-case scenario, teachers' lack of qualifications and experience leaves them unable to appropriately discipline students, which has led to student abuse on at least one occasion. H-1B abuse, engineered by a small group and ultimately directed by Fethullah Gülen himself, risks the health and wellbeing of students and H1-B holders alike.

Endnotes: Chapter 14

[1] "H-1B To Green Card." *VisaGuide.World*, 19 Feb. 2020, visaguide.world/us-visa/green-card/h1b-to-green-card/.

[2] Amsterdam & Partners LLP, 31

[3] "International and Domestic Law - United States Department of State." *U.S. Department of State*, U.S. Department of State, www.state.gov/international-and-domestic-law/.

[4] Victims Of Trafficking And Violence Protection Act Of 2000. Pub. L. 106-386. 114 Stat. 1464. Web April 10, 2020

Chapter 15

Throughout this book, we have documented how Soner Tarim has abused the charter school system, the trust of communities and parents who enroll their children at his school, and his employees—both inside and outside the Gülen movement. Though other top Gülenists have perpetrated similar acts, Tarim is primarily responsible for coordinating the movement’s operations in the U.S. throughout the education system. His name has surfaced repeatedly in our investigation of the Gülen charter network’s abusive and exploitative activities. In the following chapter, we detail some of his recent activities—though there is every indication the list will continue to grow if the relevant authorities fail to act.

Improper Procurement Procedures

The New York Times article on Harmony Public Schools, the first known inquiry into the Gülen school network, raised questions about the schools’ use of the proper procurement procedures when selecting building contractors or food suppliers.^[1] Despite Tarim’s insistence that his schools follow competitive bidding rules established by the state, the New York Times found that the majority of its recent construction and renovation contracts were

awarded to Turkish-owned companies. Our survey of publicly available data confirms this tendency to favor Turkish-owned businesses. The statistics reflect the experience of parents who saw these relationships playing out in real time. “When the contractors arrive, they all hug like they see old friends. These contractors usually do not know what they are doing and do poor quality jobs,” reported one of the parents. “Someone came to fix the gym roof, but it still leaks every time it rains.”

Several of the companies that have received this preferential treatment have clear links to the Gülen movement. For instance, Target Design Management (TDM), a construction company that Kemal Oksuz owns, built one of Tarim’s schools. In addition to his role as owner of TDM, Oksuz is the former president of the Turquoise Council for Americans and Eurasians, an umbrella group created by Gülen followers. According to the New York Times article, “Since TDM was formed in November 2009, its work has involved only Harmony Schools and a job at the Turquoise Council headquarters.”^[2] Like Tarim and other Gülen affiliates, Oksuz is no stranger to controversy; in February 2019, he was convicted of illegally funneling money to bankroll trips to Azerbaijan for members of the U.S. Congress, during which they would be subject to “substantial [foreign] government influence.”^[3]

It is improbable that TDM, a new and inexperienced company at the time of its first contract with HPS, beat out other established firms for that and every subsequent contract. These contracts are apparent violations of fair-bidding laws; Tarim manipulated the process to give his associates an undue advantage. The degree of wrongdoing becomes more evident when we establish

the relationship's longevity between TDM and Harmony, which extends several years. TDM's co-owner is a Turkish engineer who used to work at Solidarity, a Houston construction firm that has also received major contracts from Harmony Public Schools. Solidarity's former president has close links to Harmony. However, TDM is not the sole culprit; Soner Tarim has made a habit of favoring several companies affiliated with the Gülen movement and favoring several companies affiliated with the Gülen movement.

Tarim's procurement methods while at HPS constituted a blatant misuse of public money meant to finance students' education. With no justification for why those companies were selected over lower bidders, the only reasonable conclusion is that Harmony's dealings with TDM, the Turquoise Council, and ATCT are a way for Tarim to enrich his friends and prop up the movement. Ultimately, potentially more experienced, and competent contractors missed out, and taxpayer money was not used efficiently. This example is one of many of Tarim's exploitation of loopholes and lax regulations in charter school law to advance his, and the movement's financial interests.

Soner Tarim and H-1B Visa Abuse

The disproportionate use of H1-B visas to hire teachers from Turkey is one of the most easily identifiable tactics used by Gülen charter schools. Rather than a method for recruiting specialized talent under exceptional circumstances, the H1-B program is central to Gülen schools' hiring practices; public information and testimonies show that Gülen charter schools are the largest consumer of H-1B visas for school staffing in the U.S. Indeed, it has



been reported that these schools exceed the application rate for these visas of even the largest urban school districts.^[4] A 2010 charter school watchdog group study also found that seven of the top 20 largest school districts in the country submitted one H-1B visa application for every 6.2 schools when averaged. The average number of H-1B visa applications for the Gülen schools was 13.5 per school.^[5]

Soner Tarim has used this federal program extensively over the years. For at least three years, federal statistics have ranked Harmony schools second among the top sponsors of H-1-B visas in the secondary education sector.^[6] Between 2016 and 2018, the

Harmony Science Academy applied for 644 visas to bring mostly Turkish nationals to work as teachers. This figure is surpassed only by the Dallas Independent School District in the secondary education sector.^[7]

Tarim has repeatedly claimed a shortage of qualified teachers in Texas as justification for using the program extensively. However, research shows otherwise: a study by the University of Pennsylvania demonstrated that the “new supply of mathematics and science teachers is more than sufficient to cover the losses of teachers due to retirement.”^[8] Even if Tarim’s claims were true for Texas, Harmony has used the H1-B program to hire for positions with no documented shortage, such as physical education teachers, budget analysts, legal counsel, counselors, English teachers,^[9] And assistant principals.^[10]

While many charter schools have their own inherent issues, Gülen Schools will open in “struggling” districts where finances are tight, then spend the taxpayers’ money to hire unqualified teachers from Turkey—an expense that even successful schools cannot afford. This practice is abusive, impacting American teachers, American students, and American taxpayers alike.

Soner Tarim’s Pattern of Discrimination

Soner Tarim has engaged in a pattern of discrimination against special needs students to increase funding and inflate standardized test scores. Nicole Ivy Price, the former principal of a Gülen school in Alabama, alleges that Tarim and the school’s founder pressured students with disabilities to withdraw so LEAD would

garner higher scores. Our research has found that the LEAD Academy is only the tip of the iceberg.

Ivey-Price's lawsuit names Tarim as the principal defendant and Unity School Services (USS), an education services provider Tarim owns; Charlotte Meadows, the founder of LEAD Academy, the Alabama charter school; and the LEAD Academy school board. Despite not having a direct role within LEAD, Tarim was one of the individuals responsible for determining how the school should be managed. Through his company, USS, he acted as principal advisor to the academy. He was responsible for establishing the curriculum along with the new principal.^[11] Tarim was also responsible for running the day-to-day operations and recruiting staff to Montgomery to serve in the central office. When asked about the lack of experience of her academy's board members in running a charter school, Meadows responded, "Soner is the person with the experience we will be relying on for all the education expertise."^[12] This statement shows that, despite not being part of the school's management team on paper, Tarim was one of the central figures and much of the authority rested with him.

The allegations against Tarim, Meadows, and the LEAD academy school board are many. The most glaring allegation is the school's discrimination against students with disabilities. According to the lawsuit, the defendants, Tarim and Meadows, sought to minimize students with special needs to boost school revenue.^[13] One of the tactics used was to actively campaign for parents with special needs students enrolled at LEAD to remove their children and re-enroll them at other Montgomery public schools. Meadows clearly indicated that she did not want special needs students

enrolling at LEAD in front of administrative staff, saying, "Tell them they cannot come here."

This behavior is not new; in 2014, the Department of Education's Office of Civil Rights (OCR) launched an investigation into Soner Tarim's Harmony Public Schools' enrollment policies. In a 20-page letter addressed to Tarim, the OCR pointed out that students with disabilities and English language learners (ELL students) were vastly underrepresented throughout Tarim's schools compared to traditional public schools in the same districts.^[14] For instance, ELL students' enrollment rate at HPS schools for the 2011-2012 school year was about half the rate in the school district overall for each school (11.5% compared to 22.3%). The enrollment rate for students with disabilities was even lower (2.7% compared to 7.3%).^[15]

The OCR also expressed concerns that some enrollment procedures may lead to students' exclusion based on their parents' citizenship or immigration status or past disciplinary problems. Their final report revealed no assurance that students would receive proper educational services once enrolled, especially language courses and specialized instruction for ELL students and tailored education for students with disabilities.^[16]

After the report's publication, HPS voluntarily agreed to enter into a resolution agreement with the OCR to "ensure compliance by its charter schools with federal civil rights laws prohibiting discrimination based on race, national origin, and disability."^[17] If this case were an isolated incident, Tarim's schools' discrimination against special needs students could be dismissed as an unintended

failure, one they attempted to resolve quickly by cooperating with the Department of Education. Our research, however, shows otherwise. We have found that the system designed to protect the most vulnerable students was being weaponized against them to maximize revenue. Administrators would report a certain number of ELL students to receive commensurate funds from the state to provide language development services. However, the extra money was diverted to line the movement's pockets. Simultaneously, the students were expelled or suspended during state testing so the schools could inflate test scores and maximize revenue, ignoring those in most need.

These tactics are some of the ways Tarim has developed a good reputation for his schools, despite parents' and teachers' concerns outside the movement. By limiting the enrollment of students with special needs, notably ELL and differently abled students, the schools have a better chance of increasing scores on state exams and ensuring the renewal and expansion of charter contracts. Because students with special needs are likely to do worse on state exams, limiting their enrollment keeps test averages high, attracting more parents and keeping the charter school in operation. Moreover, Tarim and Meadows' actions are not only unlawful and unethical; they disproportionately affect poor students who are more likely to be diagnosed with learning disabilities or designated as English language learners.

Soner Tarim Post-Harmony Public Schools

After leaving HPS in 2018, Tarim was back in the charter school game by 2019 – this time, through his recently-formed charter

management organization, Unity School Services (USS), which acts as a central office and manages the schools' daily activities. USS has already landed management contracts with two charter schools in Alabama: the LEAD Academy, discussed above, and Woodland Preparatory school. With Tarim as a principal figure in both schools, it is little surprise that both schools' board of directors have been sued for several serious charges, including fraud, misinformation, violation of due process, and others. Tarim is named as the principal defendant in both lawsuits.

A May 2019 article in the Washington Post summarized the controversy around Woodland Prep School. First, Washington County residents are strongly against the establishment of the schools in their district. Second, a national organization evaluating charter school applications rejected Woodland's application, saying it did not meet educational and other standards. Finally, it is sponsored by a new nonprofit organization and, at the same time, constructed by a for-profit Utah company. It will be operated by a for-profit Texas company, USS, headed by Soner Tarim. USS is contracted to receive 15% of all gross revenue received from federal, state, and local sources during the school year.^[18]

In August 2020, the Washington County Education Association filed a lawsuit against Tarim, USS, and the Washington County Students First (WCSF) board, the nonprofit that sponsored Woodland Prep. The allegations against Tarim are exhaustive and expose the deceptive and unlawful methods used to trick education authorities into approving his charter applications. For instance, he has misled state authorities about the need for a charter school in Washington County, citing Alabama's failing

public schools. This justification is unfounded: the state's report card shows that Washington Country schools have a B average on par with other top-performing school districts in the state.^[19]

Tarim is also accused of misrepresenting the extent of his involvement in Woodland Prep and his financial interest. According to the lawsuit, he presented himself as a mere consultant when, in fact, his company is in control, and he makes major decisions for his own financial benefit.

Later in the complaint, he is accused of enrolling out-of-state students from Mississippi to fill enrollment slots at Woodland Prep. These recruitment practices violate Alabama's charter school law and serve as a ploy to bolster his enrollment numbers to a level that will allow him to open Woodland Prep and receive public money for his company. In this instance, Tarim has flagrantly disregarded the community's will and students' need to persist with establishing a charter school that would hurt the existing public school. The only path forward was using unlawful recruitment methods to mislead the school district and create the false narrative that there was an interest in the school. The lawsuit further accuses Tarim of using Washington County Students First as a front intended to meet the requirements that a 501(c)(3) be the applicant for a charter. It turns out that the WCSF has zero funding independent of Tarim or the Utah company that he selected to provide financing for Woodland Prep's construction and opening. Ultimately, it appears that Tarim is effectively using the WCSF as a shell corporation.

The defendants are charged with four counts: fraudulent representation of a nonprofit applicant, fraudulent representation

of local community interest and support, unlawful solicitation of out-of-state students, and declaratory judgment and writ of prohibition to prevent the unlawful expenditure of public funds. The revocation for Woodland Prep is now final; the school board vote denied their extension, advising that the charter should be revoked.

The LEAD Academy Controversy

The lawsuit against Tarim for his activities with the LEAD Academy shows how public awareness can ultimately lead to public action on Tarim and his exploits. While the charges are different, Tarim's methods are evident and recognizable. They include discrimination against special needs students, misrepresentation of information, misuse of public funds, nepotism, and cronyism. Documentation of these charges is public and is included in the annex.

PLEDGING ALLEGIANCE TO TEXAS IN NEVADA

We interviewed Angie Sullivan; a Nevada public school teacher familiar with Soner Tarim's attempts to use ASD as a vehicle [MRS1] to expand the Gülen charter network in her state. In her view, Tarim "obviously saw a fruitful opportunity in the ASD, where there were literally no rules. It is a brand-new district. We saw other charter operators quickly trying to establish flagship schools due to the lack of oversight and easy application approvals. There

are no rules yet when everything is new, like in a brand-new district, so you 'cowboy up' and do whatever you want."

The application itself was a mess. According to Sullivan, "Their only chance would have been in the ASD where no one would have even reviewed it. Soner cut and pasted the information from his Austin, Texas application – to the point that he left a section which said students in Nevada were going to start each school day by reciting the Texas Pledge of Allegiance." She added, "Just to set the record straight, as I get this all the time – I do not like charters. I do not like to see big money rolling around and charters opening up in strip malls without a playground for the children. That said, if you are truly attempting to help kids, I have no problem with you." In her view, Soner Tarim is not interested in supporting Nevada students, especially since he could not even be bothered to write a new application for the school, he was seeking to establish to serve them.

On December 17th, there was a board hearing to review Nevada Strong's application, among many other charters. The application was denied for many reasons, but they were encouraged to reapply with help from their staff, per a Nevada law that compels the board to direct staff to improve unsuccessful applications.

At this point, the first cracks began to appear between the two founders, as Dawson Owens and her lawyers voiced their willingness to distance themselves from Tarim. Sullivan, who was present at the hearing, reported that Dawson Owens asked the board, "Would it be helpful if we found a new [Education Management Organization]? Is that what this is about?" Dawson Owens

believed that the issue with the application stemmed from Soner Tarim acting as both a founder of the school and CEO of the EMO, a flagrant violation of the “conflict of interest” law, in which all Nevada Strong board members were explicitly asked if they had any relationship with any of the employees or leadership of the EMO.

In a meeting on March 18, Nevada Strong had one more chance to pass their new application after being advised by the board’s staff on how to improve operations and fix some of the issues flagged in the December 17th hearing. This hearing did not go any better for the school, as there were multiple questions regarding Soner Tarim’s role. The hearing was also much more contentious than in December, as former Mayor Andy Hafen was seen verbally threatening the charter board with a lawsuit if they refused to accept the application. The lawyer on the authorizing board insisted that the application should not have even qualified to be reviewed, as it was initially penned for a district that no longer exists, no amendments were made, and there were no fewer than 18 violations within the application.

Given the apparent problems with the application, why would Tarim believe so firmly that it would pass? The key is in the applications reference letters, a “who’s who” of Nevada’s elite, all writing in full support of Annette Dawson Owens and Soner Tarim. The reference letters included Elaine Wynn’s Public Education Foundation President Judy Steele; current Mayor of Henderson, Nevada, Debra March, former Mayor of Henderson and current Clark County Commissioner, James Brinley Gibson; Nevada Senator Keith Pickard; Mark Gardberg, an attorney with Howard & Howard; College of Southern Nevada Vice President

Patricia Charlton; Dean of Education of Nevada State College
Dean Potthoff; Boy Scouts of America Council Scout Executive
Michael Marchese; Coral Science Academy South President Ercan
Aydogdu, who hid his affiliation with Tarim in the reference; as
well as several more parents, attorneys, and community leaders.

The Nevada Strong Academy Application

In 2015, the Republican governor of Nevada was solidly in control of both the legislature and the Governor's office. They passed a package including education reform that was implemented under Elaine Wynn, a casino tycoon billionaire who was the head of the Nevada Department of Education. The funding was responsible for putting \$1bn back into the education system, targeted primarily towards charter schools. One of the reforms included establishing the Achievement School District (ASD), modeled after Louisiana's "Recovery School District," which was implemented following Hurricane Katrina.

According to the ASD structure, public schools performing below a certain threshold would become part of the ASD and matched with education management partners to be reformed – in essence, a separate district intended to convert public schools into charters. However, oversight over the ASD was so poor that the district became a breeding ground for mismanaged or abusive charters.

Soner Tarim and Nevada Strong applied to the ASD district, believing that the lack of regulation and Gülenists' connections with key political figures in Nevada would mean a rubber stamp on any application – no matter how poorly executed or incomplete.

However, the one thing they did not count on was the ‘blue wave’ that hit Nevada during the 2018 midterm elections. The levers of power shifted from the Republicans to the Democrats, who have increasingly favored tighter regulations and strict oversight over charter schools.

With the Nevada Strong application still being processed, on June 3, 2019, the new Democratic legislature passed SB321, abolishing the ASD. As a result, Soner Tarim and Annette Dawson Owens, the founders of Nevada Strong, would instead have to apply to a new authorizing agent in the Nevada State Public Charter School Authority (SPCA).

Nevada Strong attempted to use the chaos of the district’s removal to protest the new standards. Dawson Owens and Tarim stated that it would be unfair for them to go through the SPCSA application process, which included the additional red tape. While the voting board of the SPCSA was still pro-charter, it was, at least, a proper authorizing body. Without the usual ASD automatic approval, Nevada Strong’s application was rejected.

Moreover, a closer look at Annette Dawson Owens shows disturbing patterns in her personal history. Dawson Owens is an activist with Power to Parent, a group that notably protests against the LGBTQ community. The Southern Poverty Law Center is monitoring Power to Parent as a hate group. It has been reported for verbal and physical violence against LGBTQ students.

In recent months, it appears that most of Tarim’s newer projects have stalled, with applications denied in Texas and Nevada.

Alabama is continuing to resist Woodland Prep's opening—either because Tarim has begun to overreach himself or because authorities are increasingly aware of his track record as a bad actor.

However, despite Tarim's recent troubles, on March 27, 2020, a judge dismissed Nicole Ivey-Price's charges of wrongful termination and fraud against the LEAD Academy.^[20] This development shows that we cannot rely on the legal system alone to protect our communities from the Gülen movement's abuses. We must follow the example of the citizens of Washington County, Alabama, and engage with the local charter school process to ensure that Tarim's efforts to open new Gülen schools continue to fail.

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Chapter 16

How Fethullah Gülen Grew his Movement

FETO has managed to exploit the weaknesses of the American public education system and rob taxpayers of hundreds of millions of dollars over the course of the past two decades. Whether through cultivating relationships with influential public actors or through intense lobbying efforts, the Gülen network has skillfully maintained a low profile while reaping the benefits of their duplicitous charter school operations. The movement's resources, organization, and coordination have allowed it to continue operating and growing its charter schools' network, despite endemic malfeasance and mismanagement. It is also clear that many of the financial scams and suspect hiring practices follow a blueprint designed and implemented by the same small group of lawyers, contractors, and high-level FETO members. However, this systemic abuse of the charter school system raises further questions around the movement's broader strategy. Why extend such a coordinated effort and risk legal jeopardy to amass resources, supporters, and political influence on such a large scale?

By closely examining the life, religious philosophy, and political trajectory of Fethullah Gülen, we can more clearly understand the movement's goals. Gülen's global movement is a force to be reckoned with, garnering millions of adherents worldwide, including

here in the United States. For the public to truly comprehend the Gülenists' purposes and activities in the charter school sector, it is vital to understand who Fethullah Gülen is, his origins, and his broader political aims.

Fethullah Gülen: A Brief History

Born in 1938 (or 1941, depending on the source) in the city of Erzurum in Turkey, Fethullah Gülen rose to prominence in the 1960s as an Islamic preacher in the city of Izmir. His teachings, rooted in Said Nursi's philosophy, emphasized democratic modernity in the Muslim world by reconciling science with Islam and promoting interfaith dialogue.^[1] Gülen's preaching style and charisma earned him a devoted following in Turkey, especially with young people, who were attracted to his unique ability to «synthesize a faithful identity within the dictates of the twentieth-century Turkish nationalism.»^[2] Gülen's influence and adherents grew considerably throughout the 1960s and 1970s, which put him in the government's crosshairs, seeing him as a threat. In 1971, he was accused of leading a secret religious movement and subsequently thrown in jail, but jailing Gülen did little to slow the dissemination of his ideas, facilitated by advances in communication technologies. By the late 1970s, his teachings had gained a reputation such that tens of thousands of people came to listen to his sermons.

Around that same time, Gülen became involved in education and started building a private school network with a strong emphasis on math and science. In the following decades, this network would eventually reach five continents, with approximately 1,500 schools

worldwide.^[3] However, Gülen's influence goes well beyond education; he has also encouraged his followers to take on business activities guided by a set of values and principles. For instance, many members of FETO who have achieved a high level of success in business or politics donate ten percent of their annual income to the movement.^[4] Gülen-inspired business endeavors have been wildly successful across many important economic sectors in Turkey. One example is Kaynak Holdings, a conglomerate founded by Gülenists in 1979 and 23 companies in various industries, including information technology, media, and retail.^[5]

In the 1980s, Gülen once again became a target of the government. Accused by the military—who, at the time, controlled the government after a coup—of plotting to install an Islamic dictatorship, Gülen was forced to go on the run. He managed to avoid the authorities for six years but was eventually caught and, once again, thrown in jail.^[6] Ultimately, he was freed by Prime Minister Turgut Ozal, who supported Gülen's international schools as a part of a post-Cold War effort to strengthen influence in Turkic republics formerly part of the Soviet Union.^[7]

The 1990s saw Gülen's influence, and popularity grow. During that time, he was able to forge relationships with liberal and conservative political Turkish leaders alike. He also met with high-profile religious figures like Pope John Paul II. At the same time, his followers began to emerge as major players in the world of media, finance, and trade.^[8]

His good standing was not to last. In 2000, Gülen was accused of being a religious extremist and was promptly charged with

undermining Turkish secularism and attempting to establish an Islamic dictatorship—again. In the indictment, he was painted as the “strongest and most effective Islamic fundamentalist in Turkey” who “camouflages his methods with a democratic and moderate image.”^[9] Among the evidence to support the charges against him was a troubling video in which Gülen instructs his followers to “move in the arteries of the system, without anyone noticing your existence until you reach all the power centers.”^[10] In hindsight, this statement illustrates perfectly how Gülen and his followers have quietly operated, especially here in the United States. It outlines the strategy they have adopted as they expand around the world.

Coincidentally, around the time of the indictment, Gülen was in the United States to receive medical treatment out of the Turkish Government’s reach. Because he was wanted by his own government and considered a fugitive, he opted to stay in the United States and fought to obtain a green card to avoid criminal charges in Turkey. Gülen was tried in absentia and eventually acquitted in 2008, but, even then, he refused to return to Turkey because the conditions were not yet “ripe.”^[11] To this day, Gülen has not been back to his country. However, many believe he still exerts total control over his followers from his home in Pennsylvania.

On July 15, 2016, a faction of the Turkish Armed Forces staged a coup d’état attempt in Turkey. The Turkish government believes—and substantial evidence supports the conclusion—that this attempt to overthrow the elected government was carried out on the orders of Fethullah Gülen. The failed military coup left nearly 300 dead and 1,400 injured. This attempt was different from previous coup attempts in Turkey; this time, the military turned

its fire against its own citizens. The aspiring junta bombed the Turkish parliament, the symbol of the democracy it claimed to be rescuing. Turkish President Tayyip Erdogan is not the only party who holds Gülen responsible. Belief in his culpability is shared by almost everyone in Turkey, including opposition political leaders.

In a leaked State Department cable, former United States diplomat James Jeffrey, who was the United States ambassador to Turkey from 2008 until 2010, confirmed that,

“The Gülen movement has some infiltration at the least in the military that I am aware of. They, of course, had extreme infiltration into the police and judiciary earlier. I saw that when I was in Turkey previously... It is very clear that a significant segment of the bureaucracy in Turkey was infiltrated and had their allegiance to a movement. That, of course is absolutely unacceptable and extremely dangerous. It is highly likely that it led to the coup attempt.”^[12]

Turkey has demanded Gülen’s immediate extradition, but the United States maintains that Gülen’s prosecution is an independent legal process that it cannot hasten. Tension over this issue has contributed to a sharp deterioration in the Turkish-American relationship.

This much we know for sure: Gülen is a tremendously powerful figure globally. There are somewhere between three and six million members of FETO. However, an exact figure is impossible to offer. Gülenist Ihsan Yilmaz argued that the Gülen movement’s

scale is unknown because it is a “collectivity” whose boundaries are “extremely loose and difficult to specify.”^[13] However, those who are not sympathetic to the movement say it is not loose at all. According to critics and movement defectors, Gülen’s followers are exceptionally loyal to him. They obey orders unquestioningly, including denying their association with him. This protocol serves as protection for Gülen and the movement when members are accused of breaking the law or committing wrongdoing of any kind. Therefore, it is difficult to affirmatively identify Gülen’s associates without examining financial ties, as many of them claim Gülen inspires them, but not his followers, or that they believe in his teachings without being loyal to the movement itself. Critically, Gülen leads this transnational movement from the United States and has become, among other things, one of the most powerful figures in the world of American charter schools.

Gülen’s Religious and Political Philosophy

Certain elements of Gülen’s theology are relevant to understanding the behavior of the movement in America. First, Gülen discourages his followers from open proselytism. He urges them instead to live a life of devotion and sacrifice, including sometimes living in cramped quarters or bunk beds, forced contributions of large percentages of their salaries, and other conditions much more akin to a cult than a religious movement. He favors a highly segregated role for women, as is frequently evidenced by the fact that Gülen school administrators are almost exclusively composed of Turkish men.

Gülen believes that Muslims and non-Muslims once lived in peace because the Ottoman Turks established a tolerant environment.

Therefore, he believes that Turks should become leaders in the promotion of tolerance among religions. Latif Erdogan and Davut Ayduz, authors sympathetic to Gülen, have argued that the movement's key goal was to give Turkey a central role in international politics.^[1]

Despite his public support of tolerance, Gülen himself has been recorded using anti-Semitic language in sermons before coming to the United States. In one sermon, Gülen says, "The Jewish tribe is very intelligent. This intelligent tribe has put forth many things throughout history in the name of science and thought. But these have always been offered in the form of poisoned honey and have been presented to the world as such."^[2]

In another sermon, dating from 1979, Gülen chastises his flock for failing to prevent infidels (gâvur) from controlling all of the holy places of Islam: "Muslims should become bombs and explode, tear to pieces the heads of the infidels! Even if it's America opposing them." In a third, he says, "Until this day missionaries and the Vatican have been behind all atrocities. The Vatican is the hole of the snake, the hole of the cobra. The Vatican is behind the bloodshed in Bosnia. The Vatican is behind the bloodshed in Kashmir. They have lobby groups in America and Germany."

In unrevised editions of books from his early career, such as *Fasildan Fasila* and *Asrin Getirdigi Tereddutler*, Gülen calls the Western world the "continuous enemy of Islam." Of Christians, he writes: "After a while, they perverted and obscured their own future." Jews have a "genetic animosity towards any religion." They have used "their guile and skills to breed bad blood" to threaten

Islam from the beginning of time, "uniting themselves with Sasanids, Romans, and Crusaders." He avers that "the Church, the Synagogue and Paganism form the troika that has attacked Islam persistently." "In any case," he writes, "the Prophet considers Islam as one nation and the Kuffar as the other nation."

Moreover, it is clear from his followers' more recent behavior that these views continue to be prevalent within FETO. In addition to the Utah principal's deeply antisemitic assertion that the Holocaust was somehow the fault of the Jews, we had experienced antisemitic attacks ourselves when it became clear we were seeking to hold the movement accountable for its actions. This behavior flies in the face of any claim of changed views or commitment to interfaith dialogue.

At the end of the 1990s, Gülen himself appears to have toned down his anti-Semitic rhetoric, perhaps realizing that his anti-Jewish epithets would be detrimental to his ambitions to go global organization. He went as far as forging ties with the Vatican and other tablemates of the Interfaith Dialogue Platform in a complete reversal from his earlier days. Since then, he has presented himself as the great cultural reconciler. Many Turks, however, still view him as an arch-conservative imam with extremist views about women, atheists, and apostates.

This view is evident in the discrepancy between the movement's English and Turkish content. Before the Turkish government shut them down, it was easy to see that Turkish versions of Gülenist newspapers differed from their English-language counterparts. Often, the Turkish versions did not sound compatible at all with

the message of intercultural tolerance. Armenians, Kurds, and Jews were frequently the object of vituperation. In English versions of the same articles, this rhetoric is omitted. For example, the English-language version of the paper once offered a rebuttal to the common charge that Gülen's followers had infiltrated the organs of the state: "To urge fellow citizens to seek employment at state institutions is not called infiltration. Both the people and these institutions belong to the same country... It is a right for them to be employed in state posts," wrote Today's Zaman, the English version.

The ellipses represent an omission: "Kastedilen manadaki sızmayı belli bir dönemde bu milletten olmayanlar yaptılar," meaning roughly that, in the past, the state had been infiltrated by those who "weren't part of this nation."^[3] To anyone familiar with Turkish culture and language, the clear intimation is that non-Muslims had previously infiltrated the state.^[4]

However, all this seems tame compared to Gülen's infamous speech in 1999:

"You must move in the arteries of the system without anyone noticing your existence until you reach all the power centers... until the conditions are ripe... You must wait until such time as you have gotten all the state power, until you have brought to your side all the power of the constitutional institutions in Turkey ... Until that time, any step taken would be too early—... Now, I have expressed my feelings and thoughts to you all—in confidence ... trusting your loyalty and secrecy. I know that when you leave here, [just] as you discard your empty juice boxes, you must discard the thoughts and the feelings that I expressed here."

This speech aligns unnervingly with the blueprint that has guided the development of the Gülen charter school network. When Gülen refers to “moving in the arteries of the system without anyone noticing,” the strategy he describes reflects his organization’s efforts to build influence quietly by participating and, in many cases, exploiting key social, political, and economic institutions. It is well known that Gülenists have a stronghold in the private education sector in Turkey and in other countries, where many of their pupils end up becoming hardline disciples of the movement. They have also created a media empire to control the movement’s narrative and regulate information as they see fit.

Furthermore, they have their own people in the military and the judiciary, whose loyalties lie with Fethullah Gülen rather than the state. This allegation is corroborated by a former Gülenist, Ahmet Keles, who was interviewed by *The New Yorker* and confirmed the movement’s clandestine goals. In the interview, he explains that FETO’s ultimate goal in Turkey was to further their interpretation of Islam. The only way to do so effectively was to infiltrate the state and control the institutions of government. Gaining influence, the legal, democratic way through elections was not an option because the military might step in. The only way to achieve their goals was unlawful—to infiltrate the state and change the institutions from within.^[6] Keles claims that his main role as a member of the movement in the mid-nineties was to supervise the infiltration of FETO into the police force in the Central Anatolia Region, where he oversaw fifteen regions. He and others controlled the hiring of the police by administering the entrance exams. By the time he left the movement, he estimates that forty percent of the police in the region were followers and

twenty percent of judges and prosecutors. The movement's ability to quietly penetrate state structures for outside purposes is what historian Robert Paxton refers to as a parallel state, a state-like collection in their organization, management, and structure but not part of the legitimate state.

The Gülen movement has applied this model to its operations in the United States with charter schools. By carefully crafting an image of the benevolent, progressive Imam, Gülen and his followers have been able to rebrand the movement to make it palatable to Westerners. By creating civil society organizations that promote cultural exchange, they have been able to dispel suspicions about their motives. Through political contributions to relevant political actors sympathetic to their cause, they have gained legitimacy. Finally, by cultivating relationships with influential community members, including school boards and mayors, they have managed to establish themselves as pillars of their respective communities and entrench themselves in American society. This tactic of integration follows Gülen's 1999 speech. It allows managers of Gülen schools to operate under the radar, unnoticed by the authorities that could hold them accountable for their activities.

Structure of the Movement

The secretive nature of the Gülen movement has spawned numerous theories about the movement's organization and its hierarchical structure. Dr. Joshua Hendricks has described it as a network of seemingly unrelated secondary schools, mass media outlets of all forms, publishing houses, and political lobby groups.

Those organizations routinely dismiss affiliation with each other and insist that any apparent links are merely coincidental. In his book, he concludes that there is no apparent institutional or legal connection between the movement's various arms.^[1] The Centre for Hizmet studies' website says something similar:

"The Gülen Movement is not centrally organized or hierarchically structured, either formally or informally. There is no chain of command or top-down management style or system. There is the inspiration to engage in positive works, which flows from Fethullah Gülen's teaching and lifestyle and the works and example of the people he has motivated."^[2]

However, both the Center and Hendrick's assessments are only partly correct. In their effort to sue the US government over their denial of Gülen's permanent residency application, Gülen's attorney described him in the following terms:

"In his position as Founder and Head of The Gülen Movement, Mr. Gülen has overseen the establishment of a conglomeration of schools throughout the world, in Europe, Central Asia, and the United States."

This statement alone sows doubt about Hendrick's depiction of the organization and its seemingly unrelated schools; instead, it puts Fethullah Gülen himself at the head of a global movement that has overseen hundreds of schools worldwide. Others who have studied the movement give more detailed analyses of its structure. For example, a 2009 analysis by Reva Bhalla published by Wikileaks describes the movement as three concentric circles

comprising of sympathizers, members, and workers: the outer circle is the sympathizers, including people who attend meetings and discussions such as high school students who receive charity benefits from Gülen organizations. The middle circle includes businesses whose donations finance the outer circle's activities and pay the inner circle's salaries. The inner circle comprises teachers, journalists, lobbyists, and executives who work in Gülen schools' think tanks, lobby and business groups, and the movement's media arm.^[3]

The three circles are intertwined and deal heavily with each other. For instance, Gülen-affiliated businesses advertise heavily in Gülen-controlled media outlets, which publish stories favorable to the movement. Members of the movement frequent Gülen businesses, take holidays in Gülen hotels and invest in Gülen-controlled financial institutions. Graduates from Gülen schools often give back by returning as teachers in other Gülen schools overseas. Finally, Gülen-controlled media funded by Gülen businesses reacts sharply to any criticism directed at the movement.^[4]

This depiction recalls Gülenists' charter school operations here in the United States, where the schools exclusively deal with Turkish vendors who are also Gülen affiliates. We can also cite their use of the H1-B visa program to help Turkish teachers who also follow Gülen to migrate to the US or use cultural organizations to further their goals and build support. Finally, there are obvious links between charter school operators, charter management organizations, education service providers, and cultural associations, all of which tie back to Gülen himself. This scheme's result is that taxpayer money circulates in the hands of this small group of

Turkish businessmen loyal to Gülen, who, in turn, use that money to fund the movement, enrich themselves, and build influence. The movement's activities in the United States occur on a much smaller scale and seem to deal primarily in the charter school sector. However, the structure and means used to achieve their objectives are the same.

Hakan Yavuz, one of the most respected scholars of the movement, closely echoes Reva Bhalla's analysis and confirms the coordinated three-tier system: businessmen, journalists, and teachers and, students.

However, Yavuz also extends his analysis and acknowledges a parallel, concealed organizational structure that purposely operates under the radar. In his 2016 paper published by the Middle East Policy Council, he writes:

"In essence, the movement has evolved into a secretive structure to control governance and the spaces of power. It comprises circles of peaceful idealists and an inner circle willing to use illicit means to attain its aims. Following official hostility and persecution, it began a tradition of secrecy to take over the security establishment: the police force, the military, and the intelligence service. The movement masked its activities to avoid police monitoring, practicing taqiyya: concealing one's intentions and goals in order to control key power positions."^[5]

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Chapter 17

Gülen Movement Keeps Tight Grip on Turkish Law Enforcement

To understand the Gülen cult's ability to penetrate and manipulate the US public education system, it is very informative to consider what they have accomplished within Turkey in years prior to expanding their operations to US soil.

Adil Serdar Saçan, former director of the organized crimes unit in the Istanbul Directorate of Security, gave an interview to Kanal-türk TV in 2006 in which he said that Gülen sympathizers had thoroughly penetrated the state's security apparatus: "Belonging to a certain cemaat has become a prerequisite for advancement in the force. At present, over 80 percent of the officers at supervisory level in the general security organization are members of the cemaat."

In 2008, Saçan was arrested by Gülen-backed prosecutors on suspicion of involvement in Ergenekon. In September 2010, former highly-ranked police chief Hanefi Avcı—famous as a conservative "communist hunter"—wrote a best-selling book claiming that the cemaat had infiltrated Turkish institutions and stealthily taken over the state. Not long after, Avcı was arrested. He was, said the prosecutors, part of a communist cell.

The journalist Ahmet Şık was arrested just as he was about to publish *The Imam’s Army*—a book detailing the Gülen movement’s pervasive influence within the Turkish bureaucracy, police force, and judiciary. From prison, he sent a handwritten note to the American journalist Justin Vela, who published part of it in *Foreign Policy*: “The Ergenekon investigations are the most important part of allowing the cemaat to take power in the country. I must say that the deep state is still intact.”^[1]

Gülen’s Immigration Saga

The arrival of Fethullah Gülen in the United States was not without its own controversy. Gülen applied to the United States Citizenship and Immigration Services under Form I-140 for classification as an alien of extraordinary ability. His application was denied. Gülen then sued the government and challenged the denial.^[2]

Gülen, his attorneys argued:

“Is the foremost religious leader in Turkey, as well as one of the leading religious and educational advocates of religious tolerance and interfaith dialogue in the world. Plaintiff [Gülen] has published and spoken extensively on the importance of religious tolerance. His work has been the subject of numerous books and articles in the academic literature and the popular press. Plaintiff has also received several major awards, including an award for Contribution to Tolerance and Dialogue from the United Nations Educational, Scientific and Cultural

Organization (UNESCO) [sic] and the Peace Heroes Award.”^[3]

The US government responded that this claim was essentially ridiculous and that most of the praise for Gülen had come from his own movement:

“... the record contains overwhelming evidence that the plaintiff is primarily the leader of a large and influential religious and political movement with immense commercial holdings. The record further shows that much of the “acclaim” that the plaintiff claims to have achieved has been sponsored and financed by the plaintiff’s own movement. The government’s position that the evidence of record permits only one conclusion: that plaintiff has failed to meet the requirements of an alien of extraordinary ability in the field of education. ...

“His attainment of international acclaim in the field of religious tolerance and interfaith dialogue is irrelevant. Similarly, whether religious scholars recognize him as a leader in the field of religious tolerance and interfaith dialogue is irrelevant. Religious tolerance and interfaith dialogue are not fields for which Congress has granted visa preferences.”^[4]

According to District Judge Stewart Dalzell, who presided over the case, Gülen’s work was “prominent on the syllabi of graduate and undergraduate courses at major American colleges and universities.”^[5] Based on this stipulation, he granted Gülen a visa that, in the words of the judge, “will allow [him] to continue to

advocate and promote interfaith dialogue and harmony between members of different faiths and religions.”^[6]

The decision provoked controversy in Turkey. Many Turks suspect that Gülen was granted permission to migrate to Pennsylvania because the United States supports him politically due to his strategic value to U.S. foreign policy interests. It is also widely believed in Turkey that the Gülen movement was promoted and sheltered by the CIA because Gülen was sympathetic to American geopolitical aims. For example, the movement has styled itself as hostile to communism, friendly to Israel, adverse to Iran, and friendly to business.

While the idea that the CIA cultivated Gülen deliberately seems more rumor than fact, public records show several links among members of the intelligence community and Gülen. For example, former CIA officer Graham Fuller—the former vice-chairman of the National Intelligence Council—vouched for Gülen personally on his visa application, former CIA officer George Fidas and former ambassador to Turkey Morton Abramowitz. Former Turkish Intelligence Chief Osman Nuri Gündeş has charged that during the 1980s and 90s, the CIA used Gülen schools to place hundreds of operatives throughout Central Asia.

Though Gülen’s ties to the American intelligence network have a certain cloak-and-dagger intrigue, whether they have any basis, in fact, is immaterial to their tendency to fuel conspiracy theories in Turkey and feed anti-American sentiment. Gülen’s presence in the United States and the praise and support he receives from high-level figures across the political spectrum—including Bill

Clinton^[7] And James Baker –^[8] are a source of criticism from the Turkish public.

In the wake of 9/11, Americans sought allies among Muslims who claimed to denounce terrorism, as Gülen very publicly did. By publicly befriending Gülen, however, the United States infuriated many Muslims in Turkey who also firmly denounce terrorism but view Gülen as a criminal and a cult leader. The movement is particularly unpopular due to scandals over FETO facilitating systematic cheating on police, civil service, and university entrance exams, which are notoriously difficult and essential to students' career trajectories. Given the movement's activities in Turkey, it is unsurprising that their charter school network in the U.S. would engage in similar wrongdoing. The schools have been credibly charged with channeling school funds to other Gülen organizations, bribery, using the schools to generate political connections, unfair hiring and termination practices, and academic cheating.

Their misuse of the H-1B visa program is especially problematic for vulnerable Turkish populations. Despite widespread public disapproval, the movement's ability to offer a sponsored path to guaranteed visas and jobs in the United States has been a crucial dimension of their organizational recruitment strategy within Turkey, exponentially growing their soft power, especially among disadvantaged communities seeking opportunities. Whistle-blowers have reported Gülen schools seizing passports from H-1B visa holders—a clear indication of human trafficking—and demanding significant portions of their salaries in what amounts to paying an indenture. Because they depend entirely on the schools for employment and their legal status, visa holders have

little recourse to protect themselves from this abuse once they arrive in the U.S.

ALP V. AMSTERDAM

To maintain full transparency, we should note that Alp Aslandogan and Amsterdam & Partners have butted heads in the past. Ever the loyalist, learning that the Gülen movement and their sham charter school operation in the U.S. was being investigated by Amsterdam & Partners, Aslandogan was quick to state, “Robert Amsterdam is not interested in the education of American kids,”^[9] Through this statement, Alp implicitly asserted his own commitment to students’ education. However, his actions and those of other Gülenists tell a completely different story. The facts are clear, and they are not in Aslandogan’s favor. From real estate deals that take away financial resources from schools to the excessive use of H1-B visas to bring uncertified Turkish teachers to the detriment of qualified Americans, to the discriminatory practices against disabled students, to the related party transactions that violate fair-bidding laws, it is clear that the actions of Aslandogan and his affiliates are not in students’ best interests.

Aslandogan’s response is a classic case of the what-about-ism we have seen deployed by numerous Gülenists throughout our research. Rather than disputing the substance of the evidence against the movement, he casts blame elsewhere. He calls any criticism a case of xenophobia, Islamophobia, or bias

against charter schools. Aslandogan's criticism of Amsterdam is simply a way to take the spotlight away from himself. Ripping off taxpayers and the communities where these schools are located while failing to provide proper education to the most disenfranchised students is inconsistent with the movement's stated commitment to students and their communities. All the evidence points to the fact that he and other Gülenists are interested primarily in money and building an influential institution to advance their political and financial interests. Do Aslandogan and company care about the education of American students? The answer is a resounding no.

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Chapter 18

Conclusion

Digging deeper into the movement's political and commercial activities worldwide reveals that it follows a similar model wherever it takes root, including in the United States. The movement is obviously not interested in taking over the American state. However, they have established themselves in unsuspecting communities through their cultural associations and the establishment of schools. By quietly and patiently moving through the 'arteries' of the system, they have effectively managed to exploit people's proclivities towards private education and their mistrust of the government by posing as capable businessmen who can obtain better results in the public sector.

The movement's use of this model means it is nearly impossible to produce sufficient evidence tying a coordinated network to Fethullah Gülen himself to hold the movement and its leaders accountable through national or international legal systems. By entrenching themselves in various countries, participating in the political process, and establishing community institutions such as charter schools, Gülenists have effectively become invisible and their actions undetectable. Even if some members end up in prison because of criminal activities, the movement itself will continue unscathed precisely because of its structure and approach

to obtaining political power. In that sense, it would not be implausible to compare the FETO to the American mafia, as one official did in a State Department cable.¹⁰

Time and again, Fethullah Gülen has shown himself to be an astute tactician with a global following that firmly adheres to his strategy and directives. He has created a parallel state in his native Turkey in less than fifty years with immense influence in key institutions like the judiciary and the military. He internationalized his movement and expanded his power scope during that same time, using education as the main entry point. His worldwide success is a testament to his influence and the discipline of his followers. Unfortunately, this success spells danger for American communities and the students who attend his schools.

Call to Action

The Gülen network has evaded public attention for so long due to the permissive laws and limited oversight that define the charter sector, combined with the deceptive nature of the movement itself. In general, many charter schools run into issues as they navigate a system that requires little transparency or accountability. Indeed, other (non-Gülen) charter school administrators have taken advantage of the lax regulations and profit financially by redirecting public money into their own pockets. This lack of public supervision is often the most criticized feature of charter schools and needs to be revisited by lawmakers. In March of 2022, the Biden administration and his Education Secretary, Miguel Cardona have announced plans to look into charter regulation and implement some commonsense policies that may make it more

difficult for the schools to continue to expand at this rate. The administration is looking to crack down on multiple tactics used by the Gülen movement, and potentially close some of the loopholes discussed in previous chapters. One of the most important new regulations that has been presented involves cutting the ties between the charter school entity, and the for-profit Education Management Organizations (EMO's) previously discussed. The exploitation of this loophole alone has led to millions of taxpayer dollars ending up in the hands of private entities, in these cases operated by the movement.

What sets Gülen charter schools apart is the sophisticated, coordinated effort involved in opening new schools and growing existing networks on a massive scale, spearheaded by the circle of elite Gülen affiliates profiled in this book. The cases we have covered are not isolated incidents. In school after school, we have documented a pattern of behavior perpetrated by the same set of individuals and institutions in state after state. These schemes have accomplished three main ends. First, they have allowed Gülen-affiliated schools, businesses, and organizations to siphon millions in public funds. Second, they have provided for thousands of teachers connected to the movement to migrate to the US, using a system that leaves visa holders dependent on the schools as sponsors and enabling school administrators to pressure teachers to donate portions of their salaries to the movement. Third, they have lobbied public officials and other key stakeholders to publicly affirm the movement's legitimacy, both as educators and as advocates of peace and interfaith dialogue. This way, they avoid accountability for their abuses and further the movement's brand. In accomplishing these ends, the Gülen movement has



negatively impacted countless students' educational outcomes, particularly students who are already marginalized.

As concerned citizens and parents, we have realized how dangerous this group is because of the corrupt practices mentioned throughout this book and because they have significant political clout. Gülenists are well-established in the local, state, and federal political structures and participate in the political process by fundraising for their preferred candidates or large donations to the two major parties. Twenty years after Fethullah Gülen moved to Pennsylvania, we are starting to see how his organization “moves through the arteries of the system” undetected.

In our view, the real threat that the FETO represents is its capacity to quietly amass money and influence while maintaining an outward image of benevolence. In the process of growing exponentially and gaining access to the centers of power, the movement has been able to exploit our communities with little accountability. Nonetheless, the public is not helpless and possesses the tools to dismantle the Gülen charter empire. However, taking the fight against the Gülen organization will require an organized strategy based on a clear-eyed view of the movement's tactics and the support of local and federal leaders. The following sections outline recommendations on holding Gülen schools accountable and reducing their influence on public education. Our recommendations are based on evidence and have been proven to remove Gülen elements in certain communities.

Local Communities

Concerned community members can exert substantial power once they organize and unite for a common cause. Individuals have the power to make decisions and vote on local issues that affect them directly. They can also apply pressure to their local officials to express their dissatisfaction with several issues. Community involvement in education can have a powerful impact at the local level.

Nowhere has this been more evident than in Alabama, where the residents of Washington County united to stop the opening of Soner Tarim's Woodland Prep, which everyone agreed would be the "death knell for the current set up of community schools."^[2] As an already financially struggling county, opening a charter school in the region

would have taken away much-needed funds from the public school system. A small group of concerned citizens who had read about Tarim's ties to Gülenists and the corrupt school network started a campaign on social media urging others to attend the Alabama Board of Education meeting to protest Woodland Prep's opening. In less than two weeks, residents gathered 1,600 signatures from community members petitioning the Board of Education to deny the application. Community members created flyers exposing Tarim's ties to the movement and detailing how he blatantly misinformed the Alabama Education Association to get Woodland Prep's charter application approved. Finally, a group of sixty residents marched on the statehouse to speak to their local representative about their concerns about Woodland Prep. They also outnumbered proponents of the school ten-to-one at a community meeting.

Their coordinated and organized campaign paid off; Tarim pulled out of his contract with Woodland. Their charter was subsequently unanimously revoked by the school board. The community's victory was no small feat, given Tarim's influence, experience, and resources. Soner Tarim's defeat in Alabama speaks volumes about the power of a small group of ordinary people to organize and unite to hold influential individuals and interests accountable.

Control Entities

Charter schools do not exist in a vacuum; there are institutions to provide oversight, set the functioning rules, and take action when appropriate. Entities such as charter authorizers, local school districts, and state education departments all have a major role in ensuring a culture of accountability and transparency in schools.

Sadly, we have seen instances where local charter authorizers are susceptible to co-option by community organizations to help push the applications through with “rubber stamp” approval on their applications, rather than rigorous vetting.

As the entities that determine who can start a new charter school or decide whether a charter school should close or remain open at the end of its contract, charter authorizers are the first line of defense against potentially fraudulent Gülen schools. While authorizers vary depending on state law, 90% of authorizers across the country are local school districts. With a wide range of oversight powers, school districts have the capacity and the responsibility to keep charter schools accountable. This process is typically carried out through a yearly independent audit to ensure that the schools’ finances are in order and that public money has been appropriately spent.

However, charter schools have a private component. They are not subject to the same financial and reporting regulations as other public entities, making those annual audits inadequate tools for finding financial improprieties. Typically, charter school audits are a bird’s eye view of the school’s financial activities in a given period rather than an accounting of significant line-item expenditures. They do not usually contain information about the companies the school has contracted with and whether services were executed correctly, making them ineffective at catching the types of financial wrongdoing that characterizes Gülen charter schools.

Given this gap in the accountability mechanism, all public entities charged with charter oversight should adopt higher standards for charter schools and use methodologies tailored to the schools’

public-private structure and can easily assess the efficiency of the schools' spending and uncover potential fraud. With Gülen schools' propensity for financial mismanagement, forensic accounting audits are more appropriate to detect financial abuse. A good example is the Magnolia school network in California, where the standard audit failed to capture the pattern of financial abuse and mismanagement prevalent in those schools. Once the Los Angeles Unified School District conducted a series of forensic audits, the public became aware of the millions of unjustified expenses, such as outsourcing for services that were not rendered or financing the immigration costs for six non-employees,^[3] We have attached the audits of both Magnolia schools, and the Dove Science Academy in Oklahoma to the back of the book as appendices for review.

The responsibility to keep charter schools accountable does not fall only on local school districts and state education departments. State auditors also have plenary authority to investigate potential wrongdoing. For example, the Sky Foundation was "leasing property it owned" to itself for use by the schools at an outrageous markup."^[4] In that same vein, New York state auditors were vital to uncovering the violation of fair bidding laws in the Syracuse Academy of Science. Audit results showed hundreds of thousands in waste and poor record-keeping, to the point that school administrators did not know if they had received services the school had paid for.

Victories in the Fight against Abusive Gülen Charter Schools

Despite the many challenges, communities and authority figures are beginning to see successes in preventing the Gülen

movement from defrauding the public and risking their children's safety, well-being, and educational outcomes.

Over the last few years, we have seen an attitude shift around the "school choice" debate. On a policy level, numerous lawmakers from the Democratic party have spoken out about the need for charter school reform in a way that addresses issues of transparency and accountability.^[6] However, the work on the ground is being done by concerned parents and local organizations collaborating to keep corrupt charters out of their communities. In 2018, the Gülen charter network's southern branch began an aggressive campaign to penetrate the Alabama and Nevada market and further strengthen their foothold in Texas. Despite having vast financial and human resources, their expansion attempt was unsuccessful. It was met with a solid and disciplined grassroots opposition movement formed by residents.

In all three states, the expansion strategy was led by Soner Tarim, the architect behind the growth of the Harmony Public Schools chain. Thanks to local journalists' stellar reporting, the communities targeted by Tarim were well aware of the Gülen charter framework and its destructive outcomes. After Tarim was rejected in Texas and Nevada, both schools in Alabama cut ties with him and his charter management companies.

In Texas, the Austin school district won a swift victory when the State Board of Education rejected the application by a new charter school operator in an 8-5 vote. "Royal Public Schools," created by Soner Tarim, attempted to open a chain of 8 charter schools in North Austin. More than a dozen people showed up to testify

against Royal, including an Austin school district chief business and operations officer, who pointed out the schools would cause the school district to lose more than \$85 million over a 10-year period. Soner has said he will continue to apply across Texas and blames the numerous rejections on a “fear of competition.”

In Alabama, Soner’s attempt at launching the two new charters, the LEAD Academy and Woodland Prep, can only be characterized as an abject failure. Emboldened by his past success with Harmony, Tarim thought he could walk into uncharted territory and further establish his brand. However, he failed to consider the spirit of this small Alabama community. The school was neither needed nor wanted by the community; the public schools in the district had been among the top performers in the state, and the outpouring of opposition from local parents and teachers as well as the local press sent a clear message against the opening of a new charter school. As of March 2020, Woodland Prep’s charter has been revoked, and their application for an extension was rejected.

Though Tarim may be the most prolific and egregious of the bad actors associated with the Gülen charter school network, he is far from the only one. In recent years, he seems to have become less cautious in his attempts to open as many schools as possible as quickly as possible, making it easier for journalists, community members, and school boards to identify and stop wrongdoing before it can hurt students. However, most of the movement’s structure has escaped public notice. As a result, though positive for our students and communities, Tarim’s failures are primarily assigned to him as an individual rather than the system that has

facilitated his activities for so long. The more attention he receives, the more Gülen schools seek to distance themselves from him because they understand how much easier it is to conduct their operations when no one is looking.

Nevertheless, it is promising to see local communities in all three of these states stand up to the Gülen schools and their corrupt practices. Their success can provide a blueprint that other regions can replicate by mobilizing and organizing against predatory Gülen institutions. Although it appears that the applications are getting sloppy, the boards of education in the three states mentioned listened to their constituents' concerns. They looked into the unethical practices that take place in these schools to identify problem areas. While recent victories are encouraging, it will take a combination of community opposition, local media coverage, and proper investigative authorities working together to put an end to the blatant abuse of the education system and bring the focus back onto the students.

OHIO LEADER HOLDS GÜLEN SCHOOLS ACCOUNTABLE

While many looked the other way at the indiscretions and scandals of the Gülen schools in Ohio, some public figures have continued to hold the schools accountable. Foremost among these has been Ohio State Attorney General Dave Yost. Before becoming the state Attorney General, Mr. Yost was the

state's Auditor, where he and his office were responsible for inspecting and auditing the more than 5,900 public agencies.

Yost has been quick to investigate allegations against Gülen and other charter schools in Ohio. In 2014, the Akron Beacon Journal reported that Yost's office had identified \$9.3 million in incorrectly spent taxpayer money at the state's charter schools. Yost told the paper, "We have got all these folks who have some sliver of responsibility, but nobody owns it. The supervision for charters is too decentralized and too slow to react. I think it is definitely time to have a conversation about how we create a more robust system."

Yost has also been proactive in investigating attendance fraud at the Gülen schools in the state. During the 2014-2015 school year, his office surprised headcounts at 30 charter schools across the state. The investigation found widespread discrepancies between the number of kids actually in class and the attendance numbers reported by the schools. Funding for schools is based on their headcount. Among the schools with discrepancies was Horizon Science Academy Dayton High School. "I am kind of speechless in everything that I found. It is quite a morass," Yost said.

In 2016, Yost's office found that three schools in the Concept Schools chain had improperly paid school board members for attending meetings, which was against the schools' bylaws. "Accountability rests on the shoulders of the governing board. These board members should have been familiar enough with their schools' rules to know they cannot get paid." After news

of the story broke, the schools changed their bylaws to allow board members to be paid.

Yost's relentless efforts and investigations played a pivotal role in finally addressing charter school reform.

Charter School Associations

Most states that have charter schools also have a charter school association. Charter school associations are typically non-profit entities that receive financial support from member schools and advocate for expanding the sector by proposing legislation to state lawmakers. Because of their clout and access to politicians, charter associations can be a crucial ally in the fight against Gülen schools. Also, it is in their long-term interest to denounce the corruption and fraud that has come to characterize schools managed by Gülenists. The negative press on Gülen charter schools is often sprinkled with subtle references to school choice ineffectiveness, which discredits the entire movement and gives more ammo to its detractors. The countless scandals that have involved Gülen schools should prompt charter associations to advocate against those schools actively and publicly denounce them. In this way, we can isolate Gülen schools and clearly separate them from other charter schools with positive results.

The Media


The importance of the media in bringing about awareness of the Gülenists' activities cannot be understated. The media can shape

public perception on essential issues, and its power is certainly not lost on Gülenists, who have built a media empire not only in Turkey but also across Asia. This level of reach has made FETO a powerful international political player as they gain audiences to spread their propaganda and promote their religious and political messages.

The American media has been instrumental in investigating Gülen schools and reporting on misuse of public funds, influence peddling, and overall abuse of the education system. Much of the information included in this book is based on in-depth reporting by American journalists. Despite excellent work on individual cases, media coverage has yet to match the movement's extensive national reach in the United States. In addition to the 250+ school network spanning from New York to California, Gülenists own more than 200 businesses and control roughly 160 non-profits and organizations.^[5] This national reach is an opportunity for national media outlets with more investigative resources to look more closely at the systemic nature of the abuses already covered in the local press.

Appendices

THIS MATERIAL IS PREPARED BY AMSTERDAM & PARTNERS LLP ON BEHALF OF THE REPUBLIC OF TURKEY. ADDITIONAL INFORMATION IS AVAILABLE AT THE DEPARTMENT OF JUSTICE, WASHINGTON DC.

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Department of Justice
Office of Public Affairs

FOR IMMEDIATE RELEASE

Tuesday, November 3, 2020

Illinois-Based Charter School Management Company To Pay \$4.5 Million To Settle Claims Relating To E-Rate Contracts

Concept Schools, NFP, has agreed to pay \$4.5 million as part of a civil settlement to resolve allegations that it violated the False Claims Act by engaging in non-competitive bidding practices in connection with the Federal Communications Commission's (FCC) E-Rate Program, the Department of Justice announced today.

The E-Rate Program, created by Congress in the Telecommunications Act of 1996, subsidizes eligible equipment and services to make internet access and internal networking more affordable for needy public schools and libraries.

"Today's settlement demonstrates our continuing vigilance to ensure that those doing business with the government do not engage in anticompetitive conduct," said Acting Assistant Attorney General Jeffrey Bossert Clark for the Department of Justice's Civil Division. "Government contractors and schools that seek to profit at the expense of taxpayers will face serious consequences."

The United States alleged that Concept Schools, a charter school management company located in Des Plaines, Illinois, rigged the bidding for E-Rate contracts between 2009 and 2012 in favor of chosen technology vendors so that its network of charter schools located in several states, including Illinois, Ohio, and Indiana, selected the chosen vendors without a meaningful, fair and open bidding process. Additionally, the government alleged that Concept Schools' chosen vendors provided equipment at higher prices than those approved by the FCC for equipment with the same functionality. The government also contended that Concept Schools failed to maintain sufficient control over equipment reimbursed by the FCC, some of which was discovered missing.

Contemporaneous with the civil settlement, Concept Schools has agreed to enter into a corporate compliance plan with the FCC.

"E-Rate contractors and schools receiving E-Rate funds must understand and know that actions that undermine the contracting process, such as conspiring to rig competitive bidding, will not be tolerated and will be investigated aggressively," said David L. Hunt, Inspector General of the FCC.

The settlement was the result of a coordinated effort by the Civil Division's Commercial Litigation Branch, the FCC Office of Inspector General, the Federal Bureau of Investigation, and the U.S. Department of Education Office of Inspector General.

The claims resolved by the settlement are allegations only, and there has been no determination of liability.

Topic(s):
False Claims Act

Component(s):
[Civil Division](#)

4/25/22, 12:45 PM Illinois-Based Charter School Management Company To Pay \$4.5 Million To Settle Claims Relating To E-Rate Contracts | OPA | Department o...

Press Release Number:
20-1198

Updated November 3, 2020

<https://www.justice.gov/opa/pr/illinois-based-charter-school-management-company-pay-45-million-settle-claims-relating-e-rate#:~:text=Concept Schools%2C NFP%...> 2/2



THE UNITED STATES ATTORNEYS' OFFICE
NORTHERN DISTRICT *of* ILLINOIS

[U.S. Attorneys](#) » [Northern District of Illinois](#) » [News](#)

Department of Justice

U.S. Attorney's Office

Northern District of Illinois

FOR IMMEDIATE RELEASE

Wednesday, March 2, 2022

**Former Illinois Speaker of the House Indicted on Federal
Racketeering and Bribery Charges in Connection With Alleged
Corruption Schemes**

CHICAGO — A federal grand jury in Chicago today indicted former Speaker of the Illinois House of Representatives MICHAEL J. MADIGAN on racketeering and bribery charges for allegedly using his official position to corruptly solicit and receive personal financial rewards for himself and his associates.

The 22-count indictment accuses Madigan of leading for nearly a decade a criminal enterprise whose purpose was to enhance Madigan's political power and financial well-being while also generating income for his political allies and associates. The charges allege that Madigan, who served as Speaker and occupied a number of other roles, including Representative of Illinois's 22nd District, Committeeman for Chicago's 13th Ward, Chairman of both the Illinois Democratic Party and the 13th Ward Democratic Organization, and partner at the Chicago law firm of Madigan & Getzendanner, used these positions to further the goals of the criminal enterprise. The indictment alleges that Madigan directed the activities of his close friend – co-defendant MICHAEL F. MCCLAIN – and that McClain carried out illegal activities at Madigan's behest. Madigan and McClain allegedly caused various businesses, including the utility company Commonwealth Edison, to make monetary payments to Madigan's associates as a reward for their loyalty to Madigan, at times in return for performing little or no legitimate work for the businesses.

Madigan, McClain, and other members of the enterprise allegedly unlawfully solicited benefits from businesses and other private parties. The indictment accuses Madigan of engaging in multiple schemes to reap the benefits of private legal work unlawfully steered to his law firm, including legal work from those with business before the State of Illinois and City of Chicago.

Madigan, 79, of Chicago, is charged with racketeering conspiracy and individual counts of using interstate facilities in aid of bribery, wire fraud, and attempted extortion. McClain, 74, of Quincy, Ill., is charged with racketeering conspiracy and individual counts of using interstate facilities in aid of bribery and wire fraud.

Arraignments in U.S. District Court in Chicago have not yet been scheduled.

The indictment was announced by John R. Lausch, Jr., United States Attorney for the Northern District of Illinois; Emmerson Buie, Jr., Special Agent-in-Charge of the Chicago Field Office of the FBI; and Justin Campbell, Special Agent-in-Charge of the IRS Criminal Investigation Division in Chicago. The government is

<https://www.justice.gov/usao-ndil/pr/former-illinois-speaker-house-indicted-federal-racketeering-and-bribery-charges>

1/2

represented by Assistant U.S. Attorneys Amarjeet S. Bhachu, Diane MacArthur, Timothy J. Chapman, Sarah E. Streicker, Michelle Kramer, and Julia Schwartz.

"Corruption by an elected official and his associates undermines the public's confidence in our government," said U.S. Attorney Lausch. "The indictment alleges a long-term, multifaceted scheme to use public positions for unlawful private gain. Rooting out and prosecuting the kind of corruption alleged in the indictment will always be a top priority for this office."

"Our elected officials swear an oath to carry out the duties of their office," said FBI SAC Buie. "When they dishonor that oath, it erodes the trust we have in our officials to do the right thing for our communities, and the FBI and its partners stand ready to stamp out corruption at any level of government."

"IRS Criminal Investigation provides financial investigative expertise in our work with our law enforcement partners," said IRS-CI SAC Campbell. "Our hallmark expertise in following the money trail in this type of case shows our agency is committed to rooting out public corruption. Today's indictment underscores our commitment to this work in a collaborative effort to promote honest and ethical government at all levels, and to prosecute those who allegedly violate the public's trust."

The public is reminded that an indictment is not evidence of guilt. The defendants are presumed innocent and entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt. If convicted, the Court must impose reasonable sentences under federal sentencing statutes and the advisory U.S. Sentencing Guidelines.

Attachment(s):

[Download Madigan et al indictment](#)


Topic(s):

Public Corruption

Component(s):

[Federal Bureau of Investigation \(FBI\)](#)
[USAO - Illinois, Northern](#)

Updated March 2, 2022

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Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Monday, December 10, 2018

Former Non-Profit President Pleads Guilty to Scheme to Conceal Foreign Funding of 2013 Congressional Trip

The former president of a Texas-based non-profit pleaded guilty today for his role in a scheme to conceal the fact that a 2013 Congressional trip to Azerbaijan was funded by the Azerbaijan government.

Assistant Attorney General Brian A. Benzckowski of the Justice Department's Criminal Division, U.S. Attorney Jessie K. Liu for the District of Columbia and Assistant Director in Charge Nancy McNamara of the FBI's Washington Field Office made the announcement.

Kemal Oksuz, aka "Kevin Oksuz," 49, and previously a resident of Arlington, Virginia, pleaded guilty to one count of devising a scheme to falsify, conceal and cover up material facts from the U.S. House of Representatives Committee on Ethics. Oksuz will be sentenced on Feb. 11, 2019 before U.S. District Court Judge Tanya S. Chutkan for the District of Columbia.

According to admissions made in connection with his guilty plea, Oksuz lied on disclosure forms filed with the Ethics Committee prior to, and following, a privately sponsored Congressional trip to Azerbaijan. Oksuz falsely represented and certified on required disclosure forms that the Turquoise Council of Americans and Eurasians (TCAE), the Houston non-profit for which Oksuz was president, had not accepted funding for the Congressional trip from any outside sources. Oksuz admitted to, in truth, orchestrating a scheme to funnel money to fund the trip from the State Oil Company of Azerbaijan Republic (SOCAR), the wholly state-owned national oil and gas company of Azerbaijan, and then concealed the true source of funding, which violated House travel regulations.

A five-count indictment was returned earlier this year in the U.S. District Court for the District of Columbia and ordered unsealed in September. Oksuz was recently extradited from Armenia where he was detained by authorities, pursuant to a warrant that was issued for his arrest.

The investigation was conducted by the FBI. The case is being prosecuted by Trial Attorney Marco Palmieri of the Criminal Division's Public Integrity Section, Assistant U.S. Attorney David Misler and Will Mackie of the National Security Division's Counterintelligence and Export Control Section. Assistance in the investigation was provided by Trial Attorney Amanda Vaughn of the Public Integrity Section, Assistant U.S. Attorney Jonathan Hooks and former Assistant U.S. Attorney Michelle Bradford of the District of Columbia. Trial Attorney Natalya T. Savransky of the Criminal Division's Office of International Affairs handled the extradition request to Armenia. The Office of International Affairs, along with the U.S. Department of State and cooperating Armenian authorities provided substantial assistance with the extradition.

Topic(s):
Public Corruption

Component(s):

4/25/22, 12:47 PM Former Non-Profit President Pleads Guilty to Scheme to Conceal Foreign Funding of 2013 Congressional Trip | OPA | Department of Justice

[Criminal Division](#)

[Criminal - Public Integrity Section](#)

Press Release Number:

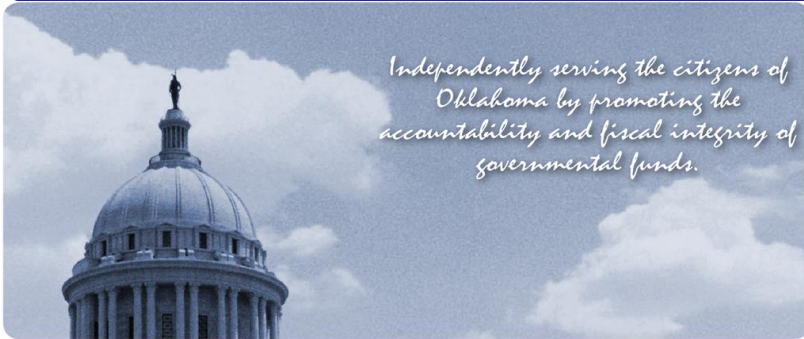
18-1620

Updated November 18, 2019

INVESTIGATIVE REPORT

**DOVE SCIENCE ACADEMY - OKC
DOVE SCIENCE ELEMENTARY - OKC
DISCOVERY SCHOOLS OF TULSA**

July 1, 2012 through June 30, 2014



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



Oklahoma State
Auditor & Inspector
Gary A. Jones, CPA, CFE

**DOVE SCIENCE ACADEMY – OKC
DOVE SCIENCE ELEMENTARY – OKC
DISCOVERY SCHOOLS OF TULSA
INVESTIGATIVE AUDIT REPORT
JULY 1, 2012 – JUNE 30, 2014**

This publication, issued by the Oklahoma State Auditor and Inspector's office, as authorized by **74 O.S. § 213(C)** was not printed, but is available on our agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Collection, pursuant to **74 O.S. § 3105(B)**.



Report Highlights

This audit was performed in response to a State Department of Education request in accordance with 74 O.S. § 213(C).

WHY WE CONDUCTED THIS AUDIT

The Oklahoma State Auditor and Inspector was requested by the Oklahoma State Department of Education to conduct an audit of the Dove Charter Schools concerning allegations that the non-profit entity that operates the charter schools had managed the school in a manner inconsistent with state law.

OBJECTIVE

Determine if the non-profit entity that formed and operated the Dove Charter Schools, the Sky Foundation, charged the schools rent in excess of the original purchase price of the rental property, and if public funds distributed by the State Board of Education have been commingled with private funds belonging to the non-profit entity.

WHAT WE FOUND

- The Sky Foundation does not operate as a school foundation, but is the managing non-profit for the Dove Charter Schools, one and the same with the Schools. Sky's only income was public funds received through lease agreements with their own Schools. We did not find any evidence of Sky soliciting funds on behalf of the schools or donating funds to the schools. It appears the schools were supporting Sky instead of Sky supporting the schools. (Pg. 9)
- The Dove Science Academy-OKC paid the Sky Foundation approximately \$3,182,000 in lease payments in excess of the original purchase price of their property. With the Sky Foundation and the Schools functioning as one and the same, we could find no legitimate purpose for the continued charging of lease payments above and beyond the purchase price of the facility. (Pg. 4)
- For the two year period July 1, 2012 through June 30, 2014, the Sky Foundation collected \$1,192,442.11 more in lease payments from the Dove Charter Schools than was due on the lease agreements. (Pg. 3)
- The Sky Foundation spent \$175,000 of public funds for sponsorship of an out-of-state event in which no Dove Charter School students attended. This was not a legitimate school purpose, an apparent violation of both the school's charter and Article 10 Section 15 of the Oklahoma Constitution. (Pg. 6)
- Dove Charter Schools redirected funds to the Sky Foundation for the purpose of obtaining loans. (Pg. 7)



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

March 16, 2016

Joy Hofmeister
State Superintendent of Public Instruction
2500 N. Lincoln Blvd
Oklahoma City, Oklahoma 73105

State Superintendent Hofmeister:

Pursuant to the Oklahoma State Department of Education's request and in accordance with the requirements of **74 O.S. § 213(C)**, we performed an investigative audit of the Dove Charter Schools for the period July 1, 2012 through June 30, 2014. Transmitted herewith is our Investigative Report.

The objectives of our investigation primarily included, but were not limited to, the areas noted in the State Department of Education's request. The accompanying report presents our findings and recommendations as related to those objectives.

Because investigative procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on the account balances or financial statements of the Dove Charter Schools.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide services to the taxpayers of Oklahoma is of utmost importance.

This report is addressed to and is for the information and use of the State Department of Education as provided by statute. This report is also a public document pursuant to the **Oklahoma Open Records Act** in accordance with **51 O.S. §§ 24A.1, et seq.**

Sincerely,

A handwritten signature in cursive script, appearing to read "Gary A. Jones".

GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

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DOVE CHARTER SCHOOL OFFICIALS
(At June 30, 2014)

School Board Members

President
Secretary
Treasurer
Member

Dr. Bilal Erturk
Dr. Serkan Ozturk
Sharon Akdeniz
Dr. Bruce Prescott

Superintendent

Umit Alpaslan

School Treasurer

Jack Jenkins

INTRODUCTION

In a letter dated November 20, 2014, Janet Baressi, former State Superintendent of Public Instruction for the State of Oklahoma, requested the assistance of the Oklahoma State Auditor and Inspector in conducting a special audit of the Dove Science Academy-OKC, the Discovery Schools of Tulsa, and the Dove Science Elementary-OKC.

Per the State Department of Education, the financial information submitted by the schools through the Oklahoma Cost Accounting System indicated that the non-profit entity that formed and operates the charter schools had managed the schools in a manner inconsistent with state law.

The audit request letter indicated possible violations by the managing non-profit entity, including the following:

- The managing non-profit entity charged the schools rent in excess of the original purchase price of the rental property, resulting in a significant waste of public funds and extensive financial gains for the non-profit.
- The managing non-profit commingled public funds distributed by the State Board of Education with private funds belonging to the non-profit, with possible inappropriate expenditures of the commingled funds.

The results of our investigation are documented in the following pages of this report.

ORGANIZATIONAL OVERVIEW

The Sky Foundation, Inc. (Sky) is a non-profit corporation organized and operated exclusively for charitable, educational, scientific, and literary purposes. Sky has developed four charter schools, two schools in Tulsa, the Discovery School of Tulsa and Dove Science Academy - Tulsa, and two schools in Oklahoma City, Dove Science Academy - OKC and Dove Science Elementary - OKC.

All four schools were created under **70 O.S. §§ 3-130, et seq.**, known as the Oklahoma Charter Schools Act (the Act). As required in the Act, both schools have 'sponsors'. The Tulsa schools are sponsored by Langston University, and both Oklahoma City Schools are sponsored by Oklahoma City Public Schools. For the purpose of our reporting, the four schools will be collectively referred to as the Dove Charter Schools.

The Sky Foundation filed three 'Trade Name Reports' with the Oklahoma Secretary of State, which stated they are a corporation 'doing business as' Dove Science Academy, Discovery School of Tulsa, and Dove Science Academy – Elementary.

Under the charter contract agreements between the Sky Foundation, the Oklahoma City Public Schools, and Langston University, the Sky Foundation and the Charter Schools are referred to jointly as the "School" with Sky, the Developer, noted as the operator of the schools.

The Sky Foundation utilizes the same tax identification number as all four Dove Charter Schools and reports the financial activity of all Dove Charter Schools as their financial information on their tax returns.

All funds received and deposited into the Sky Foundation bank account for the period July 1, 2012 through June 30, 2014, were public funds, lease payments received from the Dove Charter Schools.

The Sky Foundation appears to be the managing entity of the Dove Charter Schools, operating as one and the same with the schools, solely supported by public funds.

LEASE AGREEMENTS

Background The Oklahoma State Department of Education requested a review of the Dove Charter Schools managing non-profit entity, the Sky Foundation, to determine if Sky was charging the schools rent in excess of the original purchase price of the rental property, possibly resulting in significant waste of public funds and extensive financial gains for Sky.

Finding For the period July 1, 2012 through June 30, 2014, the Sky Foundation collected \$1,192,442.11 more in lease payments from the Dove Charter Schools than was due on the property leases.

The Dove Charter Schools operate from four different school campuses, two in Oklahoma City and two in Tulsa. The Sky Foundation owns the Dove Science Academy-OKC property and leases the remaining three school properties from outside vendors. Sky then subleased each of the four properties to the Dove Charter Schools.

School Campus	Location
Discovery School of Tulsa	4821 S 72 nd E Ave, Tulsa
Dove Science Academy – Tulsa	280 S Memorial Dr, Tulsa ¹
Dove Science Elementary – OKC	4901 N Lincoln Blvd., OKC
Dove Science Academy – OKC	919 NW 23 rd St., OKC

We reviewed the lease agreements between Sky and the property landlords, and the sub-leases between Sky and the schools. The leases are summarized below:

School	Monthly Lease Amount Paid by School to Sky	Monthly Lease Amount Paid to Landlord by Sky	Monthly Variance Retained by Sky
Discovery School of Tulsa	\$20,000.00	\$15,000.00	\$5,000.00
Dove Science Academy-Tulsa	\$32,000.00	\$30,000.00	\$2,000.00
Dove Science Elementary-OKC	\$25,000.00	\$10,676.43	\$14,323.57
Dove Science Academy-OKC	\$30,000.00	\$0 ²	\$30,000.00
Monthly Total	\$107,000.00	\$55,676.43	\$51,323.57

¹ Sky purchased the Dove Science Academy-Tulsa location after our audit period.

² Property owned by Sky Foundation.

For the period July 1, 2012 through June 30, 2014, the Dove Charter Schools paid Sky \$2,518,000³ to cover lease payments made by Sky of \$1,325,557.89⁴, leaving an excess collected by Sky for the two year period of \$1,192,442.11.

Since Sky and the Schools are essentially the same entity, the lease agreements are in essence the transfer of funds to themselves, a redirection of funds from school bank accounts to the Sky Foundation's bank account.

Finding

The Dove Science Academy-OKC has paid the Sky Foundation approximately \$3,182,000 over the original purchase price of their property.

The Dove Science Academy-OKC property is owned by the Sky Foundation. Per county records, the building was purchased in July 2001 at a cost of \$628,000.

Monthly lease payments to Sky of \$13,500 began in 2001 increasing to \$30,000 in 2008, and continuing at \$30,000 through June 30, 2014. As of June 30, 2014, Dove Science Academy-OKC had paid the Sky Foundation approximately \$3,810,000 in lease payments, \$3,182,000 over the original purchase price of the property.

With the Sky Foundation and the Schools functioning as one and the same, we could find no legitimate purpose for the continued charging of lease payments above and beyond the purchase price of the facility. School officials provided no explanation⁵ as to the purpose of "paying themselves" through lease transactions or any additional benefit provided the Schools through these arrangements.

SKY FOUNDATION EXPENDITURES

Background

The Oklahoma State Department of Education requested a determination as to whether any excess funds collected by the Sky Foundation, had resulted in a "significant waste of public funds or extensive financial gains for the non-profit".

³ 24 months x \$107,000 = \$2,568,000 - \$50,000 = \$2,518,000. The \$50,000 is one lease payment of \$25,000 in February 2013 not made by Dove OKC-Elementary, and one Dove OKC – Elementary \$25,000 payment due in June 2014 not made until September 2014.

⁴ \$55,676.43 x 12 = \$668,117.16 annually; \$668,117.16 x 2 years = \$1,336,234.32 - \$10,676.43 = \$1,325,557.89; the \$10,676.43 is one lease payment not made in FY 2014.

⁵ Outside of using funds for the repayment of loans which is discussed later in this report.

**DOVE CHARTER SCHOOLS
INVESTIGATIVE AUDIT
DATE OF RELEASE: MARCH 16, 2016**

For the two year period of July 1, 2012 through June 30, 2014, the \$2,518,000 collected in lease payments from the Dove Charter Schools were the only funds deposited into Sky's bank account. The funds were used for various purposes including, but not limited to, lease payments, sponsorships, loan payments, scholarships, payroll, and construction and maintenance on buildings.

Total withdrawals⁶ from the Sky Foundation bank account for the fiscal years ending June 30, 2013 and 2014 were \$1,072,968.12 and \$1,295,001.21, respectively.

Withdrawals from Sky Foundation Bank Account			
Purpose	FYE	FYE	Total
	June 30, 2013	June 30, 2014	
Lease Payments	\$681,321.42	\$670,740.73	\$1,352,062.15
Loan Payments	\$278,144.23	\$264,110.48	\$542,254.71
I-SWEEP Sponsorships	\$0	\$175,000.00	\$175,000.00
Construction/Maintenance	\$64,134.86	\$61,314.70	\$125,449.56
Payroll/Taxes/CPA	\$22,224.01	\$70,124.64	\$92,348.65
College Scholarships	\$19,803.60	\$18,519.13	\$38,322.73
STEM* Expo – Tulsa	\$0	\$24,651.46	\$24,651.46
Miscellaneous	\$7,340.00	\$10,540.07	\$17,880.07
Total	\$1,072,968.12	\$1,295,001.21	\$2,367,969.33

*STEM - Science, Technology, Engineering, Math

CONTRACTS AND LAW

The Oklahoma City Schools charter defined the use of school funds in **Section 12(h)** which stated:

All public funds received by School pursuant to this contract shall be used solely for the operation of the School.

Section 1(j) of the same contracts defined the term "School" as "A term jointly referring to Developer and Charter School", representing the Schools and Sky Foundation as one and the same.

The Tulsa Schools charter identified The Sky Foundation, Inc. and the "Charter School" as one and the same. **Section III.4** of the Tulsa schools contract stated:

⁶ Checks and electronic withdrawals.

The Charter School shall not apply, hold, credit, transfer, or otherwise make use of funds, assets or resources of the Charter School for any purpose other than operation of the Charter School described in the Charter. The Charter School shall abide by the Oklahoma constitutional bans against the loaning of public property for the credit or benefit of an individual or other entity and against the making of gifts of public property.

Article 10 Section 15 of the Oklahoma Constitution states:

Except as provided by this section, the credit of the State shall not be given, pledged, or loaned to any individual, company, corporation, or association, municipality, or political subdivision of the State, nor shall the State become an owner or stockholder in, nor make donation by gift, subscription to stock, by tax, or otherwise, to any company, association, or corporation.

SPONSORSHIPS

Finding

The Sky Foundation spent \$175,000 of public funds for sponsorship of an out-of-state event in which no Dove Charter School students attended. This was not a legitimate school purpose, an apparent violation of both the school’s charter and Article 10 Section 15 of the Oklahoma Constitution.

The Sky Foundation made payments of \$100,000 and \$75,000 to Harmony Public Schools, a charter school in Houston, Texas, for sponsorship of I-SWEEEP competitions. I-SWEEEP is a science fair competition open to high school students worldwide.

A “Sponsorship Application” was completed and signed by the School’s Board President February 8, 2013, with payment of \$100,000 made via wire transfer on July 19, 2013. The competition took place May 8-13, 2013, in Houston, TX. School officials could not identify any Dove students who attended the competition.



Again, a “Sponsorship Application” was completed and signed by the School’s Board President on January 21, 2014. The \$75,000 payment was made via check dated May 20, 2014.

The I-SWEEEP competition took place April 30 – May 4, 2014, in Houston, TX. The Sky Foundation was advertised, as shown, as a

corporate sponsor for the competition. School officials could not identify any Dove students who attended the competition.

The expenditure of \$175,000 of public funds to sponsor an out-of-state competition did not appear to have a legitimate school purpose or benefit the Dove Charter School students of Oklahoma.

LOAN PAYMENTS

Finding

A school district cannot do indirectly that which it is prohibited from doing directly.⁷ Given that the Dove Charter Schools could not borrow money directly, or extend the credit of the state beyond a fiscal year,⁸ they should not have redirected funds to the Sky Foundation for the purpose of obtaining loans.

According to school officials, the Sky Foundation, as a primary function, served as a leasing agent, collecting lease payments from each of the Dove Charter Schools, in order to accumulate lease rental income, and to maintain and report that financial information to facilitate the ability to obtain financing.

During the FYE June 30, 2013 and 2014, Sky made loan payments totaling \$542,254.71 on four outstanding loans. At June 30, 2014, Sky had three outstanding loans totaling \$892,204.81.

Original Date of Loan	Balance as of June 30, 2014	School
July 2001*	\$528,946.61	Dove Science Academy - OKC
September 2008	\$320,774.39	Dove Science Elementary-OKC
August 2009	\$42,483.81	Discovery Schools of Tulsa
Total	\$892,204.81	
*Loan has been restructured and/or refinanced since 2001.		

School funds should not have been redirected to Sky for the purpose of obtaining financing.

Prior to August 2015 statutes were silent as to the borrowing of funds for charter schools. Effective August 2015, **Title 70 O.S. § 3-142(D)** now provides:

⁷This concept has been addressed in 2007 OK AG 42 and 1984 OK 12.

⁸ As defined in Article 10 Section 26 of the Oklahoma Constitution.

If otherwise allowed by law, the governing body of a charter school may enter into private contracts for the purposes of borrowing money from lenders. If the governing body of the charter school borrows money, the charter school shall be solely responsible for repaying the debt, and the state or the sponsor shall not in any way be responsible or obligated to repay the debt.

COMMINGLING OF FUNDS

The Oklahoma State Department of Education requested a determination as to whether the managing non-profit, the Sky Foundation, commingled public funds distributed by the State Board of Education with private funds belonging to the non-profit.

The Charter between the Oklahoma City Public Schools and the Sky Foundation requires that public funds received by Sky be segregated from and accounted for separate and apart from other funds received.

The \$2,518,000 collected in lease payments from the Dove Charter Schools were the only funds deposited into Sky's bank account for the two year period of July 1, 2012 through June 30, 2014.

There was no commingling of funds since public funds were the only source of revenue for the Sky Foundation.

THE FOUNDATION

Background

Foundations are typically created to financially support an organization, to provide fundraising or other sustenance for the organization, or for the cause in which the organization is related.

Title 70 O.S. § 5-145 'Potential Benefits of Local Foundations' encourages district school boards of education to explore the potential benefits of local foundations as supplements to public funding.

Subsection C(1) of the statute defines a "local foundation", as any company, trust, corporation, or association that solicits money or property in the name of any public school district, public school, or public school organization.

Finding

The Sky Foundation does not operate as a school foundation, but is the managing non-profit for the Dove Charter Schools, one and the same with the Schools. Sky's only income is public funds received through lease agreements with their own Schools. We did not find any evidence of Sky soliciting funds on behalf of the schools or donating funds to the schools. It appears the schools were supporting Sky instead of Sky supporting the schools.

A suitable guide for all school foundations, including charter school foundations can be found in **70 O.S. 5-145(J)** which states,

A public school district shall not directly or indirectly transfer any funds to any local foundation or render services or provide anything of value to any local foundation without receiving documented adequate payment or reimbursement therefor according to written contract. Nothing herein shall be construed as prohibiting payment by the district of claims for expenses of fund-raising for the benefit of the district if such fund-raising activities are approved in advance by the district board of education and made a part of the minutes of the meeting of the board. Nothing herein shall be construed as prohibiting the district from providing space in a school district building or on school district property to the foundation for office or business purposes in exchange for the financial benefits provided to the district by the foundation if approved by the district board of education and made a part of the minutes of the meeting of the board.

We acknowledge the Dove Charter Schools and the Sky Foundation, except as provided for in the Oklahoma Charter Schools Act, are exempt from all statutes and rules relating to schools, boards of education, and school districts.⁹ However, we recommend the Sky Foundation and the school board evaluate the role of the current foundation; considering their role as the managing agent of the School, fully funded by the schools, versus the role of a foundation, working for the financial benefit for the schools, in accordance with Oklahoma Statutes.

⁹ Title 70 O.S. § 3-136(5)

SPONSOR OVERSIGHT

Background The Dove Charter Schools are sponsored by the Oklahoma City Public Schools¹⁰ and Langston University¹¹ both approved sponsors under **70 O.S. § 3-132**.

Title 70 O.S. § 3-135(A) requires the sponsor of a charter school to enter into a written contract with the governing body of the charter school, and to incorporate the provisions of the charter of the charter school, and all other provisions defined in statute. *The Dove Charter Schools have entered in to approved charters with their sponsors.*

Finding **During the course of our investigation it was noted that the sponsors of the Dove Charter Schools did not appear to be providing adequate oversight of the charter schools as required by law.**

Some of the powers and duties required by sponsors under **70 O.S. § 3-134(I)** include:

- Provide oversight of the operations of charter schools in the state through annual performance reviews of charter schools and reauthorization of charter schools for which it is a sponsor.
- Monitor, in accordance with charter contract terms, the performance and legal compliance of charter schools.

Title 70 O.S. 3-134(K) states, “Sponsors shall be required to develop and maintain chartering policies and practices consistent with recognized principles and standards for quality charter authorizing as established by the State Department of Education in all major areas of authorizing responsibility, including organizational capacity and infrastructure, soliciting and evaluating charter applications, performance contracting, ongoing charter school oversight and evaluation and charter renewal decision-making.”

Sponsors could not provide documentation of compliance with these required monitoring practices. The Oklahoma City Public Schools recently hired a Charter School Instruction Leadership Director to assist in their charter school monitoring process. Both sponsors should consider

¹⁰ Dove Science Academy-OKC; Dove Science Elementary-OKC

¹¹ Discovery Schools-Tulsa

developing and maintaining monitoring systems that will aid them in accomplishing their statutorily required duties.

OTHER ISSUES

Issue 1

Two of the Dove Charter School buildings are owned in the name of the Sky Foundation, the Dove Science Academy-OKC located at 919 NW 23rd St in Oklahoma City and the Dove Science Academy-Tulsa located at 280 S Memorial Dr in Tulsa.¹²

Under statute, upon termination of a charter school, the real or personal property purchased with public funds will be retained by the school's sponsor.

Title 70 O.S. § 3-136(F) provides in part:

The charter of a charter school shall include a provision specifying the method or methods to be employed for disposing of real and personal property acquired by the charter school upon expiration or termination of the charter or failure of the charter school to continue operations. Except as otherwise provided, any real or personal property purchased with state or local funds shall be retained by the sponsoring school district.

We suggest management evaluate the legal implications of publically owned school properties being held in the name of the Sky Foundation.

Issue 2

During the course of our investigation we noted a transaction involving the purchase and sale of a building by the Sky Foundation that took place outside of our audit period. We believe the material nature of the transaction could possibly warrant further investigation as to the involvement of public funds.

A building at 4444 N Classen Boulevard in Oklahoma City was purchased in May 2008 by the Sky Foundation for \$780,000. The building was sold in August 2010 for \$1,025,000, a profit of \$245,000. We believe the funds used to purchase this building and the profit received in the sale of the building should be satisfactorily accounted for.

¹² Purchased March 2015, outside of our audit period.

DISCLAIMER

In this report, there may be references to state statutes and legal authorities which appear to be potentially relevant to the issues reviewed by this Office. The State Auditor and Inspector has no jurisdiction, authority, purpose, or intent by the issuance of this report to determine the guilt, innocence, culpability, or liability, if any, of any person or entity for any act, omission, or transaction reviewed. Such determinations are within the exclusive jurisdiction of regulatory, law enforcement, and judicial authorities designated by law.



OFFICE OF THE STATE AUDITOR & INSPECTOR
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IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

FILED IN DISTRICT COURT
OKLAHOMA COUNTY

MAY 18 2020
RICK WARREN
COURT CLERK
102

STATE OF OKLAHOMA, ex. rel.)
OKLAHOMA STATE DEPARTMENT OF)
EDUCATION; and OKLAHOMA STATE)
BOARD OF EDUCATION,)

Plaintiffs,)

v.)

Case No. CV-2020-386

DOVE PUBLIC CHARTER SCHOOL)
FOUNDATION, INC., an Oklahoma not for profit)
corporation d/b/a DOVE SCIENCE ACADEMY-OKC,)
DOVE SCIENCE ACADEMY-ELEMENTARY and)
DISCOVERY SCHOOLS OF TULSA; DOVE)
SCHOOLS, INC., an Oklahoma not for profit)
corporation d/b/a OKLAHOMA INFORMATION)
& TECHNOLOGY SCHOOL; DOVE PUBLIC)
CHARTER SCHOOLS, an Oklahoma Public)
Charter School; IBRAHIM SEL, Superintendent)
of Dove Charter Schools; ILHAN GUZEY,)
Administrator of Dove Charter Schools;)
and JOHN or JANE DOE,)

Defendants.)

AGREED FINAL JUDGMENT

Now on this ___ day of May this matter comes on for consideration of this Agreed Final Judgment. Plaintiffs appear through Brad S. Clark, General Counsel of the Oklahoma State Department of Education (SDE) and Defendants Dove Public Charter School Foundation, Inc., d/b/a Dove Science Academy-OKC, Dove Science Academy-Elementary, Discovery Schools of Tulsa, Dove Schools, Inc., d/b/a Oklahoma Information & Technology School (OITS), Dove Public Charter Schools, Dr. Ibrahim Sel, and Ilhan Guzey (Dove Defendants) appear through Drew Edmondson and Robert A. Nance.

Being advised of the premises, and based upon the representations and agreements of the parties, the Court finds and orders as follows.

1. This is an action challenging the access, use, dissemination of certain records, described below, by the Dove Defendants from the SDE's State Student Information System (the System) and later sending letters to students at their home addresses based on records accessed and distributed to third parties through the System.

2. Oklahoma law requires the State Department to develop, and public school districts to implement and comply with the System. In developing and implementing the System, the State Department has the authority to define requirements of the system. Under this authority, the State Department has determined that pursuant to privacy provisions of the Family Educational Rights and Privacy Act ("FERPA"), access to student information contained therein shall be restricted to: (1) authorized staff of the State Department and contractors who require such access to perform their assigned duties; (2) school district administrators, teachers and school personnel who require such access to perform their assigned duties; (3) students and their parents; and, (4) authorized staff of other state agencies in Oklahoma as required by law and/or defined by interagency data-sharing agreements.

3. Prior to granting a school district (including an administrator) with access to the System, the State Department of Education requires that the public school, by and through its superintendent, first sign and agree to adhere to the terms of the Single Sign On Superintendent Security Form (the "Superintendent Security Form"). The purpose of the Superintendent Security Form is to ensure that those accessing the information contained in the System acknowledge and agree, under penalty of law, that said information remains confidential and protected against unauthorized use, access or possession.

4. The Superintendent Security Form provides, in pertinent part, that the individual acknowledges, understands and agrees as follows:

the data maintained by the Oklahoma State Department of Education system [the State Student Information System] is sensitive and confidential. Access to data and the release of data is governed by the Federal Family Educational Rights and Privacy Act¹, Oklahoma Title 51 O.S. §24A.16, Oklahoma Title 70 O.S. § 3-160 and 18-200.1(E), Oklahoma Title 70 O.S. § 6115, and Oklahoma Title 74 O.S. § 31.11(C&D), as amended. I agree that I shall not release data unless authorized to do so according to applicable laws, rules, and regulations, nor shall I access or use the information contained therein except for legitimate educational interests. I further agree that I will not allow anyone to login under my login and password and I will logout of the system when I am not at my desk.

I acknowledge that I fully understand that the release by me of this information to any unauthorized person could subject me to criminal and civil penalties imposed by law.

5. On August 28, 2018, Sel signed and submitted the Superintendent Security Form in his capacity as superintendent of Dove Charter Schools and on behalf of Dove Charter Schools. Shortly thereafter, Sel was granted access to the State Student Information System for students enrolled in Dove Charter Schools. In addition to access to the information and records of students enrolled in Dove Charter Schools, Sel was also granted privileges to create, edit and manage accounts of other Dove Charter Schools users. Sel or his predecessor created and/or requested to create an account for Guzey.

6. On or near June 1, 2019, Defendant, Dove Public Charter School Foundation, Inc., approved the charter school application of OITS, and approved the submission thereof to

¹ FERPA is a federal law that is administered by the Family Policy Compliance Office in the United States Department of Education, which generally restricts access to student information and records unless such access is to an eligible student or parent of the student or a school official with a "legitimate educational interest" in that record. FERPA and accompanying regulations generally define a school official as having a "legitimate educational interest" in student information and records if that person *needs* to review a record of a "student" in order to fulfill professional responsibilities. The term "student" is defined by FERPA as "any individual who is or has been in attendance at an educational agency or institution and regarding whom the agency or institution maintains education records." (Emphasis added).

the Oklahoma Statewide Virtual Charter School Board (“SVCSB”) for its proposed sponsorship of said proposed charter school. On or near November 12, 2019, OITS was approved by the SVCSB to operate as a statewide virtual charter school, beginning July 1, 2020. Dove Schools Inc. is the single entity that operates OITS as well as other schools.

7. With separate applications, charters and contracts for the operation of public schools, applicable laws and regulations command that the “Dove Charter Schools” and OITS are separate and distinct entities. At no time has an account been obtained or any access privileges granted for OITS to have access to the State Student Information System.

8. Approximately February 10, 2020, Ilhan Guzey, who had been granted access to the System by the SDE, accessed information from the System to obtain the students’ names and addresses. Dove, through Guzey, then provided the students’ names and addresses to a private mailing service to send 2020-2021 Academic Year Application Forms to the home addresses of a large number of students not then enrolled at any of the Dove Defendants’ schools. Thereafter, the students’ names and addresses were permanently deleted. The mailing service confirmed to Mr. Guzey that it too had permanently deleted the students’ names and addresses.

9. In prior years, the Dove Defendants had obtained similar “directory information” under the Oklahoma Open Records Act from entities other than the SDE, and sent similar applications to students not then enrolled at any of the Dove Defendants’ schools.

10. No information held in the System is classified by the SDE as “directory information” under FERPA, because it is not possible for the opt-out process required to protect student safety and privacy under 34 C.F.R. § 99.37 to be applied to the student information records held at the state level for all public school students in Oklahoma.

11. On February 14, 2020, the State Department was made aware through complaints that Dove Charter Schools accessed the State Student Information System for purposes of downloading names and addresses of students in the State of Oklahoma who were not – and have not previously been – enrolled in Dove Charter School. Upon receipt of the information and complaints, Plaintiffs notified the Oklahoma Office of Management and Enterprise Services, Defendants' access to the State Student Information was disabled and an investigation was commenced involving multiple state agencies.

12. On February 15, 2020 Plaintiffs sent a letter to Dove Charter School by and through Dr. Sel that they, and any affiliates, representatives, employees and/or contractors, including Mr. Guzey and OITS, were to cease and desist all use, access, publication, dissemination or otherwise promotion, direct or indirect, of allegedly wrongfully obtained information.

13. This action was filed on February 18, 2020. The next day, on February 19, 2020, the Plaintiffs and the Dove Defendants entered into an Agreed Temporary Restraining Order in which the Dove Defendants agreed that they, and their agents, servants and all persons acting by or under their authority would be ordered and prohibited from the access, use, distribution and/or dissemination, or otherwise possession, directly or indirectly, of the Student Information as described in the Petition. This Temporary Restraining Order has been in effect to the present date.

14. Defendants agree that they did not act in keeping Plaintiffs' interpretation of a legitimate educational interest in the information accessed through the State System. Defendants hereby represent that the information sought was the names and addresses of other individual students, and nothing beyond this types of information.

15. Defendants hereby agree that they will act in compliance with all applicable federal and state legal provisions and policies addressing the access and disclosure of student education records.

16. In consideration of the information provided herein, as well as the Defendants successfully completing trainings and courses relating to student records, access and disclosure related thereto, the parties now wish to settle this action by the entry of this Agreed Final Judgement.

17. The Temporary Restraining Order entered on February 19, 2020 is hereby dissolved.

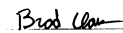
UPON THE AGREEMENT OF THE PARTIES, and upon review of the pleadings in this case and the authorities cited, including applicable State and Federal statutes, it is Hereby the Order of this Court that information contained on the System of the Oklahoma Department of Education may be accessed by schools and school districts only if that information pertains to their students actually or formerly enrolled or seeking enrollment and that information pertaining to any other students shall be deemed Confidential and not subject to access or downloading.


IT IS SO ORDERED THIS 18 DAY OF May, 2020.



Honorable Natalie Mai
Judge of the District Court

Submitted by:


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ADOPTED BY THE COMMITTEE ON ETHICS ON JULY 29, 2015

114TH CONGRESS, 1ST SESSION
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ETHICS

IN THE MATTER OF OFFICIALLY-CONNECTED TRAVEL BY HOUSE MEMBERS
TO AZERBAIJAN IN 2013

July 31, 2015

 Mr. DENT from the Committee on Ethics submitted the following

REPORT

COMMITTEE ON ETHICS

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Patrick Meehan, Pennsylvania
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Susan W. Brooks, Indiana
Kenny Marchant, Texas

Linda T. Sánchez, California
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Ted Deutch, Florida
John B. Larson, Connecticut

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Daniel J. Taylor, *Counsel to the Ranking Member*

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Christopher R. Tate, *Senior Counsel*
Molly N. McCarty, *Investigative Clerk*

* Representative Yvette Clarke did not participate in the Committee's proceedings in this matter pursuant to Committee Rule 9(d).

Charles W. Dent, Pennsylvania
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Linda T. Sánchez, California
Ranking Member

Patrick Meehan, Pennsylvania
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ONE HUNDRED FOURTEENTH CONGRESS

U.S. House of Representatives

COMMITTEE ON ETHICS

July 30, 2015

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The Honorable Karen L. Haas
Clerk, House of Representatives
Washington, DC 20515

Dear Ms. Haas:

Pursuant to clauses 3(a)(2) and 3(b) of Rule XI of the Rules of the House of Representatives, we herewith transmit the attached report, "In the Matter of Officially-Connected Travel by House Members to Azerbaijan in 2013."

Sincerely,


Charles W. Dent
Chairman


Linda T. Sánchez
Ranking Member

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114TH CONGRESS, 1ST SESSION
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ETHICS

IN THE MATTER OF OFFICIALLY-CONNECTED TRAVEL BY HOUSE MEMBERS
TO AZERBAIJAN IN 2013

July 31, 2015

Mr. DENT from the Committee on Ethics submitted the following

REPORT

In accordance with House Rule XI, clauses 3(a)(2) and 3(b), the Committee on Ethics (Committee)¹ hereby submits the following Report to the House of Representatives:

I. INTRODUCTION

In May 2013, 10 House Members and 32 House employees took part in officially-connected travel to Turkey and/or Azerbaijan (the “Trips”), which included attendance at a conference in Baku, Azerbaijan, entitled “U.S.-Azerbaijan: Vision for the Future” (the “Conference”). Though the Conference had several corporate sponsors, Conference agendas provided to travelers before the event listed two American non-profit organizations—the Turquoise Council of Americans and Eurasians (TCAE) and the Assembly of the Friends of Azerbaijan (AFAZ)—as the Conference’s organizers. Several American non-profit organizations with Turkic affiliations, including TCAE, separately invited the Members to travel to Azerbaijan. The itineraries of those trips also included attendance at the Conference.

Each of the House Members and employees who took part in the Trips sought and received the Committee’s approval to accept the Trips as privately-sponsored, officially-connected travel prior to accepting the travel invitations. Each of the non-profits, in required disclosure forms filed with the Committee, certified that it was the sole sponsor of its trips. Each non-profit also stated that it had not accepted funding from any other source to directly or indirectly finance any portion of the Trips. Those statements were made on disclosure forms containing multiple clear warnings, in bold text, that “[w]illful or knowing misrepresentations on this form may be subject to criminal prosecution pursuant to 18 U.S.C. § 1001.”

¹ The Committee notes that Representative Yvette Clarke, a Member of the Committee, recused herself from this matter before the Committee took any action in the matter.

The Committee approved the Trips for each Member based on the travelers' submissions, which included the sponsors' statements and representations. Nothing in those submissions gave the Committee reason to doubt the truth or accuracy of the purported sponsors' representations regarding the sources of the Trips' funding. However, more than a year after the Trips occurred, questions arose about whether the Trips complied with the requirements for privately-sponsored officially-connected travel.

Soon after the start of the 114th Congress, the Chairman and Ranking Member authorized Committee staff to investigate these and other related allegations pursuant to Committee Rule 18(a). Separately, the Office of Congressional Ethics (OCE) initiated a review of allegations surrounding the Trips. On May 8, 2015, OCE referred to the Committee allegations that the nine Members received impermissible gifts of travel and tangible gifts in connection with the Trips.

The Committee conducted an extensive investigation. Each Member fully cooperated with the Committee. The Committee issued 12 subpoenas and 18 voluntary requests for information, and collected nearly 190,000 pages of materials, including supplemental materials provided by OCE. The Committee also interviewed ten witnesses. However, the Committee could not complete its investigation, because many potential witnesses refused to cooperate with the investigation and were outside of the Committee's authority to compel because they were in Azerbaijan or other foreign countries. In addition, Kemal Oksuz, who was in many respects the central witness to most of the substantive allegations in question, invoked his Fifth Amendment right to refuse to testify. Mr. Oksuz also refused to comply with a subpoena for documents issued to him by the Committee.

Despite these limitations, the Committee's investigation uncovered evidence of concerted, possibly criminal, efforts by various non-House individuals and entities to mislead the House travelers and the Committee about the Trips' true sponsors and the funding sources used to pay for Member and House employee travel to Azerbaijan. However, the evidence was inconclusive as to who actually funded the travel expenses.

The evidence demonstrates that the House travelers submitted their forms in good faith, and there is no evidence that the House travelers knew, or should have known, of the sponsors' false statements regarding the true source of funding for the travel. Because the House travelers acted in good faith, and the evidence was inconclusive as to the true source of funds for the travel, the Committee concluded that the Trips did not constitute an impermissible gift of travel, and decided that no further action is required regarding the House travelers' acceptance of any trip expenses.

Separate and apart from the travel expenses that were the subject of the Committee's preapproval process, evidence indicates that many House travelers received various tangible gifts during the Trips. In general, Committee approval to accept privately-sponsored, officially-connected travel is limited to accepting costs related to the trip, not to tangible gifts that may be offered to a traveler.

The tangible gifts received by House travelers on the Trips in this matter may have been permissible under the House Gift Rule. However, the various provisions of the Gift Rule that may have permitted acceptance of these gifts require knowledge of the donor to assess whether a particular provision of the Gift Rule applies.

The Committee could not determine the source of these gifts. Since the donor was unknown, it is unlikely that many of the tangible gifts could be accepted under any provision of the House Gift Rule. However, either on their own initiative or at the Committee's recommendation, all Members have voluntarily remedied, or committed to remedy, any impermissible gifts received in connection with the Trips. In addition, the Committee has contacted House staff who participated in the trips and provided guidance to them about tangible gifts they may have received. Therefore, the Committee will take no further action with respect to any House Member or employee in this matter.

II. HOUSE RULES, LAWS, REGULATIONS, AND OTHER STANDARDS OF CONDUCT

A. Jurisdiction of the Committee

Article 1, Section 5, of the United States Constitution vests with the House the authority to "punish its Members for disorderly behavior."² To implement its Constitutional duty, the House has adopted a Code of Official Conduct (Code) and has given the Committee exclusive jurisdiction over the interpretation of the Code.³

The Committee is authorized to investigate any alleged violation by a Member or employee of the House "of the Code of Official Conduct or of a law, rule, regulation, or other standard of conduct applicable to the conduct of such Member . . . or employee in the performance of the duties or the discharge of the responsibilities of such individual."⁴

In addition to its investigative jurisdiction, the Committee is also authorized by House Rules⁵ and various federal statutes⁶ to enforce various standards of conduct applicable to House Members, officers, and employees and to promulgate and enforce related regulations, including with respect to gifts from foreign governments, financial disclosure, and privately-sponsored, officially connected travel, as described in greater detail below.

B. Gifts from Foreign Governments

Article 1, Section 9, Clause 8 of the United States Constitution, commonly referred to as the Emoluments Clause, prohibits federal government officials, including House Members and

² U.S. CONST. art. I, § 5.

³ House Rule XXIII; House Rule X, clause 1(g).

⁴ House Rule XI, clause 3(a)(2).

⁵ House Rule X, clause 1(g), 11(g)(4); House Rule XI, clause 3; House Rule XXV, clause 5(h).

⁶ See, e.g., 5 U.S.C. §§ 7342, 7351, 7353; 5 U.S.C. app. 4 §§ 101 *et seq.*, 503(1)(A).

employees, from accepting “any present . . . of any kind whatever, from any . . . foreign State,” without the consent of Congress. Congress has consented to the acceptance of certain emoluments through the vehicles of the Foreign Gifts and Decorations Act (FGDA)⁷ and Mutual Educational and Cultural Exchange Act (MECEA).⁸ The House Gift Rule also expressly permits acceptance of a gift the acceptance of which is authorized by the FGDA, MECEA, or any other statute.⁹

MECEA authorizes the Secretary of State to approve cultural exchange programs that finance “visits and interchanges between the United States and other countries of leaders, experts in fields of specialized knowledge or skill, and other influential or distinguished persons”¹⁰ Travel subject to an approved MECEA program is not subject to Committee preapproval. However, all expenses must be paid by the foreign government host of the MECEA trip, and none may be paid by any private source.¹¹

With respect to travel, the FGDA allows House Members and employees to accept travel paid for by a foreign government only if the travel takes place entirely outside the United States. Such travel must also be consistent with the interests of the United States and must be permitted under FGDA regulations issued by the Committee.¹² The FGDA defines “foreign government” to include not only foreign governments *per se*, but also international or multinational organizations whose membership is composed of units of foreign governments, and any agent or representative of such a government or organization while acting as such.¹³ The FGDA also covers gifts from “quasi-governmental” organizations closely affiliated with, or funded by, a foreign government.

A Member, officer, or employee may accept travel expenses from a unit of a foreign government only under one of these two statutory grants of authority.

In addition to its travel provisions, the FGDA also authorizes House Members, officers, and employees to accept “a gift of minimal value tendered and received as a souvenir or mark of courtesy.”¹⁴ The FGDA also expressly authorizes the Committee to prescribe regulations to permit the receipt of gifts of foreign travel or expenses for foreign travel.¹⁵ Under the Act and the implementing regulations issued by the Committee, “minimal value” is redefined every three years by the General Services Administration.¹⁶ In 2013, “minimal value” for FGDA purposes

⁷ 5 U.S.C. § 7342.

⁸ 22 U.S.C. §§ 2451 *et seq.*

⁹ House Rule XXV, clause 5(a)(3)(N).

¹⁰ 22 U.S.C. § 2452(a)(2)(i).

¹¹ Comm. on Standards of Official Conduct, *House Ethics Manual* (2008) at 110-111.

¹² *House Ethics Manual* at 109.

¹³ 5 U.S.C. § 7342(a)(2)(B).

¹⁴ *Id.* § 7342(c)(1)(A).

¹⁵ *Id.* § 7342(c)(1)(B)(ii); Comm. on Standards of Official Conduct, Regulations for the Acceptance of Decorations and Gifts; *House Ethics Manual* at 389-93.

¹⁶ 5 U.S.C. § 7342(a)(5); *House Ethics Manual* at 391.

was \$350.¹⁷ This provision on minimal value gifts clearly applies to gifts of tangible items. In addition, the Committee has interpreted this provision to permit Members and staff to accept, from a foreign government, meals, entertainment, and local travel in the United States when related to official duties. However, the Committee's interpretation does not allow the acceptance of such meals, entertainment, or local travel offered by a lobbyist or agent of a foreign government, because such gifts are not properly deemed as having been "tendered as a souvenir or mark of courtesy" as required by the FGDA.

The FGDA further allows a Member or staff person to accept (but not to retain) a gift of more than minimal value when refusal of the gift "would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States."¹⁸ Such gifts, however, are deemed to be accepted on behalf of the United States and become the property of the United States. Within 60 days of accepting such a gift, a Member or staff person must turn the gift over to the Clerk of the House for disposal or, with the consent of this Committee, the recipient may retain the gift for display in his or her office or other official use.¹⁹

At the time such a gift is deposited for disposal or official use, the recipient must also complete and sign a foreign gifts disclosure form, and file it with the Committee.²⁰ If a Member or employee is uncertain whether the value of a gift exceeds "minimal value," the Clerk's office can arrange for an appraisal.²¹ Under the Committee's foreign gifts regulations, the disclosure statements filed by Members and employees are publicly available at the Committee's office, and their contents are published annually in the *Federal Register*.²²

C. Ethics in Government Act

The Ethics in Government Act of 1978 (EIGA), as amended, mandates annual financial disclosure by all senior federal personnel, including all Members and some employees of the House.²³ The EIGA designates the Committee as the "supervising ethics office" of House Members, officers, and employees for purposes of financial disclosure and provides that the Committee is to administer the Act with regard to those individuals.²⁴

With respect to gifts, financial disclosure filers must disclose on an annual Financial Disclosure Statement "[t]he identity of the source, a brief description, and the value of all gifts

¹⁷ Federal Management Regulation; Change in Consumer Price Index Minimal Value, 76 Fed. Reg. 30,550 (May 26, 2011). Effective January 1, 2014, "minimal value" increased to \$375. Federal Management Regulation; Change in Consumer Price Index Minimal Value, 79 Fed. Reg. 18,477 (Apr. 2, 2014).

¹⁸ 5 U.S.C. § 7342(c)(1)(B).

¹⁹ *Id.* § 7342(c)(2), (a)(6)(A). There is a process by which a Member may purchase with their personal funds an item worth more than minimal value that has been presented to them by a foreign government. However, this is a complicated multi-part process involving the Clerk, the General Services Administration, and the Department of State, and in any event the Member must first turn the item over to the Clerk.

²⁰ *Id.* § 7342(c)(3).

²¹ *Id.* § 7342(g)(2)(B), (a)(6)(A).

²² *House Ethics Manual* at 393.

²³ 5 U.S.C. app. 4 §§ 101 *et seq.* House Rule XXVI, clause 2, adopts Title I of EIGA as a rule of the House.

²⁴ 5 U.S.C. app. 4 § 111(2).

aggregating more than the minimal value[.]”²⁵ With respect to travel, financial disclosure filers also must disclose “[t]he identity of the source and a brief description (including a travel itinerary, dates, and nature of expenses provided) of reimbursements received from any source aggregating more than the minimal value[.]”²⁶ For both disclosures, “minimal value” is established by the same formula as in the FGDA.²⁷ As noted above, in 2013, “minimal value” for FGDA purposes was \$350.²⁸

D. Ethics Reform Act

Pursuant to the Ethics Reform Act of 1989, the Committee’s nonpartisan staff is charged with “providing information and guidance to Members, officers and employees of the House regarding any laws, rules, regulations, and other standards of conduct applicable to such individuals in their official capacities, and any interpretations and advisory opinions of the committee.”²⁹ The Ethics Reform Act prohibits the Committee from initiating an investigation based on “information provided to the [Committee] by a Member, officer or employee of the House of Representatives when seeking advice regarding prospective conduct . . . if such Member, officer or employee acts in accordance with the written advice of the committee.”³⁰ “The Ethics Reform Act of 1989 guarantees that no one may be put in jeopardy by making such a request.”³¹ The Committee formalized these requirements in its own rules, noting the procedures for obtaining a written advisory opinion, and confirming that it would “take no adverse action in regard to any conduct that has been undertaken in reliance on a written opinion if the conduct conforms to the specific facts addressed in the opinion.”³² Such protections apply equally to requests for approval of privately-sponsored travel.³³

E. House Rule XXIV

House Rule XXIV prohibits a Member, Delegate, or Resident Commissioner from maintaining an unofficial office account. This prohibition applies to accounts maintained by third parties for a Member’s benefit, even if they are not maintained for the Member’s direct use. It further extends to any process whereby funds are received or expended regardless of whether an actual account or repository is maintained.³⁴ Thus, private, in-kind contribution of goods or services for official purposes are banned under House Rule XXIV.³⁵ However, one exception to this rule allows Members to use funds from their principal campaign accounts for official

²⁵ *Id.* § 102(a)(2)(A).

²⁶ *Id.* § 102(a)(2)(B).

²⁷ *Id.* § 102(a)(2)(A), (B).

²⁸ *Supra* note 17.

²⁹ 2 U.S.C. § 4711(i).

³⁰ *Id.*

³¹ *House Ethics Manual* at 21.

³² Committee Rule 3(k).

³³ Committee Rule 3(f).

³⁴ *House Ethics Manual* at 328.

³⁵ *Id.*

expenses with some restrictions.³⁶ For example, expenses for officially-connected travel may be reimbursed out of the principal campaign account and not violate the unofficial office account prohibition.³⁷ Additionally, a Member may use personal funds to pay any official expenses.³⁸ However, House employees may not reimburse official expenses from their own funds. For this reason, although Members may repay the costs for privately-sponsored travel out of their personal or campaign funds, were employees to do so, they might run afoul of House Rule XXIV.

F. House Rule XXV, clause 5

1. Gifts Generally

House Rule XXV, clause 5 (the Gift Rule), governs the acceptance of gifts by Members, officers, and employees of the House. The Gift Rule provides that a Member, officer, or employee may not knowingly accept any gift except as provided in the rule. The rule is comprehensive, *i.e.*, a House Member or staff person may not accept anything of value from anyone—whether in one’s personal life or one’s official life—unless acceptance is allowed under one of the rule’s provisions.

The Gift Rule defines the term “gift” in an extremely broad manner: “. . . a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value.”³⁹ This provision goes on to state, “[t]he term includes gifts of services, training, transportation, lodging, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.”⁴⁰ Accordingly, when a Member, officer, or employee is offered a tangible item, a service, or anything else, he or she must first determine whether the item has monetary value. If it does, then the individual may accept it only in accordance with provisions of the Gift Rule. This is so even if the donor obtained the gift without charge.

The Gift Rule includes one general provision on acceptable gifts, and 23 provisions that describe additional, specific kinds of gifts that may be accepted. The general provision of the Gift Rule allows a Member, officer, or employee to accept a gift, other than cash or cash equivalent, having a value of less than \$50, provided that the source of the gift is not a registered lobbyist, foreign agent, or private entity that retains or employs such individuals.⁴¹ The cumulative value of gifts that may be accepted under the general provision from any one source in a calendar year must be less than \$100.⁴² Gifts having a value of less than \$10 do not count toward this annual limit.⁴³ While the rule does not require Members and staff to maintain formal

³⁶ House Rule XXIV, clause 1(b)(1).

³⁷ *House Ethics Manual* at 176.

³⁸ *Id.* at 329.

³⁹ House Rule XXV, clause 5(a)(2)(A).

⁴⁰ *Id.*

⁴¹ House Rule XXV, clause 5(a)(1)(B).

⁴² *Id.*

⁴³ *Id.*

records of the gifts accepted under this provision, the rule does require that Members and staff make a good faith effort to comply with its terms.⁴⁴

Many of the 23 specific provisions in the Gift Rule are unlikely to be applicable in this matter.⁴⁵ However, a few could be applicable. For example, Members, officers, and employees may accept “[a]n item of nominal value such as a greeting card, baseball cap, or a T-shirt.”⁴⁶ A Member, officer, or employee may also accept “[i]nformational materials that are sent to the office of the Member, Delegate, Resident Commissioner, officer, or employee of the House in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication.”⁴⁷ Finally, Members, officers and employees may accept any gift authorized by the FGDA.⁴⁸

2. Privately-Sponsored Travel

In addition to the provisions discussed above, the Gift Rule also permits Members and staff to accept unsolicited travel expenses paid for by a private source under certain circumstances.⁴⁹ In 2007, the House Rules were amended to require House Members and employees to seek prior written approval of the Committee before accepting travel paid for by a private source. The Gift Rule provides that if the traveler receives advance authorization from the Committee, the necessary travel costs “shall be considered a reimbursement to the House and not a gift prohibited by” the Gift Rule.⁵⁰

The Committee is also authorized by House Rules to develop and revise as necessary guidelines and regulations governing the acceptance of privately-sponsored, officially connected travel by House Members, officers, and employees.⁵¹ The Committee issued initial travel regulations in a pair of memoranda dated February 20 and March 14, 2007. At the end of the 112th Congress, the Committee adopted new travel regulations (Travel Regulations). The new Travel Regulations were issued on December 27, 2012, and were effective for all trips beginning on or after April 1, 2013.⁵² Those revised Travel Regulations were in effect for the trips at issue in this matter.

⁴⁴ *Id.*

⁴⁵ *See e.g.*, House Rule XXV, clause 5(a)(3)(C) (permitting acceptance of gifts from a relative).

⁴⁶ *Id.* clause 5(a)(3)(W).

⁴⁷ *Id.* clause 5(a)(3)(I). The intent of the phrase “sent to the office” is that a Member or staff person may not accept, under this provision, an additional courtesy copy of a publication that is sent to his or her home. The intent of that language is not to preclude acceptance of a book or other appropriate informational material at, for example, a reception or other event. *See House Ethics Manual* at 55.

⁴⁸ House Rule XXV, clause 5(a)(3)(N).

⁴⁹ *Id.* clause 5(c)-(d).

⁵⁰ *Id.* clause 5(b)(1)(A) and (C).

⁵¹ *Id.* clause 5(i).

⁵² Comm. on Ethics, Travel Guidelines and Regulations (Travel Regulations), Dec. 27, 2012, available at <http://ethics.house.gov/sites/ethics.house.gov/files/documents/travel%20regs.pdf>.

The Travel Regulations define three different types of trip sponsors: (1) Primary Trip Sponsors,⁵³ (2) Grantmaking Sponsors,⁵⁴ and (3) Non-Grantmaking Sponsors.⁵⁵ The Committee requires trip sponsors to complete a form in advance of a trip. The Committee has separate forms for each type of trip sponsor.

A Primary Trip Sponsor “must have some bona fide role in planning, organizing, conducting, or participating in the trip.”⁵⁶ A Primary Trip Sponsor may pay for trip expenses with its own funds, accept outside funds to pay for trip expenses, or both.⁵⁷ If a Primary Trip Sponsor accepts outside funds to pay for trip expenses, the individual or entity giving the funds will also be considered a trip sponsor if the grant is “based on a request or award that expressly mentioned the participation or attendance, or possible participation or attendance, of House Members or employees.”⁵⁸

A Grantmaking Sponsor is a public charity or private foundation that underwrites, in whole or in part, a trip expense, “with express or implicit knowledge or understanding that one or more House Members or employees may participate or attend that trip or event, or otherwise may be beneficiaries of the gift or donation.”⁵⁹ If a Grantmaking Sponsor does not have a direct role in the organizing, planning, or conducting of a trip or event, it must “certify that it conducts an audit or review of its grant, gift, or donation to ensure that the funds are spent in accordance with the terms of its grant or donation.”⁶⁰

A Non-Grantmaking Sponsor is an individual or entity that underwrites, in whole or in part, a trip expense, “with express or implicit knowledge or understanding that one or more House Members or employees may participate or attend that trip or event, or otherwise may be beneficiaries of the gift or donation.”⁶¹ If a Non-Grantmaking Sponsor does not have direct involvement in planning, organizing, conducting, or participating in the trip, it must “provide contributions in exchange for a tangible benefit[.]”⁶² A “tangible benefit” may include booth rental space, advertising at an event, or public designation as a sponsor of an event. Individuals or entities that provide contributions in exchange for a tangible benefit “at an event that would occur without regard to congressional participation are not considered a trip sponsor.”⁶³

Under the Committee’s Travel Regulations, a trip “without regard to congressional participation” is defined as a trip “that would occur even without the attendance of one or more

⁵³ Travel Regulations § 104(u).

⁵⁴ *Id.* § 104(i).

⁵⁵ *Id.* § 104(s).

⁵⁶ *Id.* § 202.

⁵⁷ *Id.* § 104(u).

⁵⁸ *Id.* § 104(ee).

⁵⁹ *Id.* § 104(i).

⁶⁰ *Id.*

⁶¹ *Id.* § 104(s).

⁶² *Id.*

⁶³ *Id.* § 104(ee).

House Members or employees.⁶⁴ The Travel Regulations go on to state that “[s]uch events may include, but are not limited to, an annual meeting of a trade group, a trade show, or a conference that is open to the public.”⁶⁵ Conversely, a trip “with regard to congressional participation” is a trip “that would not occur without, or is otherwise dependent upon, the attendance of one or more House Members or employees.”⁶⁶

All of the trip sponsor forms and the Committee’s Travel Regulations include very clear warnings about the seriousness with which the Committee views the truthfulness of statements made to it during the travel review process, and the possibility of criminal penalties for false statements. All of the Committee’s trip sponsor forms include at least one warning that “[w]illful or knowing misrepresentations on this form may be subject to criminal prosecution pursuant to 18 U.S.C. § 1001.” (emphasis in original.) In addition, the signature block of each type of sponsor form is preceded by the statement, “I certify by my signature that the information contained in this form is true, complete, and correct to the best of my knowledge.” A similar warning also appears in the Travel Regulations, which state that “Any individual, acting on behalf of a prospective or past trip sponsor, who makes materially false or misleading statements to the Committee concerning a trip sponsor or any trip that is being, or was, offered pursuant to these regulations may be subject to criminal penalties under the False Statements Act (18 U.S.C. § 1001).”⁶⁷

House Rule XXV, clause 5(b)(1)(A)(ii) requires that all House Members and employees who accept privately-sponsored travel must disclose the expenses to the Clerk of the House within 15 days after the travel is completed. The Committee has created forms for the purposes of these disclosures. The post-travel disclosures must include copies of (1) the Traveler Form submitted to the Committee prior to the trip; (2) the trip sponsor forms submitted to the Committee prior to the trip; (3) the list of House Members and employees who were invited; (4) the actual agenda and description of activities in which the traveler participated during the trip; (5) a copy of the approval letter or other written communication from the Committee authorizing the traveler’s participation in the trip; and (6) a copy of the Sponsor Post-Travel Disclosure Form, certifying the actual costs incurred by the traveler. It is the responsibility of a trip sponsor to certify on the Sponsor Post-Travel Disclosure Form the actual amount of travel costs paid on behalf of, or reimbursed to, a traveler, and to provide that form to the traveler within 10 days of their return from travel.⁶⁸ The Sponsor Post-Travel Disclosure Form contains the same “false statements” warning and certification warning as the pre-travel approval forms.

All post-travel disclosures for privately-sponsored travel are made available on the Clerk’s Web site shortly after filing.⁶⁹ The Clerk’s easy to use database allows the public to

⁶⁴ *Id.* § 104(hh).

⁶⁵ *Id.*

⁶⁶ *Id.* § 104(eg).

⁶⁷ *Id.* § 206.

⁶⁸ *Id.* § 603.1.

⁶⁹ At no point in the post-travel disclosure process does the Committee provide anything to the Clerk’s office. All components of the post-travel filing are provided by the traveler. Any incompleteness in a post-travel disclosure by a traveler is simply an indication that the traveler did not submit all of the required paperwork, not an indication that

search privately-sponsored trips by Member name, travel dates, private sponsor name, destination, or any combination of those fields. A user also has the option of downloading all private travel reports by year, going back to 2007.

3. Impermissible Gifts

The restrictions of the Gift Rule also do not apply to anything that a Member, officer, or employee “does not use and promptly returns to the donor.”⁷⁰ The Gift Rule also provides that a Member, officer, or employee may accept “[a]nything for which the [official] pays the market value.”⁷¹ Thus, when a Member or employee receives a gift that is unacceptable under the Gift Rule, the recipient generally must either return the gift or pay the market value of the gift.⁷² The Gift Rule provides additional options with regard to perishable items: “[w]hen it is not practicable to return a tangible item because it is perishable, the item may, at the discretion of the recipient, be given to an appropriate charity or destroyed.”⁷³ By extension, if the return of a gift is impossible—e.g., if the identity of the donor is unknown—the recipient may “return” the item by donating it to charity or destroying it, or the recipient may keep the item by paying the fair market value to the U.S. Treasury.

III. BACKGROUND

A. Committee Preapproval of Privately-Sponsored Officially-Connected Travel

Since the House rule changes regarding privately-sponsored travel in 2007, the Committee has conducted a thorough review of each proposed privately-sponsored trip. The Committee’s nonpartisan, professional staff recommends changes where necessary to bring a proposed trip into compliance with relevant laws, rules, or regulations and, on occasion, informs House Members and employees that a proposed trip is not permissible. The Committee recognizes both the significant benefit the public receives when their Representatives and their Representatives’ staff receive hands-on education and experience, as well as the mandate that outside groups be appropriately limited in what gifts and support they are allowed to provide to Members of Congress and congressional staff.

the traveler did not submit the appropriate pre-travel paperwork to the Committee or that the Committee approved a trip without having received and reviewed the appropriate forms.

⁷⁰ House Rule XXV, clause 5(a)(3)(A).

⁷¹ *Id.* Generally, for the purpose of the Gift Rule, items are valued at their retail, rather than wholesale prices. Often an item may be priced differently at different stores. A gift may be valued at the lowest price at which the item is available to the general public. (Other valuation criteria apply to certain items, such as tickets to entertainment events that do not have a listed face value and travel on private aircraft.) See *House Ethics Manual* at 73.

⁷² *Id.* At times when a Member, officer, or employee is unexpectedly presented with a gift at an event, he or she may be uncertain whether it can be accepted under the Gift Rule. In that circumstance, the individual may receive the gift and wait until after the event to review the provisions of the Gift Rule and make a decision on the gift’s acceptability.

⁷³ House Rule XXV, clause 5(a)(6).

In April and May 2013, the Committee received pre-travel approval requests for at least 10 House Members and 32 House employees to accept reimbursement of privately-sponsored travel expenses for the Trips. Each House traveler submitted all of the required pre-travel approval forms to the Committee prior to traveling. The review and approval process required the travelers to fill out and submit separate forms detailing the Trips' itineraries (which were often customized for each traveler), and information about the organization and funding of the Trips. One of the forms each traveler submitted to the Committee was a Primary Trip Sponsor Form.

Five different sponsors were identified as sponsors on the forms. In particular, the Members and some staff were invited by TCAE, the Council of Turkic American Associations (CTAA), and the Turkic American Federation of the Midwest (TAFM). The remaining House employees were invited by two other organizations: the Turkic American Alliance (TAA) and the Turkic American Federation of the Southeast (TAFS).

Each named sponsor completed a Primary Trip Sponsor Form, and on that form the sponsor stated that it was the sole sponsor of its trips. Each named sponsor also certified that, as the primary trip sponsor, it had "not accepted from any other source funds intended directly or indirectly to finance any aspect of the trip." As noted previously, the Primary Trip Sponsor Form includes multiple clear warnings that "[w]illful or knowing misrepresentations on this form may be subject to criminal prosecution pursuant to 18 U.S.C. § 1001." (emphasis in original.) The signature block of each type of sponsor form is also preceded by the statement, "I certify by my signature that the information contained in this form is true, complete, and correct to the best of my knowledge." Committee staff reviewed these forms and asked Members and sponsors for additional information where necessary.

While there were some similarities between the 42 Primary Trip Sponsor Forms submitted to the Committee, they were not all identical. For example, each sponsor submitted different itineraries for their trips. All of the itineraries included a visit to the "U.S.-Azerbaijan: Vision for Future" conference (the Conference). One of the sponsors, TCAE, was also listed as one of two organizers of the Conference. However, the Conference was not the only item on the different itineraries. Even on the days of the Conference, and on Trips sponsored by TCAE, the House travelers were scheduled both to attend portions of the Conference but also to participate in numerous non-Conference activities, such as meetings with the U.S. Ambassador to Azerbaijan, various Azeri government officials, and officials from the State Oil Company of the Azerbaijan Republic (SOCAR).

Ultimately, 10 Members and 32 House employees received approval from the Committee, in the form of a letter from the Chairman and Ranking Member, to participate in the Trips. After the Trips, the sponsors provided each of the travelers with a completed sponsor post-travel disclosure form—which as noted above includes a clear warning about the False Statements Act and a certification about the truthfulness of the disclosures—confirming the expenses paid by the private sponsors in connection with the Trips. The House travelers then included this information provided by the sponsors in the post-travel disclosure paperwork they filed with the Clerk of the House.

B. Initial Press Reports

On July 26, 2014, a press report alleged that the Conference was “sponsored” by entities other than the two named organizers of the Conference.⁷⁴ The evidence for this “sponsorship” was that the Conference was “festooned with the logos of SOCAR’s powerful energy allies, including BP and ConocoPhillips,” and a statement from BP that it paid \$10,000 for the Conference and paid more again for a follow up event that was scheduled to take place in Washington, D.C. the next year. The article further noted: that the two organizers of the Conference, TCAE and AFAZ, were both led by Mr. Oksuz and shared an address in Houston, Texas; that TCAE had “bare bones” tax filings; and that, according to Foreign Agent Registration Act filings in 2014, AFAZ received significant funding from SOCAR. The article also included a statement from an “expert in congressional ethics” asserting that corporate sponsorship of the Conference was “game over for whoever signed the House pre-trips forms stating falsely that there was no such sponsorship.”⁷⁵

After the initial press report was published, Committee staff reviewed the allegations. The staff noted that allegations of corporate “sponsorship” only referred to support for the Conference itself, not the Trips more generally, and that the Conference was only one part of the Trips. Further, the mere corporate sponsorship of a large event, such as the Conference, is not a *per se* violation of the Travel Regulations. Nor is the failure to note such sponsors, necessarily, problematic. The Travel Regulations plainly state that entities that provide financial support for an event, in exchange for a tangible benefit—such as advertising or named sponsorship at an event—are not “sponsors” for purposes of the Travel Regulations, if the event is held without regard to congressional participation. Indeed, House travelers routinely attend large conferences with dozens of corporate sponsors. Consistent with the Travel Regulations, the Committee does not automatically treat each corporate sponsor as a sponsor of the travel to such large conferences.

C. OCE Review

On January 29, 2015, OCE notified the Committee that it had initiated preliminary reviews of ten Members regarding the Trips. One of those ten Members did not travel to Azerbaijan on private sponsorship, but rather as part of a larger officially-connected trip paid for by the Oversight Committee. OCE did not move to a second-phase review for that Member. However, on March 2, 2015, OCE notified the Committee that it was moving to a second-phase review for the other nine Members. OCE did not initiate a review of any of the House staffers who participated in the Trips.

Under House rules, upon receipt of a notification from OCE that it is undertaking a review of a matter, “if the [Ethics Committee] is investigating such matter, the committee may at

⁷⁴ Will Tucker & Lise Olsen, “Lawmakers’ Trips to Baku Conference Raise Ethics Questions,” HOUSTON CHRON., July 26, 2014, available at <http://www.houstonchronicle.com/news/houston-texas/houston/article/Lawmakers-trips-to-Baku-conference-raise-ethics-5649142.php>.

⁷⁵ *Id.*

any time so notify [OCE] and request that [OCE] cease its review and refer the matter to the committee for its consideration.⁷⁶ This procedure, referred to as “cease-and-refer,” has been included in OCE’s organizing resolution since the House created OCE and has been retained in every Congress since when the House renewed OCE’s charter. The Special Task Force for Ethics Enforcement (Task Force) that recommended creation of OCE explained two reasons why it included the cease-and-refer mechanism in OCE’s organizing resolution. First, the Task Force noted there may be “certain cases where a matter may already be the subject of an undisclosed Standards Committee investigation in which the OCE may wish to avoid interference.”⁷⁷ Second, in some matters “the Committee may possess more complete information than OCE regarding an alleged violation and may be better equipped to handle the matter.”⁷⁸

The Task Force further intended that “[t]he board of the OCE must cooperate with such requests from the ... Committee at any point in the process.”⁷⁹ Accordingly, Section 1(d)(1) of House Resolution 895 from the 110th Congress (H. Res. 895), the resolution that founded OCE, makes OCE’s compliance with a “cease-and-refer” request mandatory. H. Res. 895 further states that, when responding to a cease-and-refer request, OCE “shall send a written report to the committee containing a statement that, upon the request of that committee, the matter is referred to it for its consideration, but no findings.”⁸⁰ Although OCE may not refer “findings” to the Committee following a cease-and-refer request, no provision of its organizing resolution would preclude OCE from sharing any materials it has gathered to date with the Committee as “supporting documentation.” Those materials could aid the Committee’s ongoing investigation, and the Committee would retain the ability to publish those materials in any public report or other statement.

Under the cease-and-refer mechanism, once the Committee has requested that OCE cease its review of a matter and refer it to the Committee, the review of that matter by the Committee is subject to the same deadlines and public reporting requirements as any other matter referred to the Committee by OCE.⁸¹ One additional requirement applies: if the Committee is unable to reach “final resolution” of a matter received from OCE pursuant to a cease-and-refer request

⁷⁶ See House Rule XI, clause 3(r).

⁷⁷ *Report of the Democratic Members of the Special Task Force on Ethics Enforcement*, H. Rep. 110-1, 110th Cong. 1st Sess. at 17 (December 2007).

⁷⁸ *Id.* at 18.

⁷⁹ *Id.* at 17.

⁸⁰ See H. Res. 895 § 1(d)(1).

⁸¹ Despite unsupported statements to the contrary, a request from the Committee that OCE “cease-and-refer” a matter is not an attempt by the Committee to “bury” the matter. Indeed, referrals to the Committee under the “cease-and-refer” rules come with their own strict time deadlines and mandatory public disclosure requirements. In fact, when a matter is the subject of a “cease-and-refer” request, House rules require that the referral eventually be made public. In contrast, one option available to OCE while reviewing a matter is to refer the matter to the Committee with a recommendation that the Committee dismiss the matter. In such a case, if the Committee agrees with the recommendation to dismiss a matter there is no public disclosure requirement. Since the start of the 111th Congress, OCE has referred 85 matters to the Committee—34 of which included a recommendation that the Committee dismiss the matter. The Committee’s “cease-and-refer” request in this case thus actually ensured that there would be public disclosure of the matter, and foreclosed the possibility that there would be no public disclosure of the matter.

within the applicable timeframes and notifies OCE that it has been unable to resolve the matter, OCE resumes its review of the matter.⁸² For purposes of determining whether the Committee has resolved a matter received following a cease-and-refer request or must return it to OCE, the Task Force intended that “final resolution shall include dismissal of the matter the Committee requested early from the OCE, establishment of an investigative subcommittee regarding the matter, or a conclusion or action which clearly indicates that the matter will no longer be considered by the Committee.”⁸³

The Committee unanimously voted to make a cease-and-refer request with regard to the nine separate OCE reviews related to the Trips because both rationales articulated by the Task Force as the basis for creating the cease-and-refer provision were present in this matter. First, the Committee had an ongoing investigation, and had already requested information from relevant parties. Second, the Committee possessed more complete information than OCE and is uniquely qualified to handle the matter. The Committee already had in its possession significant additional information (*e.g.*, materials generated during the trip approval process) and as discussed above is the only entity authorized to issue and enforce regulations for the House regarding privately-sponsored, officially-connected travel and the acceptance of gifts under the FGDA.

Finally, any recommendation from OCE to the Committee in these matters would have necessarily been superfluous. An OCE referral simply provides a recommendation to the Committee that it further review a matter or dismiss it—the referral may not include “any conclusions regarding the validity of the allegations upon which it is based or the guilt or innocence of the individual who is the subject of the review.”⁸⁴ Here, any recommendation would have been redundant because the Committee had already decided to investigate the matter and had begun that investigation. The Committee voted to make a cease-and-refer request in order to conserve significant House resources and to ensure a more effective, efficient investigation.

On March 4, 2015, the Chairman and Ranking Member sent a letter to OCE formally requesting that OCE cease its review of the Trips, and refer the matter immediately to the Committee. OCE did not immediately refer the matter to the Committee.⁸⁵ On April 21, 2015, the Committee further requested that when OCE referred the matter to the Committee, OCE should send the Committee all the evidence that OCE had gathered to date, again in the interest of efficiency.

⁸² See House Rule XI, clause 3(r); H. Res. 895 § 1(d)(2).

⁸³ *Report of the Democratic Members of the Special Task Force on Ethics Enforcement*, H. Rep. 110-1, 110th Cong., 1st Sess. at 17-18 (December 2007).

⁸⁴ See H. Res. 895 § 1(c)(2)(C). OCE may also inform the Committee that its review of the matter is unresolved due to a tie vote of the Board.

⁸⁵ OCE received the Committee’s cease and refer request on March 4, but did not respond until March 10, when the Co-Chairs informed the Committee by letter that its Board would not even discuss the Committee’s request until March 27, 2015.

On May 8, 2015, OCE referred nine Reports to the Committee regarding the Trips and approximately 10,000 pages of evidence it had collected. In its referral, OCE noted that it had requested documentary, and in some cases testimonial, information from dozens of sources, including the House travelers, the named trip sponsors, other attendees of the Conference, the corporate sponsors of the Conference, the travel agent who arranged travel for the approximately 350 attendees of the Conference, and the hotels at which Conference attendees stayed.⁸⁶ OCE noted in its referral that there were several sources from which it could not obtain information, including Mr. Oksuz, TCAE, and AFAZ.⁸⁷ In addition, OCE sent the Committee nine documents that it labeled as its “findings.” However, as discussed earlier, due to the Committee’s cease-and-refer request, OCE had no authority to send findings to the Committee. On June 17, 2015, the Committee unanimously voted to treat OCE’s referrals as referrals pursuant to the cease-and-refer rules. The Committee reviewed and considered the information included in the “findings” as supporting documentation, which OCE’s charter does not expressly prohibit it from providing to the Committee with a referral pursuant to a cease-and-refer request.

D. Committee Investigation

The Committee issued 12 subpoenas and 18 voluntary requests for information, and collected nearly 190,000 pages of materials, including supplemental materials provided by OCE. The Committee also interviewed ten witnesses, including one witness under oath. The Committee subpoenaed an eleventh person: Kemal Oksuz, who was in many respects the central witness to most of the substantive allegations in question. On June 9, 2015, Mr. Oksuz, through counsel, invoked his Fifth Amendment right to refuse to testify, as discussed further below. Mr. Oksuz also refused to comply with a subpoena for documents issued to him by the Committee.⁸⁸

The Committee obtained evidence from several sources from which OCE was unable to obtain evidence, or did not seek evidence. For example, TCAE and AFAZ both produced documents to the Committee. In addition, the Committee received bank records from Wells Fargo for both TCAE and AFAZ and documentary and testimonial evidence from Resul Aksoy, who worked with Mr. Oksuz at TCAE.⁸⁹

⁸⁶ Indeed, much of this review occurred after OCE received the Committee’s cease-and-refer request. The materials transmitted by OCE to the Committee include citations to 21 interviews of witnesses, including the dates of those interviews. Of those 21 interviews, only 1 interview had been conducted prior to March 4, 2015, when the Committee informed OCE that it had voted to make a cease and refer request for these matters.

⁸⁷ OCE also asserted that of the Members who went on the Trips refused to cooperate with OCE. However, each of those Members only did so after learning that the Committee had made a cease-and-refer request to OCE. Each Member fully cooperated with the Committee.

⁸⁸ As discussed in Section III.E. of this report, *infra*, shortly after OCE referred the nine matters regarding the Azerbaijan Trips to the Committee, public reports indicated that the press had received at least part of one of OCE’s referrals to the Committee regarding the Trips. The public reports about the matter came after the Committee had sought information from Mr. Oksuz, but before it could actually interview him. It was only after the public reports regarding OCE’s review that Mr. Oksuz invoked his Fifth Amendment rights.

⁸⁹ Mr. Aksoy, who one witness told OCE was Mr. Oksuz’s “number two person,” told the Committee he was not interviewed by OCE.

However, in addition to documentary and testimonial evidence not obtained from Mr. Oksuz, other potentially relevant evidence was also unavailable. Such evidence included documents and testimony from: the Azerbaijan offices of Practical Solutions Group (PSG); several possible corporate sponsors of the Conference (Azeri MI Drilling Fluids, Ltd., Caspian Drilling Company, Ltd., BP, and M-I SWACO); various hotels that allegedly provided accommodations to Members, including the Four Seasons Baku; and BAKIAD, a non-profit entity based in Turkey, similar to the U.S. Chamber of Commerce, that may have been involved in travel for Members and staff who traveled to Turkey as part of the Trips.

On June 22, 2015, the Committee announced that it had voted to extend its review of OCE's nine referrals for an additional 45-day period.

On July 16, 2015, the Committee sent letters to six of the nine Members who participated in the Trips, recommending that they return or otherwise remedy certain tangible gifts they received while on the Trips.⁹⁰ All six Members complied immediately and took or committed to take the corrective action the Committee recommended in its letters.

On July 29, 2015, the Committee unanimously voted to release this Report and take no further action with respect to the Members in question. Pursuant to House Rule XI, clause 3(a)(3) and Committee Rules 7(d) and 28, the Committee also voted to refer the matter to the Department of Justice for further investigation of the purported sponsors of the Trips, who are outside the Committee's jurisdiction. Finally, the Committee, pursuant to House Rule XI, clause 3(r), voted to release OCE's Reports as required under the cease-and-refer procedure. Because the cease-and-refer rules only require the Committee to release OCE's Reports, any release of other materials sent by OCE is within the discretion of the Committee. The Committee decided not to release publicly any other materials, because those materials contain evidence of possible criminal misconduct by several non-House individuals and entities, and the Committee determined that any such release could interfere with a potential investigation by the Department of Justice.

E. Unauthorized Disclosure of Investigation

Although the Committee is required to make public the materials transmitted to it by OCE in certain circumstances, the Committee is the only entity either required or authorized to make those materials public.⁹¹ In addition, those public disclosures are subject to certain conditions, such as a requirement that the Committee provide notice of a public release to the subject of an investigation. Unfortunately, that was not the case in this matter.

In any matter referred to the Committee by OCE either 1) following a cease and refer request from the Committee to OCE or 2) after OCE has completed a second-phase review and referred a matter to the Committee with a recommendation that the Committee further review the

⁹⁰ Prior to that date, the other three Members who received gifts during the Trips returned or otherwise disposed of them.

⁹¹ House Rule XI, clause 3(b)(8); H. Res. 895, Sec. 1(f).

matter, the Committee must make a public statement acknowledging its review of the matters in the OCE referral after an initial review period.⁹² However, in the event that the Committee has extended its review for an initial 45-day review period—as was the case here—although the Committee would be required to make a public statement, it would not be required to disclose additional substantive details of the investigation at that time.

On May 13, 2015, five days after OCE transmitted the nine referrals in this matter to the Committee, *The Washington Post* published a lengthy story on its Web site reporting that OCE had reviewed allegations related to privately-sponsored travel by House Members and staffers to Azerbaijan in 2013 and had referred the matters to the Committee.⁹³ The newspaper's story was based on and quoted from materials transmitted to the Committee by OCE. The Committee did not authorize the release of those materials, and such an unauthorized release may have violated House Rules and other standards of conduct. Moreover, the unauthorized disclosure of the materials directly impacted the Committee's investigation, which began well before OCE transmitted the materials to the Committee.

At the time *The Washington Post* published its story, it was more than five weeks before the Committee would have to make any public disclosure of the OCE referral. In addition, the Committee had issued a number of subpoenas to various individuals, and had issued requests for information to a number of entities in foreign countries. Discussions with all of those parties about their cooperation with the Committee's investigation were ongoing.

The story in *The Washington Post* quoted extensively from materials prepared by OCE, named the Members under review, and included numerous allegations about American and foreign entities and individuals outside the House. Following publication of the story, Kemal Oksuz, who was in many respects the central witness to most of the substantive allegations in question, invoked his Fifth Amendment right and refused to comply with Committee subpoenas seeking his testimony and documents. Foreign entities outside of the Committee's jurisdiction to compel cooperation also subsequently declined to cooperate with the Committee's investigation.

As such, the unauthorized disclosure of the material to *The Washington Post* impeded the Committee's ongoing investigation, and prevented it from gathering information critical to its investigation.

Anonymous leaks of ongoing ethics investigations are damaging to the Members involved, the ethics process, and the whole House. This is particularly true in this case. The Committee takes this matter very seriously. It is regrettable that the unauthorized disclosure impaired the Committee's investigation and impacted the notice rights that are mandated by House Rules for all subjects of an OCE referral.

⁹² Committee Rule 17A(b)(1).

⁹³ The next day, a similar story was published on the newspaper's front page. Scott Higham, Steven Rich, & Alice Crites, *Lawmakers Took Trip Paid for by Foreign Firm*, WASH. POST, May 14, 2015, at A1.

IV. FINDINGS

A. Scope of Findings

The Committee's investigation was broader in scope than OCE's review. OCE's reviews concerned House Members who traveled to Azerbaijan in May 2013. The Committee's investigation included not just Members, but also the 32 House employees who traveled to Azerbaijan during this timeframe. In addition to reviewing the conduct of House Members, OCE also spent considerable time and resources looking at the conduct of individuals and entities other than Members, officers, and employees of the House. However, this review did not uncover any evidence of wrongdoing by any House Member, officer, or employee; OCE noted in its Reports that the nine subjects of its referrals "did not knowingly accept" any impermissible gift of travel.

The Committee's investigation also uncovered additional evidence of criminal activity by the non-House individuals and entities. As it has done in the past, the Committee has determined that the evidence of criminal activity should be forwarded to the Department of Justice for further investigation.⁹⁴ However, the Committee's investigation was primarily concerned with: (1) what things of value did the House Members and employees receive; (2) was the acceptance of these items permissible under the applicable laws, rules, regulations, and other standards of conduct; (3) was there any evidence that the House Members and employees took any official action in connection with the receipt of these things of value; and (4) based on the foregoing facts, is any corrective action necessary. The Committee's investigation and its findings only looked at the conduct of non-House individuals and entities to the extent that it impacted the answers to these questions.

Following the Committee's extensive investigation, the Committee made the following findings.

B. What Did the House Members and Employees Receive?

In 2013, 10 House Members and 32 House employees accepted privately-sponsored travel to Azerbaijan. Some of those House travelers also traveled to Turkey. This travel was accepted after review and approval by the Committee. On the Trips, the Members and employees accepted airfare to and from the U.S., and in some cases between Turkey and Azerbaijan. The Members and employees also accepted local transportation, lodging, and meals. The airfare, local transportation, lodging, and meals accorded with the expenses that were preapproved by the Committee.

While in Azerbaijan, several of the House travelers also accepted tangible gifts. Among other things, Members received some combination of small and medium-sized rugs, tea sets,

⁹⁴ See Comm. on Ethics, *In the Matter of the Investigation into Officially Connected Travel of House Members to Attend the Carib News Foundation Multinational Business Conferences in 2007 and 2008*, H. Rep. 111-422, 111th Cong. 2nd Sess. (2010).

briefcases, CDs, DVDs, picture books, and scarves. Such items were not preapproved by the Committee. In fact, each of the Committee's preapproval letters included a standard warning regarding the possible receipt of gifts from foreign governments while on official travel.⁹⁵

C. Was the Acceptance Permissible?

1. Travel Expenses

All House travelers sought and received preapproval from the Committee to accept the various travel expenses accepted while on the Trips. This preapproval came in the form of a letter signed by the Chairman and Ranking Member of the Committee. By both statute and Committee rule, such a written letter from the Committee providing advice regarding a House traveler's prospective conduct acts as a shield against later adverse actions from the Committee against that traveler if such Member, officer, or employee acts in accordance with the written advice of the Committee. Such protections do not attach if the travel does not conform to the facts underlying the Committee's approval.

The Committee's investigation uncovered evidence that raised significant questions as to the true source of the funding for the travel expenses related to the Trips. Neither the Committee nor OCE found any evidence that any House travelers knew of issues regarding the true source of the funding for the travel expenses. Indeed, even following an extensive investigation, the Committee could not establish the actual source of funding for the travel expenses.

Much of the relevant evidence regarding this question is outside of the Committee's authority to compel, either because it resides outside of the U.S. or may be protected by the Constitutional protection against self-incrimination. Thus, no additional investigating could resolve these questions.

The pre-travel approval forms identified five American non-profit organizations as the sole sources of funding for the Trips. These non-profit groups supplied the travelers with itineraries and other documents relating to the Trips' logistics. The named trip sponsors prepared and signed disclosure forms that the House travelers provided to the Committee when seeking the Committee's approval for the Trips. In those forms, each non-profit stated that it was the sole sponsor of its trips and that it had not accepted any funds intended to finance any aspect of the trip, either directly or indirectly, from any other source.

The evidence indicates that many of the American non-profits named as sponsors did not actually pay for the House Members' and employees' travel expenses. Instead, the vast majority of funding for the travel expenses appears to have come from TCAE, and possibly AFAZ. Those

⁹⁵ Those warnings read, in relevant part, "House Members may accept, under the [FGDA], gifts of minimal value [currently \$350] tendered as a souvenir or mark of courtesy" by a foreign government. Any tangible gifts valued in excess of \$350 received from a foreign government must, within 60 days of acceptance, be disclosed on a Form for Disclosing Gifts from Foreign Governments and either turned over to the Clerk of the House, or, with the written approval of the Committee, retained for official use."

two entities, which operated out of the same office suite in Houston, Texas, and were both led by Mr. Oksuz, paid for and arranged the airfare for approximately 350 attendees of the Conference, including 10 House Members and 32 House employees. These entities made large, undifferentiated payments to Tursan Travel, a travel agent, which then booked the airfare for the 350 travelers to Azerbaijan. There is no evidence that any of the other non-profit entities reimbursed TCAE or AFAZ for these expenses.

During the investigation, Tursan Travel produced a number of invoices purporting to show separate airfare expenditures by AFAZ and TCAE, with travel for House Members and staff attributed to TCAE and non-House travel paid by AFAZ. However, evidence gathered by the Committee indicates that the travel agency did not create the invoices based on the actual tickets purchased. Notably, the amounts listed on those invoices match neither the amounts listed in the Sponsor Post-Travel Disclosures as amounts paid for the Members' transportation, nor the amounts listed in flight itineraries sent to the Members before the Trips.⁹⁶ When asked why airfare amounts listed on those invoices did not match airline itinerary documents, the travel agent said that he created the invoices based on directions from Mr. Oksuz and TCAE's Executive Director, Resul Aksoy. The travel agent said that the TCAE staff told him what amounts to invoice for each traveler's flights and whether each ticket purchase should be invoiced to TCAE or AFAZ. Mr. Aksoy, however, has denied any knowledge of or involvement with the invoices, stating that this was all handled by Mr. Oksuz, and Mr. Oksuz has refused to testify. The investigation did not reveal any credible documentary evidence to support the travel agent's assertions.⁹⁷

In the month leading up to the Conference, TCAE and AFAZ received large payments from PSG and SOCAR, respectively.⁹⁸ PSG is a consulting firm based in Azerbaijan with connections to SOCAR. SOCAR is an energy company that is wholly owned by the Republic of Azerbaijan. Without these cash infusions, neither TCAE nor AFAZ would have had sufficient funds to cover the payments to the travel agent. The payments from PSG were tied to a "Consulting Agreement" with TCAE for the Conference. The payments from SOCAR to AFAZ were tied to a "Sponsorship Agreement" for the Conference between AFAZ and SOCAR.⁹⁹

⁹⁶ In some cases, the differences between the invoiced amount and the fare listed on airline itineraries and post-travel forms submitted to the Committee are substantial. Airline itineraries list fares for Member travel ranging from \$530 more than the Tursan Travel invoice fare to \$1,000 less. The differences with the post-travel forms are even greater: for one Member, the invoiced fare is \$5,270 less than the ticket price indicated on the post-travel form.

⁹⁷ AFAZ did produce one document that purported to show that Tursan Travel invoiced AFAZ for some Member airfares, but given Mr. Oksuz's refusal to testify, and his central role in controlling AFAZ, the Committee could not determine whether AFAZ actually paid any invoiced amounts. The Committee also noted that Tursan Travel did not produce this invoice to the Committee, and the airfare amounts listed on the invoice to AFAZ do not match amounts listed on invoices Tursan Travel produced.

⁹⁸ In the materials submitted to the Committee, OCE noted that both TCAE and AFAZ used Wells Fargo bank and that OCE could not determine whether the entities had separate bank accounts. The Committee obtained records showing that the entities had separate bank accounts.

⁹⁹ There is some evidence that payments by PSG were, in fact, directed by SOCAR. PSG and SOCAR have a longstanding relationship. Also, SOCAR engaged PSG to plan and organize the U.S.-Azerbaijan Conference. Three days later, PSG entered into a separate Consulting Agreement with TCAE, whereby TCAE would work on

Both the Consulting Agreement and the Sponsorship Agreement included provisions whereby a majority of the fees would go towards paying an “International Preparation Fee (structure, employees, transportation).” Further, the Sponsorship Agreement between AFAZ and SOCAR specifically states that “[t]he Funding shall cover accommodation, traveling expenses, venue rental and all other related expenses and fees.” However, the agreements also provided that PSG and SOCAR would receive a tangible benefit—*i.e.*, named sponsorship rights and advertising.

No such parallel provision appeared in the Consulting Agreement between TCAE and PSG. TCAE produced an invoice it sent to PSG, listing services under their Consulting Agreement that included “Congressional Member Trips to Azerbaijan” and “Congressional Staff Trips to Azerbaijan,” in addition to a number of activities not related to the Conference. However, this document merely indicates that TCAE may have worked on Member and staff travel to the Conference as part of its agreement with PSG; it does not establish that PSG directed TCAE to invite Members and staff, and does not indicate whether PSG’s payment for TCAE’s work was funded by PSG or came from another source. Moreover, that invoice is dated for several months after the Conference, so it is not clear what level of knowledge, if any, PSG had with respect to TCAE inviting Members and staff to the Conference at the time of the Conference. And the Committee could not compel testimony from either Mr. Oksuz or any PSG employees in Azerbaijan to clarify these issues.

Even if there was sufficient evidence that the fees from PSG and SOCAR did contemplate congressional travel, PSG and SOCAR both received a tangible benefit in exchange for their sponsorship fees. Congressional travelers made up only 42 of the 350 Conference attendees who traveled to Azerbaijan. And there is no direct evidence that the Conference would not have occurred without, or was otherwise dependent upon, the attendance of one or more House Members or employees.

Thus, there is some evidence that some of the named trip sponsors did not pay for the airfare related to the Trips. However, the evidence as to which entity or entities actually funded the airfare expenses is inconclusive. There is even less evidence with regard to other travel expenses related to the Trips.

Regarding hotel expenses, there is no evidence of payments made by any entity for accommodations provided to House Members or employees while on the Trips. There is evidence that SOCAR had longstanding contracts and discounted rate agreements with two hotels where Conference attendees stayed: the Hilton Baku and the Four Seasons Baku. However, Counsel for SOCAR testified that the company’s internal review did not reveal any payments by SOCAR that specifically referenced the Conference. With one exception,¹⁰⁰ none

“convention organization” and “[s]ponsorship for International Flights for Speakers/Panelists and Guests.”

However, there is no evidence that SOCAR actually paid PSG for services with regard to the Conference.

¹⁰⁰ TCAE’s and TAFM’s productions to the Committee included invoices from the Four Seasons Hotel Baku for Member room stays in Azerbaijan, yet the Committee found no bank records evidencing payment of the invoices amount by any of the non-profits.

of the documentary evidence produced by any of the named trip sponsors included receipts, reservation confirmations, or any other records evidencing hotel stays paid for by those entities for House Members or employees during the U.S.-Azerbaijan Conference. Though the Committee subpoenaed every hotel where congressional travelers stayed while attending the Conference, the Committee obtained no evidence regarding the source of the funds used to pay for the Members' hotel stays in Azerbaijan.

Finally, there is a complete lack of evidence concerning the source of the funds used for food and in-country travel expenses.

2. Tangible Gifts

The Gift Rule prohibits the acceptance of any gift unless it qualifies for one of the enumerated exceptions in the rule. Moreover, unlike the travel expenses, the House travelers did not seek or receive preapproval for receipt of the tangible gifts. In fact, the travel approval letters each included a standard warning regarding the travelers' responsibilities with respect to gifts from foreign governments.¹⁰¹

Several House travelers told the Committee that the gifts were left in their hotel rooms with no indication of who provided them. When the travelers inquired, they were apparently given different answers about the origins of similar gifts. For example, one Member received two rugs while in Baku. That Member contacted Mr. Oksuz to determine where the rugs came from. Mr. Oksuz told the Member that the rugs were a gift from AFAZ. By contrast, another Member received a small rug from Mr. Oksuz shortly after the Trip, but when that Member asked Mr. Oksuz who provided it, he said it was a gift from the "people of Azerbaijan." Mr. Oksuz, of course, has refused to testify before the Committee. Thus, on the limited evidence available, the Committee could not determine who provided the gifts to the Members. Some of the travelers returned or otherwise disposed of their gifts on their own initiative, either before or after the Committee's investigation began.

The lack of clarity with regard to the donor or donors of the gifts is problematic for some exceptions to the Gift Rule, but irrelevant to others. For example, the Gift Rule exceptions with respect to gifts worth less than \$50 and for those authorized by the FGDA require knowledge of the donor's identity before accepting the gift since those provisions permit acceptance of gifts from donors who meet certain criteria. The provision that permits acceptance of a gift worth less than \$50 does not apply to gifts from registered lobbyists or agents of a foreign principal or private entities that retain or employ registered lobbyists or agents of a foreign principal.¹⁰² The FGDA permits acceptance of certain gifts, but only from foreign governments, as defined in the statute and Committee regulations.¹⁰³ Other Gift Rule exceptions, such as those that permit acceptance of nominal value gifts and informational materials, apply regardless of the identity of the donor, since they are not limited to certain types of donors.

¹⁰¹ See n. 95, *supra*.

¹⁰² House Rule XXV, clause 5(a)(1)(B)(i).

¹⁰³ 5 U.S.C. § 7342(a)(2).

Thus, the tangible gifts that are items of nominal value or information materials, such as the CDs, DVDs, and picture books, appear to qualify for a Gift Rule exception. However, some of the larger gifts, such as the rugs, tea sets, scarves, and jewelry would likely only be acceptable under one of the Gift Rule exceptions that require knowledge of the donor's identity, and are thus not acceptable in this case.

D. Was There Any Evidence of Official Action Taken in Connection with the Things Received?

The Committee uncovered no evidence that any House Member or employee took any official action in connection with either the travel expenses or tangible gifts received during the Trips.

E. Is Any Corrective Action Necessary?

1. Travel Expenses

The Committee has publicly addressed the appropriate remedy for the acceptance of potentially improper privately-sponsored travel expenses four times.

In the 96th Congress, the Committee investigated allegations that House Members and staff had accepted travel expenses from both the South African government and foreign non-profit entities that may have been directed by the South African government.¹⁰⁴ The Committee decided to take no further action, despite some evidence that Members and staff accepted travel paid for by the South African government and the foreign non-profits. The Committee's staff report noted that, although acceptance of the travel expenses would otherwise be a violation of applicable rules or statutes, no further action was appropriate for two reasons. First, the Committee could not conclude its investigation because several witnesses were unavailable and one refused to testify without a grant of immunity. Second, the Committee found that Members and staff were not aware, when the travel occurred, that it was paid for by the South African government. The report stated that "common sense and the legislative history of the Code of Official Conduct lead to the conclusion that an essential predicate for finding a violation is knowledge by the recipient of the gift that it came from an improper source."¹⁰⁵

In the 111th Congress, the Committee investigated allegations that Members accepted impermissible travel expenses for attendance at two conferences in the Caribbean. In that matter, the Committee had clear evidence that improper trip sponsors, including foreign governments and corporations that employed or retain lobbyists, paid for the Members' travel expenses.¹⁰⁶ This evidence included testimony that one or more foreign governments paid for portions of the

¹⁰⁴ See Comm. on Standards of Official Conduct (Comm. Print) *South African Investigation*, (1980) (South African Investigation).

¹⁰⁵ *Id.* at 4.

¹⁰⁶ See *Carib News* (2010) at 107-08.

Member travel and documentary evidence that other improper, undisclosed sponsors paid for other parts of the travel. Moreover, there was evidence that those travel expenses had been intended specifically for Members of Congress, and not provided more broadly to other attendees of the conferences. The Committee requested that the Members pay back the travel expenses, despite having received written preapproval from the Committee, and despite the fact that most of the travelers had no knowledge of the improper funding sources.

In the 113th Congress, the Committee issued two public reports regarding privately-sponsored travel.

In one matter, the Committee found that several staffers went on a multiday privately-sponsored trip to Turkey.¹⁰⁷ The staffers sought and received the Committee's written preapproval, but it was later discovered that one of the two trip sponsors employed or retained a lobbyist. The involvement of a sponsor that employed or retained a lobbyist thus made the trip improper under House Rules and the Committee's Travel Regulations. However, there was no evidence of any undisclosed foreign government or other foreign entity paying for travel expenses of the staffers. Given that the staffers had sought and received the Committee's approval and gone on the trip in good faith, the Committee decided not to require repayment of the expenses.

In another matter, the Committee investigated two different privately-sponsored trips taken by Members to Taiwan and ostensibly paid for by a private university in Taiwan.¹⁰⁸ Both Members sought and received the Committee's written preapproval of the trips. Evidence was later uncovered that the government of Taiwan may have paid for the Members' travel. However, the Committee could not conclusively determine whether the Taiwanese government paid for the travel. This was partially because neither the Taiwanese university nor the government of Taiwan cooperated with the Committee's investigation. Thus, the Committee determined that "such inconclusive evidence [was] insufficient to hold either Member accountable for reimbursement on that basis alone."¹⁰⁹ However, the Committee also found that one Member's trip was improper under House Rules and the Committee's Travel Regulations because of the ongoing involvement of a foreign agent in the trip. The Committee noted that the Member should have known the travel was improper because of the foreign agent's continued involvement. However, the Committee noted that the Member had already paid back the travel expenses, and thus, the Committee took no further action.

In this case, each House traveler sought and received the Committee's written preapproval to participate in the Trips. Neither the Committee nor OCE found that any of the House travelers knew, or had reason to know, that there were any issues with the travel. OCE informed the Committee that "there is no evidence that the Members of Congress knew that

¹⁰⁷ Comm. on Ethics, *In the Matter of Allegations Relating to Staff Travel Provided by the Turkish Coalition of America in August 2008*, H. Rep. 113-176, 113th Cong. 1st Sess. (2013).

¹⁰⁸ See Comm. on Ethics, *In the Matters of Allegations Relating to Travel to Taiwan by Representatives William Owens and Peter Roskam in 2011*, H. Rep. 113-266, 113th Cong. 1st Sess. (2013).

¹⁰⁹ *Id.* at 10.

additional, impermissible sponsors and organizers may have been involved in organizing and sponsoring the trip” and that “Members of Congress relied on the sponsors’ representations to them and the Committee on Ethics in good faith, and also relied in good faith on trip approval from the Committee on Ethics.” That is consistent with the Committee’s findings following an extensive investigation.

The Committee has uncovered some evidence that not all of the named sponsors paid all of the travel expenses related to Trips. However, after an extensive investigation, the Committee was unable to determine conclusively which entity or entities did ultimately fund the travel. As discussed above, following an unauthorized public disclosure and newspaper story about aspects of the investigation, the central witness to most of the substantive allegations in question invoked his Fifth Amendment right to refuse to testify and refused to comply with a subpoena for documents issued to him by the Committee. In addition, a number of other potential foreign witnesses also subsequently refused to cooperate with the investigation and are outside of the Committee’s authority to compel cooperation. The Committee has exhausted its options for gathering additional information from these parties.

The Committee has considered allegations relating to involvement in privately-sponsored travel by foreign governments and other entities that would have made such travel impermissible. Where the Committee has found direct, uncontroverted evidence that a foreign government paid for travel, and did so with the express intent that travel benefits be provided to House Members, the Committee has recommended that Members repay the cost of such travel—even where the Members acted in good faith, had appropriately sought and received Committee approval to accept the travel beforehand, and had no reason to be aware of the foreign government involvement.

Where: (1) Members sought and received Committee approval to accept travel and in good faith relied on the Committee’s approval; (2) the Committee was unable to establish that a foreign government or other source had involvement with the trip that would have rendered it impermissible; and (3) third parties beyond the Committee’s authority to compel cooperation refused to cooperate with the Committee’s investigation, the Committee has declined to recommend or require that House Members or employees repay the cost of the travel they accepted following Committee approval.

Therefore, consistent with the Committee’s precedent, the Committee has determined that the House Members and employees do not need to repay any of the travel expenses they accepted during the Trips.

2. Tangible Gifts

Recently, the Committee found that a Member accepted numerous gifts, including both tangible gifts and gifts of travel over many years.¹¹⁰ The Committee further found that, in many

¹¹⁰ Comm. on Ethics, *In the Matter of Allegations Relating to Representative Don Young*, H. Rep. 113-487, 113th Cong. 2d Sess. (2014).

instances, the Member should have known that gifts were improper. Thus, the Committee directed the Member to repay the value of the improper trips and gifts, to the total of \$59,063.74.¹¹¹

The remedy of repayment is consistent with how the Committee has historically treated impermissible gifts.¹¹² Indeed, the Committee has required repayment of improper gifts, even where the Member was initially unaware that they had received an improper gift.¹¹³

On July 16, 2015, the Committee, by letter to the six Members who received tangible gifts during the Trips and still had them in their possession, recommended that they return or otherwise remedy certain gifts. All six Members complied immediately, and took or committed to take the corrective action recommended by the Committee with respect to any impermissible tangible gifts.

V. CONCLUSION

In general, when a House Member, officer, or employee receives a gift that is not acceptable under the Gift Rule, the options for handling the unacceptable gift including paying the donor the gift's fair market value, returning the gift to the donor, donating the item to charity, turning the gift over to the Clerk, or destroying it, depending on the nature of the gift and the donor.¹¹⁴ All Members have voluntarily remedied, or committed to remedy, any impermissible tangible gifts received in connection with the Trips, and no further action with respect to those gifts is required. In addition, the Committee has contacted House staff who participated in the trips and provided guidance to them about tangible gifts they may have received.

When a House Member, officer, or employee seeks and receives advance written permission to accept a gift, that permission acts as a shield protect the individual from future action by this Committee, if the individuals conduct conforms to the Committee's written permission.

In this matter, the evidence was inconclusive as to the true source of travel expenses for the House travelers who accepted privately-sponsored travel to Azerbaijan. Although the Committee conducted a thorough and extensive investigation, its efforts to obtain testimony and evidence from key individuals and entities were impeded by the unauthorized public disclosure of materials relating to its investigation. This disclosure occurred prior to any public disclosure of the investigation by the Committee. Thus, the evidence was insufficient to overcome to protections afforded by the Committee's advance written approval.

¹¹¹ *Id.* at 1.

¹¹² See e.g., Comm. on Standards of Official Conduct, *In the Matter of Representative Jay Kim*, H. Rep. 105-797, 105th Cong., 2d Sess. 26-27 (1998).

¹¹³ See e.g., Comm. on Ethics, *In the Matter of Allegations Relating to Representative Jean Schmidt*, H. Rep. 112-195, 112th Cong., 1st Sess. 16-17 (2011).

¹¹⁴ *House Ethics Manual* at 57-59, 73-75.

However, the Committee's investigation uncovered evidence of concerted, possibly criminal efforts by various non-House individuals and entities to mislead the House travelers and the Committee about the Trips' true sponsors and the funding sources used to pay for Member and House employee travel to Azerbaijan. The Committee has jurisdiction to investigate allegations of misconduct by current House Members, officers, and employees. Accordingly, the Committee unanimously voted pursuant to House Rule XI, clause 3(a)(3) and Committee Rule 28 to refer the matter of third parties' conduct to the U.S. Department of Justice for such action as the Department deems necessary.

Through the issuance of 12 subpoenas and 18 voluntary requests for information, the Committee's investigation collected nearly 190,000 pages of materials, including about 10,000 pages of supplemental materials provided by OCE. Pursuant to Committee Rule 7(d), the Committee hereby authorizes the release of materials in the Committee's possession to the Department of Justice, as necessary for any further action the Department of Justice pursues as a result of this matter's referral.

The Committee intends to take no further action regarding this matter and thus considers it closed. This Report constitutes a final resolution of this matter under House Rule XI, clause 3(r).

The Chair is directed, upon providing the notices required pursuant to House Rule XI, clause 3(b)(8)(A), and Committee Rule 17A(b)(2), to file this report with the House. The filing of this report, along with its publication on the Committee's Web site, shall serve as publication of the OCE's Reports in these matters, pursuant to House Rule XI, clauses 3(b)(8)(A) and 3(r), and Committee Rules 17A(b)(3) and 17A(c)(2).

VI. STATEMENT UNDER HOUSE RULE XIII, CLAUSE 3(C)

The Committee made no special oversight findings in this Report. No budget statement is submitted. No funding is authorized by any measure in this Report.

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

**Holding a Criminal Term
Grand Jury Sworn in on November 3, 2016**

UNITED STATES OF AMERICA	:	Criminal No. 18-
	:	
v.	:	Grand Jury Original
	:	
KEMAL OKSUZ,	:	18 U.S.C. § 1001 (a)(1), (c)(1), (c)(2), 2
	:	(Concealment of Material Facts)
Also Known as	:	
Kevin Oksuz	:	18 U.S.C. § 1001 (a)(2), (c)(1),(c)(2), 2
	:	(False Statements)
	:	
Defendant.	:	
	:	
	:	
	:	<u>UNDER SEAL</u>

INDICTMENT

The Grand Jury charges that:

Unless otherwise specified, at all times material to this Indictment:

Introduction

1. Defendant **KEMAL OKSUZ** (“**Defendant OKSUZ**”) is a citizen of the United States. Between in or about January 2013 and in or about June 2014, Defendant OKSUZ was the president of the non-profit organization Turquoise Council of Americans and Eurasians (“TCAE”). TCAE, which had its principal place of business in Houston, Texas, sought to establish closer relations between the Turkic American Community and the local community at large by coordinating cultural exchanges and organizing trips to Turkey and surrounding countries.

2. The Turkic American Alliance (“TAA”) was created as an umbrella organization for six regional federations and over 240 local member organizations across the country, including TCAE. Its mission was to assist Turkic communities in cultural pursuits and connect them to

governments, media outlets, and educational opportunities. TAA was a non-profit organization located in Washington, D.C., with a board consisting of the leaders of the six regional federations.

3. In or about April 2013, TCAE, TAA and some of its regional federations invited several Members of Congress and their staff on a privately-sponsored trip to Turkey and Azerbaijan that was to take place in May 2013 (the “Trip”). During the portion of the Trip in Azerbaijan, Congressional Members and Staffers were to attend a convention in Baku, Azerbaijan entitled “U.S. – Azerbaijan: Vision for the Future” (the “Convention”), which was to focus on energy and trade issues. The Convention was attended by state and local government officials, energy company executives, academics, officials from the federal government, and other interested parties from the United States and other countries.

4. The Assembly of the Friends of Azerbaijan (“AFAZ”) was a non-profit organization focused on promoting United States-Azerbaijan relations in business, culture, and education. AFAZ was unaffiliated with TCAE or TAA. Beginning in or about April 2013, OKSUZ was the President of the AFAZ board of directors. During all times relevant to this Indictment, AFAZ had no employees.

5. The State Oil Company of Azerbaijan Republic (“SOCAR”) is a wholly state-owned national oil and gas company headquartered in Baku, Azerbaijan. During all times relevant to this Indictment, SOCAR had one office in the United States, SOCAR USA, which acted as its representative for government and business affairs. R.M. was the director of SOCAR USA and reported directly to the CEO of SOCAR in Azerbaijan.

6. Practical Solutions Group (“PSG”) was a consulting firm based in Azerbaijan, which incorporated an entity in the United States (“PSG USA”) in March 2012. I.A., who also served on AFAZ’s board of directors, was PSG USA’s president.

7. Travel Agency A is a travel agency based in Brooklyn, New York.

House Travel Guidelines and Regulations

8. Privately-sponsored travel by Members of the United States House of Representatives (“Members”) and their staff (“Staffers”) is regulated by the United States House of Representatives Committee on Ethics (“Ethics Committee”) through the United States House Travel Guidelines and Regulations (“House Travel Regulations”).

9. House Travel Regulation § 102 (General Rule) states: “No House Member or employee may accept the payment of travel expenses...from a private source to participate in a trip...without prior written authorization from the [Ethics] Committee pursuant to these regulations.”

10. House Travel Regulation § 404 (Responsibilities of Traveler) states: “Any traveler seeking [Ethics] Committee approval to accept travel expenses from a trip sponsor must...(a) submit complete and correct Traveler Forms, Trip Sponsor Forms, ...and (e) [f]ile the appropriate Post-Travel Disclosure Forms with the Clerk of the House pursuant to part 600 of these regulations.”

11. House Travel Regulation §§ 503 and 603.1 require trip sponsors to complete and submit to Members and Staffers: (i) Trip Sponsor Forms (“Trip Sponsor Forms”) certifying, among other information, the source(s) of funds used to pay for Congressional trips; and (ii) Sponsor Post-Travel Disclosure Forms (“Post-Travel Forms”) certifying, among other information, the source of payments and actual expenses paid on behalf of the sponsored travelers.

12. On the first page of the Trip Sponsor Form, the following bolded warning appears:

**Willful or knowing misrepresentations on this form may be
subject to criminal prosecution pursuant to 18 U.S.C. § 1001.**

13. The same warning also appears a second time on the Trip Sponsor Form immediately preceding the signature line of the Trip Sponsor representative, who, by signing the form, certifies that the “information contained in [the Trip Sponsor Form] is true, complete, and correct to the best of [the representative’s] knowledge.

14. The Post-Travel Form contains the same bolded warning and signature certification that appears on the Trip Sponsor Form.

15. House Travel Regulation § 504 (Approval by Ethics Committee) states: “Based on the information provided under these regulations, the [Ethics] Committee will evaluate and approve or deny any request to participate in a trip governed by these regulations.”

COUNT ONE

(Scheme to Falsify, Conceal and Cover Up Material Facts from the Ethics Committee)

16. The allegations set forth in paragraphs one through fifteen of this Indictment are incorporated herein by reference as if fully stated herein.

17. From in or about January 2013 to in or about June 2013, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the Government of the United States, and in connection with an administrative matter and review conducted pursuant to the authority of a committee of the United States Congress, consistent with applicable rules of the House of Representatives, defendant

KEMAL OKSUZ

knowingly and willfully falsified, concealed, and covered up by a trick, scheme, and device a material fact, in that, during the House Ethics Committee administrative matter and review of the Trip and Convention, Defendant OKSUZ, intended to and did misrepresent and conceal the true nature and extent of funding provided by SOCAR for the Trip and Convention.

PURPOSE OF THE SCHEME

18. It was a purpose of the scheme for Defendant OKSUZ to conceal from the Ethics Committee and the public that in violation of House Travel Regulations that OKSUZ used funds from SOCAR, a foreign state-owned oil company, and others known and unknown to the Grand Jury, and funneled such funds through TCAE and AFAZ, to finance aspects of the Trip.

MANNER AND MEANS

19. The manner and means included the following:

a. Defendant OKSUZ submitted and caused to be submitted to the Ethics Committee false Trip Sponsor Forms, which falsely stated and certified that TCAE had “not accepted from any other source funds intended directly or indirectly to finance any aspect of the [Trip],” when in truth and in fact, as Defendant OKSUZ well knew, TCAE accepted, both directly and indirectly, funds from other sources, including, but not limited to, from SOCAR, PSG and AFAZ, to finance aspects of the Trip;

b. Defendant OKSUZ, in communications with staff attorneys for the Ethics Committee, falsely represented, amongst other things, that TCAE was paying for all Trip expenses using its general funds and that TCAE had not received additional outside funding intended to subsidize expenses for the Trip; when in truth and in fact, as Defendant OKSUZ well knew, TCAE was not paying for all the Trip expenses and had accepted funding from outside sources, including, but not limited to, from SOCAR, PSG and AFAZ, to subsidize expenses for the Trip;

c. Defendant OKSUZ funneled funds obtained from SOCAR intended to fund Members’ and Staffers’ travel on the Trip through AFAZ and PSG to conceal or hide their true source;

d. Defendant OKSUZ established and used AFAZ and TCAE accounts to which he directly and indirectly funneled funds obtained from SOCAR to cover the costs for Members of Congress and their staff to travel on the Trip and attend the Convention; and

e. Defendant OKSUZ submitted and caused to be submitted to the Ethics Committee false Post-Travel Forms, which falsely stated and certified that TCAE was the Trip Sponsor “who paid for the trip,” including transportation and in-country expenses such as lodging and meals, of Congressional Members and Staffers who attended the Convention and Trip, when in truth and in fact, as Defendant OKSUZ well knew, TCAE did not pay for trip expenses, including transportation, lodging and meal expenses but instead accepted, both directly and indirectly, funds from other sources, including, but not limited to, from SOCAR, PSG and AFAZ to finance aspects of the Trip.

EXECUTION OF THE SCHEME

20. In furtherance of the scheme, and to accomplish its purpose, the defendant,

KEMAL OKSUZ

and others known and unknown to the Grand Jury, committed or caused the following acts, among others, in the District of Columbia and elsewhere.

Defendant OKSUZ Made False Representations to Obtain Approval for the Trip

21. Between in or about January 2013 and in or about June 2013, the Ethics Committee conducted an inquiry and review of the details surrounding the Trip, which was initiated when Defendant OKSUZ and others known and unknown to the Grand Jury, invited several Members of Congress and their staff on the Trip.

22. Several Members and Staffers accepted the invitations and sought approval from the Ethics Committee to go on the Trip and travel to Turkey and Azerbaijan and attend the Convention.

23. As a purported trip sponsor, and as required by the House Travel Regulations, Defendant OKSUZ, on behalf of TCAE, completed the following seven (7) Trip Sponsor Forms to sponsor five (5) Members and two (2) Staffers:

- a. Trip Sponsor Form submitted for House Member R.H.;
- b. Trip Sponsor Form submitted for House Member J.B.;
- c. Trip Sponsor Form submitted for House Member S.J.;
- d. Trip Sponsor Form submitted for House Member T.P.;
- e. Trip Sponsor Form submitted for House Member M.G.;
- f. Trip Sponsor Form submitted for House Staffer D.A.;
- g. Trip Sponsor Form submitted for House Staffer A.T.

24. In each Trip Sponsor Form, Defendant OKSUZ checked a box representing that TCAE had “not accepted from any other source funds intended directly or indirectly to finance any aspect of the trip.” Defendant OKSUZ certified, for each form, “the information contained in this [Trip Sponsor Form] is true, complete, and correct to the best of my knowledge.”

25. In or about February 2013 through in or about April 2013, Defendant OKSUZ, either in person or by email, submitted the seven Trip Sponsor Forms to the congressional offices of the five Members and two Staffers that TCAE sponsored, who, either directly or indirectly, submitted the forms to the Ethics Committee.

26. In or about January 2013, through in or about April 2013, the Ethics Committee conducted a review of documents submitted by Members and their Staffers, including the Trip

Sponsor Forms, in order to determine whether such travel by the Members and Staffers was in compliance with House Travel Regulations. The Ethics Committee relied on the truthfulness and accuracy of the information provided in the Trip Sponsor Forms when conducting their review of each Members and Staffers' request for approval to travel on the Trip. Based, in part, upon the false representations made by Defendant OKSUZ in the Trip Sponsor Forms that TCAE had not accepted funds from any other source to directly or indirectly finance the trip, the staff attorneys for the Ethics Committee recommended that the Members and Staffers be approved to go on the Trip. The Chairman and Ranking Member of the Ethics Committee accepted this recommendation and issued letters formally approving the Members and Staffers to go on the Trip and travel to Turkey and Azerbaijan and attend the Convention.

27. Between on or about January 2013 and on or about April 2013, and in response to requests for information, Defendant OKSUZ falsely represented to Ethics Committee staff attorneys the source of funding for the Trip and Convention. In one email exchange dated on or about March 17, 2013, an attorney from the Ethics Committee requested Defendant OKSUZ to "Please confirm TCAE will be paying for all trip expenses using its general funds. If TCAE received additional outside funding...intended to subsidize expenses for this trip...we would need to get details on who those funders/donors are...." Defendant OKSUZ falsely responded:

Yes, TCAE will be paying for all trip expenses using its general funds. TCAE never receives additional outside funding to subsidize expenses for the trips. Our donors are our members: individual and corporate members.

Defendant OKSUZ Obtained Funds from SOCAR and Other Sources to Finance the Trip

28. In April 2013, Defendant OKSUZ hired Travel Agency A to help coordinate and purchase all travel reservations associated with the Trip, including the airfare that was to be paid for transporting the Members and their Staffers to and from Turkey and Azerbaijan.

29. To pay for the travel reservations made by Travel Agency A, Defendant OKSUZ wired funds from bank accounts owned by TCAE and AFAZ to a bank account owned by Travel Agency A.

Funding Funneled from SOCAR and AFAZ

30. In or about April 2013, Defendant OKSUZ, and others known and unknown to the Grand Jury, adopted the AFAZ bylaws and appointed Defendant OKSUZ President of AFAZ.

31. In or about May 2013, Defendant OKSUZ executed an agreement on behalf of AFAZ securing a \$750,000 payment from SOCAR “to organize the Convention taking place in Baku, Azerbaijan on May 28-29, 2013.” Notwithstanding OKSUZ’s representation to the Ethics Committee that TCAE did not accept funding for the Trip from any other source, the agreement stated that SOCAR’s \$750,000 payment, which was half the projected budget for the Convention, would cover “accommodation, travelling expenses, venue rental and all other related expenses and fees.” An attachment to the agreement sets out the “Proposed Budget for the Convention”:

Proposed Budget for the Convention

Estimate Proposed Budget for the Convention	
SERVICE ITEMS	AMOUNT
Convention Organization	\$ 50,000.00
Hotel and Accommodations	\$ 100,000.00
Marketing and Advertising	\$ 25,000.00
Food & Entertainment	\$ 75,000.00
International Preparation Fee (structure, employees, transportation)	\$1,250,000.00
Miscellaneous	N/A
TOTAL	\$1,500,000.00

32. Defendant OKSUZ opened a Wells Fargo business checking account in the name of AFAZ ending in 9537 (“AFAZ Checking Account”) on or about February 8, 2013. In May 2013, Defendant OKSUZ was the only authorized signatory on the account. Records show that on or about May 2013 through July 2013, large wire transfers were made from SOCAR and other companies later identified as corporate sponsors for the Convention, to the AFAZ Checking Account, as follows:

Date of Deposit	Sponsor	Amount Deposited into AFAZ
5/14/13	SOCAR	\$750,000
5/16/13	Company A	\$50,000
5/31/13	Company B	\$10,000
6/13/13	Company C	\$10,000
6/21/13	Company D	\$10,000
7/12/13	Company E	\$10,000

33. Prior to the May 14, 2013, deposit from SOCAR, AFAZ had only \$283.15 in its checking account. Records also show that from the date AFAZ’s Checking Account was opened until the May 14, 2013, SOCAR deposit, the account had not carried a balance greater than \$283.15.

34. On or about May 16, 2013, AFAZ wired \$378,452 from the AFAZ Checking Account to Travel Agency A. Five days later on May 21, 2013, AFAZ wired another \$85,948 from the AFAZ Checking Account to Travel Agency A. In bank documents, Defendant OKSUZ

described that the May 2013 transfers to Travel Agency A were for “transportation for US-Azerbaijan conference” or for “US-AZ convention transportation.”

Funding Funneled from SOCAR and PSG

35. On or about February 8, 2013, PSG and SOCAR entered into an agreement for PSG to provide aid in planning events to promote Azerbaijan and SOCAR. On or about April 23, 2013, PSG and SOCAR executed a work order for PSG to provide aid in planning the Convention.

36. Notwithstanding Defendant OKSUZ’s representation to the Ethics Committee that TCAE did not accept funding for the Trip from any other source, in or about April 2013, Defendant OKSUZ executed an agreement on behalf of TCAE securing a \$750,000 payment from PSG for the “US-Azerbaijan Convention Baku 2013” (“TCAE-PSG Agreement”). The agreement sets out the below estimated budget for the Convention, which is identical to the proposed budget attached to the agreement Defendant OKSUZ executed between AFAZ and SOCAR:

Convention’s Estimated Total Budget: \$1,500,000

1. **Convention Organization: \$50,000**
2. **Hotel and Accommodations: \$100,000**
3. **Marketing and Advertising: \$25,000**
4. **Food & Entertainment: \$75,000**
5. **International Preparation Fee (structure, employees, transportation, etc.):\$1,250,000**
6. **Miscellaneous: N/A**

37. The TCAE-PSG Agreement further states that PSG’s “contribution of 50 percent of total expenses will be used toward any of the above mentioned expenditures” and that “[PSG] and [SOCAR] will be identified as the sponsors of the event and the company name and/or logo will appear on all advertising and event materials.”

38. On or about May 7, 2013, TCAE owned a Wells Fargo business checking account ending in 5513 (“TCAE Checking Account”) and carried a balance of approximately \$40,509.22. Notwithstanding OKSUZ’s representation to the Ethics Committee that TCAE did not accept funding for the trip from any other source, on or about May 7, 2013, PSG wired \$750,000, or half the projected budget for the Convention, from a bank located in Azerbaijan into TCAE’s Checking Account. Three days later on May 10, 2013, TCAE wire transferred \$515,235 to Travel Agency A to pay for Trip-related travel bookings. Without the funds transferred from PSG, TCAE would have had insufficient funds to wire transfer \$515,235 to Travel Agency A.

39. On or about May 21, 2013, TCAE wire transferred from its checking account approximately \$153,693 to Travel Agency A to pay for Trip-related travel.

40. On or about May 21, 2013 through in or about June 2013, TCAE and PSG amended the TCAE-PSG Agreement, increasing the proposed budget for the Convention to \$2,275,000 and PSG sent an additional \$774,642.14 in wire transfer payments to TCAE.

Post-Travel Forms

41. Following their return from Turkey and Azerbaijan in May or June of 2013, Members and Staffers compiled and filed with the Clerk of the House disclosure forms required by the House Travel Regulations, which included a completed Post-Travel Form for each traveler.

42. In or about June 2013, as required by the House Travel Regulations, Defendant OKSUZ completed the following seven (7) Post-Travel Forms on behalf of the same five (5) congressional Members and two (2) Staffers for which he had previously submitted Trip Sponsor Forms:

- a. Post-Travel Form submitted for House Member R.H.;
- b. Post-Travel Form submitted for House Member J.B.;
- c. Post-Travel Form submitted for House Member S.J.;

- d. Post-Travel Form submitted for House Member T.P.;
- e. Post-Travel Form submitted for House Member M.G.;
- f. Post-Travel Form submitted for House Staffer D.A.;
- g. Post-Travel Form submitted for House Staffer A.T.

43. Notwithstanding the fact that, as discussed above, TCAE had received funds from SOCAR, PSG, and AFAZ to fund the Trip and Convention, in each Post-Travel Form, Defendant OKSUZ represented (a) that TCAE was the respective Trip Sponsor “who paid for the trip” and (b) the specific amounts TCAE allegedly paid for in transportation, lodging and meal expenses, amongst others, on behalf of the above-referenced seven Members and Staffers. Defendant OKSUZ certified, for each form, “the information contained in this [Post-Travel Form] is true, complete, and correct to the best of my knowledge.”

44. In the Post-Travel Forms, Defendant Oksuz falsely represented that TCAE paid for in-country expenses such as lodging and meal expenses in Turkey, which were paid for by the Bosphorus Atlantic Cultural Association of Friendship and Cooperation (BAKIAD).

45. In or about June 2013, Defendant OKSUZ, either in person or by email, submitted the seven Post-Travel Forms to the congressional offices of the five Members and two Staffers that TCAE sponsored, who, either directly or indirectly, filed the Post-Travel Forms with the Clerk of the House.

46. In or about June 2013, the Ethics Committee conducted a review of Post-travel disclosures submitted to the Clerk of the House by the Members and Staffers, including the Post-Travel Forms, in order to determine whether the Trip to Turkey and Azerbaijan by the Members and Staffers complied with House Travel Regulations. The Ethics Committee relied on the truthfulness and accuracy of the information provided in the Post-Travel Forms when conducting

their review of each Members and Staffers' Post-travel disclosures. Based, in part, upon the false representations made by Defendant OKSUZ in the Post-Travel Forms, the Ethics Committee concluded the Members and Staffers travel to Turkey and Azerbaijan was in compliance with House Travel Regulations.

All in violation of Title 18, United States Code, Sections 1001(a)(1), (c)(1), (c)(2) and 2.

COUNT TWO
(Making a False Statement to the Ethics Committee on a Trip Sponsor Form)

47. The allegations set forth in paragraphs one through forty-six of this Indictment are incorporated herein by reference as if fully stated herein.

48. In or about April 2013, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the Government of the United States, and in connection with an administrative matter and review conducted pursuant to the authority of a committee of the United States Congress, consistent with applicable rules of the House of Representatives, defendant

KEMAL OKSUZ

knowingly and willfully made and caused to be made materially false, fictitious, and fraudulent statements and representations, in that, Defendant OKSUZ falsely represented and caused to be represented, on the Trip Sponsor Form submitted for House Member T.P., that TCAE had "not accepted from any other source funds intended directly or indirectly to finance any aspect of the [Trip]," which Defendant OKSUZ then certified, submitted and caused to be submitted to the Ethics Committee as true, complete and correct to the best of Defendant OKSUZ's knowledge, when in truth and in fact, as Defendant OKSUZ well knew, TCAE accepted, both directly and

indirectly, funds from other sources, including, but not limited to, from SOCAR, PSG and AFAZ, to finance aspects of the Trip.

In violation of Title 18, United States Code, Sections 1001(a)(2), (c)(1), (c)(2) and 2.

COUNT THREE
(Making a False Statement to the Ethics Committee on a Post-Travel Form)

49. The allegations set forth in paragraphs one through forty-eight of this Indictment are incorporated herein by reference as if fully stated herein.

50. In or about May 2013, through in or about June 2013, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the Government of the United States, and in connection with an administrative matter and review conducted pursuant to the authority of a committee of the United States Congress, consistent with applicable rules of the House of Representatives, defendant

KEMAL OKSUZ

knowingly and willfully made and caused to be made materially false, fictitious, and fraudulent statements, in that, Defendant OKSUZ falsely represented and caused to be represented on the Post-Travel Form, submitted for House Member T.P., that TCAE was the Trip Sponsor “who paid for the trip,” including transportation and in-country expenses such as lodging and meals, which Defendant OKSUZ then certified, submitted and caused to be submitted to the Ethics Committee as true, complete, and correct to the best of Defendant OKSUZ’s knowledge, when in truth and in fact, as Defendant OKSUZ well knew, TCAE did not pay for trip expenses, including transportation, lodging and meal expenses, amongst others, on behalf of House Member T.P.

In violation of Title 18, United States Code, Section 1001(a)(2), (c)(1), (c)(2) and 2.

COUNT FOUR
(Making a False Statement to the Ethics Committee on a Trip Sponsor Form)

51. The allegations set forth in paragraphs one through fifty of this Indictment are incorporated herein by reference as if fully stated herein.

52. In or about April 2013, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the Government of the United States, and in connection with an administrative matter and review conducted pursuant to the authority of a committee of the United States Congress, consistent with applicable rules of the House of Representatives, defendant

KEMAL OKSUZ

knowingly and willfully made and caused to be made materially false, fictitious, and fraudulent statements and representations, in that, Defendant OKSUZ falsely represented and caused to be represented, on the Trip Sponsor Form submitted for House Staffer A.T., that TCAE had “not accepted from any other source funds intended directly or indirectly to finance any aspect of the [Trip],” which Defendant OKSUZ then certified, submitted and caused to be submitted to the Ethics Committee as true, complete, and correct to the best of Defendant OKSUZ’s knowledge, when in truth and in fact, as Defendant OKSUZ well knew, TCAE accepted, both directly and indirectly, funds from other sources, including, but not limited to, from SOCAR to finance aspects of the Trip.

In violation of Title 18, United States Code, Sections 1001(a)(2), (c)(1), (c)(2) and 2.

COUNT FIVE
(Making a False Statement to the Ethics Committee on a Post-Travel Form)

53. The allegations set forth in paragraphs one through fifty-two of this Indictment are incorporated herein by reference as if fully stated herein.

54. In or about May 2013, through in or about June 2013, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the Government of the United States, and in connection with an administrative matter and review conducted pursuant to the authority of a committee of the United States Congress, consistent with applicable rules of the House of Representatives, defendant

KEMAL OKSUZ

knowingly and willfully made and caused to be made materially false, fictitious, and fraudulent statements, in that, Defendant OKSUZ falsely represented and caused to be represented on the Post-Travel Form, submitted to and for House Staffer A.T., that TCAE was the Trip Sponsor “who paid for the trip,” including transportation and in-country expenses such as lodging and meals, which Defendant OKSUZ then certified, submitted and caused to be submitted to the Ethics Committee as true, complete, and correct to the best of Defendant OKSUZ’s knowledge, when in truth and in fact, as Defendant OKSUZ well knew, TCAE did not pay for trip expenses, including transportation, lodging and meal expenses, amongst others, on behalf of House Staffer A.T.

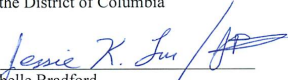
In violation of Title 18, United States Code, Section 1001(a)(2), (c)(1), (c)(2) and 2.

A TRUE BILL

FOREPERSON


ATTORNEY FOR THE UNITED STATES IN
AND FOR THE DISTRICT OF COLUMBIA

JESSIE K. LIU
United States Attorney
For the District of Columbia

By: 

Michelle Bradford
Assistant United States Attorney

ANNALOU TIROL
Acting Chief, Public Integrity

By: 

Marco A. Palmieri
Trial Attorney
Public Integrity Section
Criminal Division
U.S. Department of Justice

In re: Phase Two Charter School
Application: *Union Arts & Science
Charter School*

NEW JERSEY DEPARTMENT OF EDUCATION
COMMISSIONER OF EDUCATION

AFFIDAVIT OF
MARLA FEKETE AND JOHN HORRE

STATE OF NEW JERSEY :
 :SS
COUNTY OF MORRIS :

Marla Fekete and John Horre, of full age, duly sworn, hereby says:

1. We are employed by the Linden Public School District and each hold the position of "Attendance Officer".

2. In our capacity as Attendance Officers, the Superintendent of Schools, Dr. Danny Robertozzi, requested that we conduct an investigation to verify the Petitions submitted by the Union Arts and Science Charter School ("the Charter School") in support of the application submitted to the New Jersey Department of Education for approval as a Charter School.

3. On February 25, 2016 and February 26, 2016, we were able to investigate twenty-four (24) of the Petitions submitted by the Charter School. We went to each of the addresses listed on the twenty-four Petitions, identified ourselves and our purpose to the individual answering the door, and questioned the resident as to whether the information provided in the Petition was accurate.

4. Our investigation revealed the following results:

a. Attached hereto as **Exhibit A** is a true copy of the Petition signed by [REDACTED], which was submitted by the Charter School in support of its application.

i. The Petition signed by [REDACTED] lists his address as [REDACTED].

ii. [REDACTED] answered the door at [REDACTED].

- iii. [REDACTED] advised that he never uses his middle name "[REDACTED]" as his first name.
- iv. When we showed [REDACTED] the Petition attached hereto as Exhibit A, he adamantly denied ever previously seeing the document or signing it.
- b. Attached hereto as **Exhibit B** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] lists her address as [REDACTED].
 - ii. A new single family home is located at [REDACTED].
 - iii. A review of the tax records for the property identified in Exhibit B revealed that the home is owned by [REDACTED] and has never been owned by [REDACTED].
 - iv. The individual answering the door denied that [REDACTED] lived at that address and denied having any knowledge of Ms. [REDACTED].
- c. Attached hereto as **Exhibit C** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] lists his address as [REDACTED].
 - ii. A single family home is located at [REDACTED].
 - iii. The home located at [REDACTED] is owned and occupied by [REDACTED] and [REDACTED] and there is no [REDACTED] residing at that address.
 - iv. Mr. and Mrs. [REDACTED] have two children attending the Linden Public Schools.
- d. Attached hereto as **Exhibit D** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] lists his address as [REDACTED].
 - ii. A single family home is located at [REDACTED].

- iii. The individual answering the door denied that [REDACTED] lived at the address and denied having any knowledge of [REDACTED].
- e. Attached hereto as **Exhibit E** is a true copy of the Petition signed by [REDACTED], which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] lists his address as [REDACTED].
 - ii. There is no "[REDACTED] Street" in Linden, New Jersey; however, there is a [REDACTED] Avenue.
 - iii. The home located at [REDACTED] Avenue is occupied by [REDACTED].
 - iv. [REDACTED] denied that [REDACTED] lived at that address and denied having any knowledge of him.
- f. Attached hereto as **Exhibit F** is a true copy of the Petition signed by [REDACTED], which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] lists his address as [REDACTED].
 - ii. The home located at [REDACTED] is vacant.
 - iii. A review of the tax records for the property revealed that the home, which was previously owned by [REDACTED], was foreclosed on December 15, 2015.
- g. Attached hereto as **Exhibit G** is a true copy of the Petition signed by [REDACTED], which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] lists her address as [REDACTED].
 - ii. There is no "[REDACTED] Avenue" in Linden, New Jersey; however, there is a [REDACTED] Terrace.
 - iii. The home located at [REDACTED] Terrace is owned by the [REDACTED] family, who have two children attending the Linden Public Schools.
 - iv. The homeowner stated that [REDACTED] did not live at that address and denied having any knowledge of Ms. [REDACTED].

- h. Attached hereto as **Exhibit H** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.
- i. The Petition submitted by [REDACTED] lists his address as [REDACTED].
 - ii. There is no "[REDACTED] Avenue" in Linden; New Jersey; however, there is an "[REDACTED] Terrace".
 - iii. The woman answering the door at [REDACTED] Terrace advised that [REDACTED] did not reside at that address and denied having any knowledge of Mr. [REDACTED].
- i. Attached hereto as **Exhibit I** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.
- i. The Petition submitted by [REDACTED] lists his address as [REDACTED].
 - ii. [REDACTED] answered the door at [REDACTED].
 - iii. Mr. [REDACTED] advised that he and his wife, [REDACTED], reside in the home located at that address.
 - iv. Mr. [REDACTED] denied that [REDACTED] lives at that address and denied having any knowledge of Mr. [REDACTED].
- j. Attached hereto as **Exhibit J** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.
- i. The Petition submitted by [REDACTED] lists her address as [REDACTED].
 - ii. The District's records show that [REDACTED] and [REDACTED] reside at [REDACTED].
 - iii. The [REDACTED]'s teenage son answered the door. Mr. [REDACTED] denied that [REDACTED] resides at that address and denied having any knowledge of Ms. [REDACTED].
- k. Attached hereto as **Exhibit K** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.

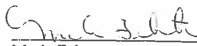
- i. The Petition signed by Ms. [REDACTED] lists her address as [REDACTED].
 - ii. The dwelling located at [REDACTED] is a two family home.
 - iii. The home is owned by [REDACTED] who resides in the upstairs apartment.
 - iv. Mr. [REDACTED] advised that he rents the lower apartment to the [REDACTED] family, whose child attends the Linden Public Schools.
 - v. Mr. [REDACTED] denied that [REDACTED] ever lived at that address and denied having any knowledge of Ms. [REDACTED].
- l. Attached hereto as **Exhibit L** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.
- i. The Petition submitted by [REDACTED] identifies his address as [REDACTED].
 - ii. There is no "[REDACTED]" in Linden, New Jersey; however, there is a "North [REDACTED] Street" and a "South [REDACTED] Street" in Linden. The "North" and "South" are always used as part of the address.
 - iii. The occupant at [REDACTED] South [REDACTED] Street advised that her last name is [REDACTED]; however, she stated that [REDACTED] does not reside at that address and she denied having any knowledge of [REDACTED].
- m. Attached hereto as **Exhibit M** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.
- i. The Petition submitted by [REDACTED] identifies his address as [REDACTED].
 - ii. The house located at this address was vacant and was bought by NJ DEP Green Acres on December 17, 2015.
- n. Attached hereto as **Exhibit N** is a true copy of the Petition signed by [REDACTED], which was submitted by the Charter School in support of its application.
- i. The Petition submitted by [REDACTED] identifies her address as [REDACTED].

- ii. Ms. [REDACTED] verified her name and address as written on the Petition; however, Ms. [REDACTED] adamantly stated that she had never previously seen the Petition and the signature contained on the document was not hers.
- o. Attached hereto as **Exhibit O** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] identifies his address as [REDACTED].
 - ii. The residence located at the identified address is a two family home.
 - iii. The second floor of the dwelling is currently unoccupied.
 - iv. The resident living in the first floor apartment was not [REDACTED] and the resident denied having any knowledge of Mr. [REDACTED].
- p. Attached hereto as **Exhibit P** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] identifies his address as [REDACTED].
 - ii. The dwelling located at this address was a two family home.
 - iii. Neither of the apartment's two residents were [REDACTED] nor did either resident have any knowledge of Mr. [REDACTED].
- q. Attached hereto as **Exhibit Q** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] identifies her address as [REDACTED].
 - ii. The dwelling located at [REDACTED] is a single family home.
 - iii. The gentleman answering the door advised that he has resided at this address for the past twenty-five (25) years.
 - iv. The resident further verified that Ms. [REDACTED] has never resided at that address and he denied having any knowledge of Ms. [REDACTED].
- r. Attached hereto as **Exhibit R** is a true copy of the Petition signed by "[REDACTED]", which was submitted by the Charter School in support of its application.

- i. The Petition submitted by [REDACTED] identifies her address as [REDACTED].
- ii. [REDACTED] is not an address within the geographic boundaries of the City of Linden.
- s. Attached hereto as **Exhibit S** is a true copy of the Petition signed by [REDACTED], which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] identifies his address as [REDACTED].
 - ii. [REDACTED] is not an address within the geographic boundaries of the City of Linden.
- t. Attached hereto as **Exhibit T** is a true copy of the Petition signed by [REDACTED], which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] lists her address as [REDACTED].
 - ii. Ms. [REDACTED] resides at that address.
 - iii. Ms. [REDACTED] is an elderly woman, who does not have any children or grandchildren who attend school.
 - iv. Ms. [REDACTED] advised that she is a Parishioner at St. Elizabeth's Church in Linden. She stated that during a Sunday morning Mass, the Priest spoke about how positive the Union Arts and Science Charter School would be for the community and encouraged the congregation to support the approval of the Charter School. The congregants were told that after Mass they should visit the people stationed at the back of the Church to sign the Petition.
- u. Attached hereto as **Exhibit U** is a true copy of the Petition signed by [REDACTED], which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] lists his address as [REDACTED].
 - ii. Mr. [REDACTED] resides at that address.
 - iii. Mr. [REDACTED]'s child attends Roselle Catholic High School.

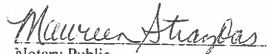
- iv. Mr. [REDACTED] advised that he is a Parishioner at St. Elizabeth's Church in Linden. He stated that at Sunday morning Mass for two weeks in a row, the Priest spoke about the Union Arts and Science Charter School and requested that the congregants sign a Petition supporting the School, which was available in the back of the Church following Mass.
- v. Attached hereto as **Exhibit V** is a true copy of the Petition signed by [REDACTED] which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] lists her address as [REDACTED]
 - ii. Ms. [REDACTED] resides at that address.
 - iii. Ms. [REDACTED] is 59 years old and does not have any children who attend school.
 - iv. Ms. [REDACTED] advised that she attends St. Elizabeth's Church in Linden and signed the Petition at the request of the Church.
- w. Attached hereto as **Exhibit W** is a true copy of the Petition signed by [REDACTED] which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] lists her address as [REDACTED]
 - ii. Ms. [REDACTED] resides at that address.
 - iii. Ms. [REDACTED] is 58 years old and does not have any school-aged children.
 - iv. Ms. [REDACTED] attends St. Elizabeth's Church and signed the Petition after Sunday Mass as requested by the Priest.
- x. Attached hereto as **Exhibit X** is a true copy of the Petition signed by [REDACTED] which was submitted by the Charter School in support of its application.
 - i. The Petition submitted by [REDACTED] lists her address as [REDACTED]
 - ii. Ms. [REDACTED] resides at that address.
 - iii. Ms. [REDACTED] who is the mother of [REDACTED] is 84 years old and does not have any children or grandchildren who attend school.

iv. Ms. [REDACTED] who attended Mass at St. Elizabeth's Church in Linden with her daughter, Ms. [REDACTED], also signed the Petition after Mass as requested by the Priest.




Marla Fekete

Sworn and subscribed to
before me this 29 day
of February, 2016.



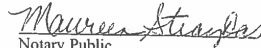
Notary Public

MAUREEN STRAZDAS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 9/2/2017



John Horje

Sworn and subscribed to
before me this 29 day
of February, 2016.



Notary Public

MAUREEN STRAZDAS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 9/2/2017

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA) No.
))
) v.) Violations: Title 18, United States
)) Code, Sections 371, 666(a)(1)(B),
MICHAEL J. MADIGAN and)) 1343, 1346, 1951, 1952(a)(3),
MICHAEL F. McCLAIN)) 1962(d), and 2

COUNT ONE

The SPECIAL APRIL 2021 GRAND JURY charges:

1. At times material to this indictment:

The Illinois General Assembly and the Speaker of the House

a. The legislative branch of government for the State of Illinois was commonly known as the Illinois General Assembly. The Illinois General Assembly was composed of two houses: the House of Representatives and the Senate. The Illinois General Assembly commonly met for a spring session, which concluded in or around the end of May. Legislation that passed in the spring session but was then vetoed by the Governor or that did not pass in the spring session could be considered in the General Assembly's veto session, which commonly occurred in November.

b. The House of Representatives was comprised of 118 members, each of whom represented a district within the State of Illinois, and who were also known as Representatives. Representatives were publicly elected, were employees and agents of the State of Illinois, and were paid a salary by the State of Illinois. The State of

Illinois annually received in excess of \$10,000 in federal benefits in each calendar year from 2011 through 2019.

c. The presiding officer of the House of Representatives was known as the Speaker of the House of Representatives. The Speaker had a variety of formal and informal powers, including but not limited to: (i) the power to appoint members to House committees that would consider bills introduced in the House, including whether such bills were suitable for consideration by the House as a whole; (ii) the power to influence the movement of bills within the House; (iii) the power to decide what legislation would be called for a vote in the House; and (iv) the power to exercise substantial influence over fellow lawmakers concerning legislation.

d. The Speaker maintained an office (the “Office of the Speaker”) within the State Capitol, which was located in Springfield, Illinois. The Office of the Speaker had a staff of individuals that assisted the Speaker in performing the Speaker’s official duties.

The Chicago City Council, Aldermen & Committeemen

e. The City of Chicago was a unit of local government known as a municipal corporation, and a political subdivision of the State of Illinois.

f. The City of Chicago’s legislative branch of government was the Chicago City Council (the “City Council”), which comprised fifty City Council members, each of whom represented one of Chicago’s fifty wards, and who were also known as Aldermen. The Aldermen were compensated and publicly elected. It was one of the

functions of Aldermen to provide or withhold their support for real estate development projects proposed for land in their respective wards, which support or non-support was instrumental in securing necessary governmental action or inaction relating to the proposed projects.

g. The City Council maintained a Committee on Zoning, Landmarks & Building Standards, which exercised legislative powers pertaining to land use in the City of Chicago, including the approval of zoning changes and other authorizations required for real estate development projects.

h. Each ward also publicly elected individuals for each respective political party that were each known as a “Committeeman” or “Committeeperson.” A Committeeman had varying roles in each ward, that could include such tasks and duties as addressing day-to-day grievances presented by ward residents; having a role in endorsing candidates for office and deciding the composition of the “slate” of candidates for their political party for office within Cook County; and having a role in deciding who would be appointed to fill any vacancies that arose with respect to certain public offices.

The Thirteenth Ward Democratic Organization

i. The State of Illinois’s Twenty-Second District was largely made up of two Chicago wards: the Thirteenth Ward and the Twenty-Third Ward.

j. The Thirteenth Ward Democratic Organization was a political party committee that maintained an office within Chicago’s Thirteenth Ward at 6500 South Pulaski Road, Chicago, Illinois (the “Thirteenth Ward Office”). The purpose of the

Thirteenth Ward Democratic Organization was to, among other things, cultivate support for political candidates and public officials who ran for and held public office through a variety of means, which included door-to-door campaigning by political workers, including those known as “precinct captains,” who were associated with the Thirteenth Ward Democratic Organization.

Madigan & Getzendanner

k. Madigan & Getzendanner was a law firm with offices located in Chicago, Illinois. Madigan & Getzendanner specialized in contesting tax assessments made on real property and seeking reductions in such tax assessments for the firm’s clients.

The Democratic Party of Illinois

l. The Democratic Party of Illinois was a political party organization whose purposes included fostering support for political candidates and public officials throughout the State of Illinois by providing these individuals with, among other things, campaign funding, staffing, and other resources.

Relevant Individual

m. Alderman A was Alderman of the Twenty-Fifth Ward in Chicago and Chairman of the Committee on Zoning, Landmarks & Building Standards. As Chairman of the Committee on Zoning, Landmarks & Building Standards, Alderman A had authority over which matters would be considered by that Committee. Alderman A cooperated in an undercover capacity with the Federal Bureau of Investigation, and

acted at the direction of law enforcement, a fact that was unknown to the defendants prior to in or around January 2019.

State Law: Acts Involving Bribery

n. There was in force and effect felony criminal statutes of the State of Illinois which were punishable by imprisonment for more than one year, that prohibited bribery, including the bribery statute, Chapter 720 Illinois Compiled Statutes § 5/33-1(d)-(e); the official misconduct statute, Chapter 720 Illinois Compiled Statutes § 5/33-3(a)(4) (formerly codified as Chapter 720 Illinois Compiled Statutes § 33-3(d)); and the legislative misconduct statutes, Chapter 720 Illinois Compiled Statutes § 645/1 (effective until December 31, 2012) and Chapter 720 Illinois Compiled Statutes § 5/33-8 (effective January 1, 2013).

These statutes provided in pertinent part:

Section 5/33-1. Bribery

A person commits bribery when:

(d) He or she receives, retains or agrees to accept any property or personal advantage which he or she is not authorized by law to accept knowing that the property or personal advantage was promised or tendered with intent to cause him or her to influence the performance of any act related to the employment or function of any public officer, public employee, juror or witness; or

(e) He or she solicits, receives, retains, or agrees to accept any property or personal advantage pursuant to an understanding that he or she shall improperly influence or attempt to influence the performance of any act related to the employment or function of any public officer, public employee, juror or witness.

Section 5/33-3. Official Misconduct

(a) A public officer or employee or special government agent commits misconduct when, in his official capacity . . . he or she commits any of the following acts:

(4) Solicits or knowingly accepts for the performance of any act a fee or reward which he knows is not authorized by law.

Section 645/1. Acceptance of money, etc.; prohibition

No member of the General Assembly shall accept or receive, directly or indirectly, any money or other valuable thing, from any corporation, company or person, for any vote or influence he may give or withhold on any bill, resolution or appropriation, or for any other official act.

Section 5/33-8. Legislative Misconduct

(a) A member of the General Assembly commits legislative misconduct when he or she knowingly accepts or receives, directly or indirectly, any money or other valuable thing, from any corporation, company or person, for any vote or influence he or she may give or withhold on any bill, resolution or appropriation, or for any other official act.

Federal Law: Extortion and Use of Interstate Facility in Aid of Racketeering Activity

o. There was in force and effect a federal statute, Title 18, United States Code, Section 1951, which prohibited extortion, attempted extortion, and conspiracy to commit extortion affecting commerce either through the wrongful use of actual and threatened fear of economic harm or under color of official right or both.

p. There was in force and effect a federal statute, Title 18, United States Code, Section 1952, which prohibited the use of any facility in interstate commerce in aid of racketeering activity, including extortion and bribery in violation of the laws of the United States and the State of Illinois.

I. THE ENTERPRISE

2. Defendant MICHAEL J. MADIGAN, defendant MICHAEL F. McCLAIN, the Office of the Speaker, the Thirteenth Ward Democratic Organization, Madigan & Getzendanner, and others known and unknown together constituted an enterprise as that term is defined in Title 18, United States Code, Section 1961(4), that is, a group of individuals and entities associated in fact (referred to herein as the “Madigan Enterprise” or the “enterprise”). The Madigan Enterprise was engaged in, and its activities affected, interstate commerce. The Madigan Enterprise constituted an ongoing organization whose members functioned as a continuing unit for the common purpose of achieving the objectives of the enterprise.

3. The purposes of the Madigan Enterprise included but were not limited to: (i) to exercise, to preserve, and to enhance MADIGAN’s political power and financial well-being; (ii) to financially reward MADIGAN’s political allies, political workers, and associates for their loyalty, association with, and work for MADIGAN; and (iii) to generate income for members and associates of the enterprise through illegal activities.

4. The illegal activities committed by members and associates of the Madigan Enterprise included, but were not limited to: (a) soliciting and receiving bribes and unlawful personal financial advantage from persons and parties having business with the State of Illinois and the City of Chicago, or otherwise subject to the authority and powers vested in MADIGAN and other public officials acting on MADIGAN’s behalf; (b) using MADIGAN’s powers as Speaker, including his ability to affect the progress of bills in the

House of Representatives, as well as his control over the resources of the Office of the Speaker, including its staff, in order to cause third parties to financially reward MADIGAN, his political allies, political workers, and associates; (c) using threats, intimidation, and extortion to solicit benefits from private parties; and (d) using facilities of interstate commerce to coordinate, plan, and further the goals of the enterprise.

5. In order to carry out its activities, the enterprise utilized individuals employed by and associated with it who had varying roles and responsibilities. The defendants occupied the following roles and responsibilities:

DEFENDANT MICHAEL J. MADIGAN

6. MADIGAN occupied a number of positions, including but not limited to the following: (i) Representative for the State of Illinois's Twenty-Second District; (ii) Speaker of the House of Representatives; (iii) Democratic Committeeman for the Thirteenth Ward; (iv) Chairman of the Thirteenth Ward Democratic Organization; (v) Chairman of the Democratic Party of Illinois; and (vi) partner in Madigan & Getzendanner through a corporate entity.

7. MADIGAN was the leader of the enterprise, and used these positions to oversee, direct, and guide certain of the enterprise's illegal activities. Among other things, MADIGAN utilized his official positions as a Representative and Speaker: (i) to cause various businesses to employ, contract with, and make direct and indirect monetary payments to MADIGAN's political allies, political workers, and associates as a reward for and to promote their loyalty, association with, and work for MADIGAN, at times in

return for little or no legitimate work performed for the benefit of the businesses; and (ii) to solicit and receive from persons and parties having business with the State of Illinois and the City of Chicago, or otherwise subject to the authority and powers vested in MADIGAN and other public officials acting on MADIGAN's behalf, including Alderman A, bribes and unlawful personal financial advantage, including but not limited to fees arising from the retention of his law firm, Madigan & Getzendanner. MADIGAN utilized his positions as Democratic Committeeman for the Thirteenth Ward and Chairman of the Thirteenth Ward Democratic Organization to direct the activities of his political allies and political workers within the Thirteenth Ward, and to maintain his political power for purposes of ensuring his continued retention of his positions as a member of the Illinois House of Representatives and Speaker. MADIGAN utilized his position as Chairman of the Democratic Party of Illinois to influence and garner loyalty from legislators by providing or withholding staff and funding to legislators and their campaigns. MADIGAN utilized his position as a partner in Madigan & Getzendanner to reap the benefits of private legal work unlawfully steered to his law firm. MADIGAN directed the activities of his close friend and associate, McCLAIN, who carried out illegal activity at MADIGAN's direction.

DEFENDANT MICHAEL F. McCLAIN

8. McCLAIN served with MADIGAN in the House of Representatives for approximately ten years beginning in 1972. McCLAIN was an attorney who was registered to practice law from between in or around 1977 to in or around 2016. After

McCLAIN's service in the House of Representatives, McCLAIN served as a lobbyist and/or consultant, including for Commonwealth Edison Company.

9. McCLAIN served the enterprise by, among other things: (i) making unlawful demands on MADIGAN's behalf to third parties, such as corporate executives and lobbyists, for jobs and payments to be made to MADIGAN's political allies, political workers, and associates, thereby acting as an intermediary in order to shield MADIGAN from direct contact with third parties in connection with the discussion of the enterprise's criminal activity; (ii) causing the creation of false documentation and formulating means of indirect payment in order to conceal the true nature of payments made to MADIGAN's political allies, political workers, and associates; (iii) conveying MADIGAN's instructions and messages to public officials, lobbyists, and business executives, including but not limited to instructions on whether MADIGAN wished to support, advance, or hold legislation pending before the General Assembly; (iv) providing strategic advice to MADIGAN on sensitive political matters; (v) briefing MADIGAN on his activities on behalf of the enterprise; (vi) otherwise acting as MADIGAN's agent for the purposes of conveying MADIGAN's instructions, requests, and messages to third parties; and (vii) using intimidation to advance the interests of the enterprise's illegal activities.

II. THE RACKETEERING CONSPIRACY

10. Beginning no later than in or around 2011, and continuing through in or around 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN and
MICHAEL F. McCLAIN,

defendants herein, being persons employed by and associated with an enterprise, namely, the Madigan Enterprise as described in paragraphs 2-9 above, which enterprise engaged in, and the activities of which affected, interstate commerce, did knowingly conspire together and with others known and unknown to the Grand Jury, to conduct and participate, directly and indirectly, in the conduct of the affairs of the enterprise through a pattern of racketeering activity as those terms are defined in Title 18, United States Code, Sections 1961(1) and (5), in violation of Title 18, United States Code, Section 1962(c), as further specified in paragraphs 11 and 12 below.

11. The pattern of racketeering activity consisted of:

a. multiple acts indictable under:

i. Title 18, United States Code, Section 1951 (relating to interference with commerce by extortion); and

ii. Title 18, United States Code, Section 1952 (relating to the use of facilities in interstate commerce in aid of racketeering activity); and

b. multiple acts and threats involving bribery chargeable under the following provisions of the law of the State of Illinois: Chapter 720 Illinois Compiled Statutes § 5/33-1(d)-(e); Chapter 720 Illinois Compiled Statutes § 5/33-3(a)(4) (formerly

codified as Chapter 720 Illinois Compiled Statutes § 33-3(d)); Chapter 720 Illinois Compiled Statutes § 645/1 (effective until December 31, 2012); and Chapter 720 Illinois Compiled Statutes § 5/33-8 (effective January 1, 2013).

12. It was part of the conspiracy that each defendant agreed that a conspirator would commit at least two acts of racketeering in the conduct of the affairs of the enterprise.

III. MANNER AND MEANS OF THE CONSPIRACY

13. The manner and means by which the conspirators agreed to conduct and participate in the conduct of the affairs of the enterprise included, among others, the following:

a. It was part of the conspiracy that MADIGAN's and Alderman A's positions as public officials (including Alderman A's position as Chairman of the Committee on Zoning, Landmarks & Building Standards) would be and were used to solicit and receive from persons and parties having business before the State of Illinois and the City of Chicago, or otherwise subject to the authority and powers vested in MADIGAN and Alderman A, unlawful personal financial advantage, including but not limited to fees arising from the retention of MADIGAN's law firm, Madigan & Getzendanner.

b. It was further part of the conspiracy that private benefits for MADIGAN's political allies, political workers, and associates would be and were solicited from various entities having business before the General Assembly.

c. It was further part of the conspiracy that defendant MADIGAN's official position as Speaker of the House of Representatives and control over the staff of the Office of the Speaker would be and was used to take and cause official action, including: (1) the promotion, support, and furtherance of legislation favorable to, and obstruction of legislation unfavorable to, companies that would and did provide private benefits to MADIGAN and MADIGAN's political allies, political workers, and associates; and (2) the appointment of MADIGAN's political allies, political workers, and associates to public employment, including but not limited to appointments made in exchange and as a reward for private benefits provided to MADIGAN, including but not limited to private work for MADIGAN's law firm, Madigan & Getzendanner.

d. It was further part of the conspiracy that nominees and intermediaries would be and were used in order to conceal and direct payments received from entities having business before the General Assembly to MADIGAN's political allies, political workers, and associates.

e. It was further part of the conspiracy that documentation would be and was prepared to make it falsely appear that certain payments made for the purpose of bribing MADIGAN were made solely for legitimate commercial purposes.

f. It was further part of the conspiracy that intimidation and threats would be and were used to cause third parties to provide private benefits to MADIGAN, his political allies, political workers, and associates.

g. It was further part of the conspiracy that the internet, email accounts, cellular telephones, landline telephones, and associated communications networks would be and were used with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of bribery and extortion; and thereafter, a member of the conspiracy would and did perform, cause to be performed and aid and abet the performance of acts to promote, manage, establish, and carry on and facilitate the promotion, management, establishment, and carrying on of said unlawful activity.

h. It was further part of the conspiracy that the conspirators would and did use coded language in their discussions and used coded references for purposes of discussing fellow conspirators.

i. It was further part of the conspiracy that the conspirators would and did meet in person and use third parties' cellular and private telephones in order to reduce law enforcement's ability to intercept their communications.

j. It was further part of the conspiracy that the conspirators misrepresented, concealed and hid, caused to be misrepresented, concealed and hidden, and attempted to misrepresent, conceal and hide the illegal operation of the enterprise and acts done in furtherance of the enterprise.

All of the above in violation of Title 18, United State Code, Section 1962(d).

COUNT TWO

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1(a) through 1(j), 6 and 8 of Count One of this indictment are realleged and incorporated here.

2. At times material to Count Two of this indictment:

Commonwealth Edison Company and Affiliates

a. Commonwealth Edison Company (“ComEd”), with headquarters located in Chicago, delivered electricity to industrial, commercial, and residential customers across northern Illinois and was the largest utility company in the State.

b. As a utility, ComEd was subject to extensive regulation by the State of Illinois. The State of Illinois regulated the rates that ComEd could charge its customers, as well as the rate of return ComEd could realize from its business operations.

c. ComEd maintained a summer internship program (the “ComEd Internship Program”) that provided paid internship positions to students. Based on their performance during the internship, participating students could be considered for subsequent summer internship positions or full-time jobs within ComEd.

d. ComEd was a majority-owned indirect subsidiary of Exelon Corporation (“Exelon”), a utility services holding company that provided energy to customers in multiple states. ComEd and Exelon had a class of securities registered pursuant to Section 12 of the Securities and Exchange Act of 1934 (15 U.S.C. § 78a *et seq.*) and were required to file reports with the Securities and Exchange Commission under

Section 15(d) of the Exchange Act. ComEd and Exelon were therefore each an “issuer” under the Foreign Corrupt Practices Act of 1977 (the “FCPA”).

e. Exelon Business Services Company, LLC (“Exelon Business Services”) was a limited liability company organized under the laws of the State of Delaware. Exelon was the sole member of Exelon Business Services. Exelon Business Services provided support functions for companies affiliated with Exelon such as ComEd, including but not limited to contracting, accounting, and vendor payment functions.

ComEd and Exelon’s Internal Controls Program

f. Pursuant to the FCPA, issuers, such as ComEd and Exelon, were required to maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions were executed in accordance with management’s general or specific authorization; (ii) transactions were recorded as necessary to (A) permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (B) maintain accountability for assets; (iii) access to assets was permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets was compared with the existing assets at reasonable intervals, and appropriate action was taken with respect to any differences. The FCPA prohibited any person from knowingly and willfully circumventing or failing to implement

the required system of internal accounting controls or knowingly and willfully falsifying any book, record, or account that issuers were required to keep.

g. Exelon, together with ComEd and Exelon Business Services, maintained a system of internal controls to detect and prevent improper payments, including bribe payments. These controls included various policies, programs, and procedures designed to ensure that Exelon's books and records, and those of their majority-owned subsidiaries including ComEd and Exelon Business Services, accurately reflected transactions engaged in by the company. The controls were also designed to detect unlawful payments, and included requiring multiple employees to be involved in the approval of contracts that exceeded specified amounts and auditing to help ensure accurate reporting of payments. Exelon maintained a corporate anti-bribery policy and implemented a Code of Business Conduct, which governed the conduct of Exelon, ComEd, and Exelon Business Services employees and agents, including third-party consultants.

h. From in or around 2006 through in or around 2015, the Code of Business Conduct provided that "[m]anagement is accountable for establishing and maintaining a system of internal controls within an organization," that management was required to "ensure that there is clear, complete, fair, and accurate reporting of financial and non-financial information pertaining to business transactions," and that management was accountable to the Exelon board of directors for compliance. The Code of Business Conduct further specified that employees were accountable for "recording all business

transactions, events and conditions accurately and completely,” and were prohibited from “falsifying data, information or records with respect to the Company’s finances or operations, including those related to, among other things: assets, liabilities, revenues, expenses and earnings” and from “creating off-book accounts or funds or making any other entry in any other record that intentionally misrepresents, conceals or disguises the true nature of any transaction, event or condition” Senior officers of Exelon were also required to ensure that internal controls around financial reporting were properly designed and effective, and were further required to promptly report any violations of these requirements. The Code of Business Conduct further provided that the “FCPA also requires that publicly held companies, like Exelon, maintain accurate books, records and accounts and devise a system of internal accounting controls sufficient to provide reasonable assurance that, among other things, the Company’s books and records fairly and accurately reflect business activities and transactions.”

i. In or around 2015, the Code of Business Conduct was revised, and from in or around 2015 to in or around 2019 provided that “[b]usiness and financial records are essential to our business operations. Exelon relies on the integrity and accuracy of these records to make strategic decisions and has designed and implemented a series of internal controls—organizational structures, processes, procedures, systems, etc.—to effectively manage financial reporting.” The Code of Business Conduct further instructed employees to: “[n]ever keep off-the-book accounts or false or incomplete records”; “[n]ever make an entry in any record that intentionally misrepresents, conceals

or disguises the true nature of any transaction, event or condition”; “[r]ecord all business transactions, events and conditions accurately, completely and in a timely fashion”; “[e]nsure that there is clear, complete fair and accurate reporting and supporting records of financial information pertaining to business transactions”; “[n]ever mislead or misinform anyone about our business operations or finances”; “[i]mmediately report any requests received to manipulate accounts, books and records, or financial reports, and any suspected misconduct regarding accounting, internal controls, or auditing matters to the Ethics and Compliance Office, Audit and Controls, or the Legal Department.” The Code of Business Conduct further emphasized under the heading “Fighting Bribery and Corruption” that bribes and kickbacks of any kind violated the Code of Business Conduct and were illegal, and that the FCPA “[r]equires that publicly held companies, like Exelon, have accounting controls to assure that all transactions are recorded fairly and accurately in our financial books and records.” The Code of Business Conduct provided the following examples of what was expected of employees and agents: (a) “[k]eep accurate and complete records so all payments are honestly detailed and company funds are not used for unlawful purposes”; (b) “[c]onduct due diligence on all potential agents, consultants or other business partners”; and (c) “[n]ever use a third party to make payments or offers that could be improper.” Exelon’s Code of Business Conduct also prohibited bribery and listed as an example of a prohibited bribe: “Providing something of value for the benefit of a public official in a position to make a decision that could benefit the company.”

j. Exelon, together with ComEd and Exelon Business Services, provided training on the Code of Business Conduct to employees in the form of training guides.

k. Employees of Exelon and its subsidiaries, including ComEd and Exelon Business Services, were required to annually certify adherence to Exelon's Code of Business Conduct. Employees were also required to promptly report potential violations of the Code of Business Conduct, including but not limited to "[a]ccounting improprieties, internal accounting controls or auditing matters."

**The Illinois General Assembly and
Legislation Affecting ComEd's Business**

l. The Illinois General Assembly routinely considered bills and passed legislation that had an impact on ComEd's and Exelon's operations and profitability, including but not limited to legislation that affected the regulatory process used to determine the rates ComEd could charge customers for the delivery of electricity.

m. In 2011, the General Assembly passed the Energy Infrastructure and Modernization Act ("EIMA"). EIMA provided for a regulatory process through which ComEd was able to more reliably determine rates it could charge customers and, in turn, determine how much money it was able to generate from its operations to cover, among other things, costs for grid-infrastructure improvements. The passage of EIMA therefore helped improve ComEd's financial stability.

n. Following the passage of EIMA, the Illinois Commerce Commission ("ICC") interpreted the language of EIMA in a manner adverse to ComEd. In 2013, the

General Assembly passed legislation, known as Senate Bill 9, that effectively overruled the ICC's adverse interpretation of EIMA.

o. On or about December 1, 2016, the General Assembly passed the Future Energy Jobs Act ("FEJA"), which provided for a renewal of the regulatory process that was beneficial to ComEd. After the passage of FEJA, ComEd maintained a continuing interest in advancing legislation in the General Assembly favorable to its interests, and opposing legislation that was not consistent with its operational and financial success.

p. On or about February 16, 2018, House Bill 5626 ("HB 5626"), which was intended to amend the Public Utilities Act to impose certain obligations upon alternative retail electric suppliers, was filed in the Illinois House of Representatives. ComEd was opposed to HB 5626, and HB 5626 was not enacted into law.

Relevant Individuals

q. Anne Pramaggiore was the chief executive officer of ComEd between in or around March 2012 and May 2018. From on or about June 1, 2018 to on or about October 15, 2019, Pramaggiore served as a senior executive at an affiliate of Exelon, and had oversight authority over ComEd's operations. Pramaggiore was an attorney who was registered to practice law from between in or around 1989 to in or around 2019. Each year between in or around 2012 and in or around 2016, Pramaggiore received annual ethics training, including training on the duty to maintain accurate books and records.

Each year between in or around 2010 and in or around 2018, Pramaggiore certified her understanding of the Code of Business Conduct.

r. John Hooker served as ComEd's executive vice president of legislative and external affairs from in or around 2009 until his retirement in or around 2012. From in or around 2012 to in or around 2019, Hooker served as an external lobbyist for ComEd. Exelon required Hooker to certify his understanding of the Code of Business Conduct. Between in or around 2010 and in or around 2011, Hooker certified his understanding of the Code of Business Conduct.

s. Fidel Marquez served as ComEd's senior vice president of external and governmental affairs from in or around March 2012 until in or around September 2019. Each year between in or around 2012 and in or around 2016, Marquez received annual ethics training, including training on the duty to maintain accurate books and records. Each year between in or around 2010 to in or around 2018, Marquez certified his understanding of the Code of Business Conduct.

t. Jay Doherty was the owner of Jay D. Doherty & Associates ("JDDA"), which performed consulting services for ComEd beginning prior to in or around 2011 and continuing until in or around 2019.

u. Individual 13W-1 was the Alderman for the Thirteenth Ward from in or around 1994 until on or about April 30, 2011, and was the Treasurer of the Thirteenth Ward Democratic Organization.

v. Individual 13W-2 was associated with the Thirteenth Ward Democratic Organization and was a precinct captain within the Thirteenth Ward.

w. Individual 13W-3 was associated with the Thirteenth Ward Democratic Organization and was a precinct captain within the Thirteenth Ward.

x. Individual FR-1 was a former member of, and political ally of MADIGAN's in, the House of Representatives.

y. Individual 23W-1 was the Alderman for the Twenty-Third Ward until on or about May 31, 2018.

z. Individual BM-1 was a resident of Elmwood Park, Illinois, who sought a position on ComEd's board of directors.

aa. Intermediary 2 was employed as a member of the Speaker's Office until in or around 2012, and was thereafter employed as a lobbyist and consultant.

bb. Intermediary 3, who formerly served in the Illinois House of Representatives with MADIGAN, performed lobbying and consulting services for ComEd beginning in or around 2018 and continuing until in or around 2019.

2. Beginning no later than in or around 2011, and continuing through in or around 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, did conspire with Michael F. McClain, Anne Pramaggiore, John Hooker, Jay Doherty, Fidel Marquez, and others known and unknown to the Grand Jury:

a. to corruptly solicit and demand, and to accept and agree to accept from another person things of value, namely, jobs, contracts, and monetary payments associated with those jobs and contracts, for the benefit of MADIGAN and his associates, intending that MADIGAN, an agent of the State of Illinois, be influenced and rewarded in connection with any business, transaction, and series of transactions of the State of Illinois involving things of value of \$5,000 or more, namely, legislation affecting ComEd and its business, in violation of Title 18, United States Code, Section 666(a)(1)(B);

b. to corruptly give, offer, and agree to give things of value, namely, jobs, contracts, and monetary payments associated with those jobs and contracts, for the benefit of MADIGAN and his associates, with intent to influence and reward MADIGAN, as an agent of the State of Illinois, in connection with any business, transaction, and series of transactions of the State of Illinois involving things of value of \$5,000 or more, namely, legislation affecting ComEd and its business, in violation of Title 18, United States Code, Section 666(a)(2); and

c. knowingly and willfully to circumvent a system of internal accounting controls and to falsify any book, record, and account of Exelon and ComEd, in violation of Title 15, United States Code, Sections 78m(b)(5) and 78ff(a).

3. It was part of the conspiracy that, for the purpose of influencing and rewarding MADIGAN in connection with his official duties as Speaker of the Illinois House of Representatives, and to assist ComEd with respect to the passage of legislation favorable to ComEd and its business and the defeat of legislation unfavorable to ComEd

and its business, the conspirators (i) arranged for various associates of MADIGAN, including MADIGAN's political allies and individuals who performed political work for MADIGAN, to obtain jobs, contracts, and monetary payments associated with those jobs and contracts from ComEd and its affiliates, even in instances where such associates performed little or no work that they were purportedly hired to perform for ComEd; and (ii) created and caused the creation of false contracts, invoices, and other books and records to disguise the true nature of certain of the payments and to circumvent internal controls.

**Hiring of MADIGAN's Associates as Vendor "Subcontractors"
Who Performed Little or No Work for ComEd**

4. It was further part of the conspiracy that MADIGAN and McClain sought to obtain from ComEd jobs, vendor contracts and subcontracts, as well as monetary payments for various associates of MADIGAN, including MADIGAN's political allies and individuals who performed political work for MADIGAN, including but not limited to Individual 13W-1, Individual 13W-2, Individual 13W-3, Individual FR-1, and Individual 23W-1.

5. It was further part of the conspiracy that ComEd, together with senior executives and agents of the company, including but not limited to McClain, Pramaggiore, Hooker, and Marquez, corruptly arranged for jobs, vendor contracts and subcontracts, as well as monetary payments to be provided to various associates of MADIGAN.

6. It was further part of the conspiracy that, at certain times, in order to conceal the nature and source of the payments and to prevent detection of the illegal

activity, these jobs, vendor subcontracts, and monetary payments were indirectly provided to MADIGAN's associates through third-party intermediaries.

7. It was further part of the conspiracy that, in or around 2011, MADIGAN approved of the plan to make indirect payments to his associates through third-party intermediaries, and thereafter, McClain reported to MADIGAN concerning the status of payments made to MADIGAN's associates.

8. It was further part of the conspiracy that certain recipients of these jobs, vendor contracts and subcontracts, as well as monetary payments, often did little or no work in return for such benefits.

9. It was further part of the conspiracy that the conspirators caused third-party intermediaries to enter into false contracts, to submit false invoices for payment, and further caused the creation and retention of other false documents and records within Exelon, ComEd, and Exelon Business Services that made it falsely appear that payments intended for third-party intermediaries were solely for legitimate services to be rendered or actually rendered by the third-party intermediaries, when in fact, the contracts, invoices, and internal documentation were intended to disguise the fact that a substantial amount of the payments to the third-party intermediaries was intended for MADIGAN's associates, who performed little or no work for ComEd.

10. It was further part of the conspiracy that, at times, MADIGAN's associates who were recipients of vendor subcontracts and monetary payments submitted invoices to third-party intermediaries, purporting to document services for the benefit of ComEd,

concealing the fact that little or no work was performed by them for the benefit of ComEd, in order to ensure the continuation of such payments.

11. It was further part of the conspiracy that MADIGAN determined when payments made by ComEd through third party intermediaries to certain of his associates might be terminated, and based on his instructions, McClain and other conspirators caused such payments to end.

12. It was further part of the conspiracy that MADIGAN, either directly or through his agents, including but not limited to the staff of the Speaker's office, took official action to assist ComEd with respect to the passage of legislation favorable to ComEd and its business and to defeat legislation unfavorable to ComEd and its business.

Retention of Law Firm A

13. It was further part of the conspiracy that the conspirators caused ComEd to retain Law Firm A, for the purpose of influencing and rewarding MADIGAN in connection with MADIGAN's official duties.

14. It was further part of the conspiracy that, in or around 2011, McClain and Hooker, who were not members of ComEd's legal department, advised a member of ComEd's legal department that it was important to retain Law Firm A. Thereafter, Law Firm A was retained by ComEd pursuant to a contract that provided Law Firm A would be provided with approximately 850 hours of work a year.

15. It was further part of the conspiracy that, in or around 2014, Pramaggiore instructed a member of ComEd's legal department that Law Firm A's contract had to be

renewed and that McClain had to be dealt with in connection with the renewal of the contract.

16. It was further part of the conspiracy that, in or around 2016, after personnel within ComEd sought to reduce the number of hours of legal work provided to Law Firm A because there was not enough appropriate legal work to provide to Law Firm A, McClain interceded with Pramaggiore, in order to cause Law Firm A's contract to be renewed on terms acceptable to Law Firm A.

17. It was further part of the conspiracy that, in or around 2016, a ComEd employee, who was assigned as a project manager by Pramaggiore to assist with obtaining legislative approval of FEJA—and who had no oversight authority over ComEd's legal department—began to monitor the renewal of Law Firm A's contract in order to help ensure that Law Firm A's contract was renewed.

18. It was further part of the conspiracy that, in or around 2016, the conspirators caused ComEd to enter into a new contract with Law Firm A, with the intent to influence and reward MADIGAN in connection with MADIGAN's official duties, including the promotion and passage of legislation that affected ComEd.

Thirteenth Ward Interns

19. It was further part of the conspiracy that, for the purpose of influencing and rewarding MADIGAN, the conspirators caused positions in the ComEd Internship Program to be set aside for individuals associated with the Thirteenth Ward who were identified to ComEd by McClain.

20. It was further part of the conspiracy that potential Thirteenth Ward interns identified to ComEd by McClain did not need to compete against the general intern applicant pool, and instead, received more favorable treatment when it came to assessing their qualifications for positions within the ComEd Internship Program.

21. It was further part of the conspiracy that Marquez would contact other employees within ComEd for the purpose of stressing the need to hire intern candidates who were referred by McClain, and ensuring that Thirteenth Ward intern candidates received favorable treatment during the hiring process.

22. It was further part of the conspiracy that ComEd's minimum academic requirements for intern candidates, such as a minimum required grade point average, were waived at times for certain Thirteenth Ward intern candidates who did not meet those requirements.

Appointment to ComEd Board

23. It was further part of the conspiracy that, by no later than in or around November 2017, MADIGAN and McClain sought the appointment of Individual BM-1 to the ComEd board of directors, and Pramaggiore agreed to seek the appointment of Individual BM-1 with the intent to influence and reward MADIGAN in connection with MADIGAN's official duties.

24. It was further part of the conspiracy that between in or around 2017 and in or around 2019, Pramaggiore took steps to cause ComEd and Exelon to appoint Individual BM-1 to the ComEd board of directors, including urging other ComEd and Exelon executives to agree to and arrange for Individual BM-1's appointment.

25. It was further part of the conspiracy that, in or around April 2019, Individual BM-1 was appointed to the ComEd board of directors.

Hiring of Other Individuals

26. It was further part of the conspiracy that McClain regularly made requests on MADIGAN's behalf to Pramaggiore, Marquez, and other personnel within ComEd to hire individuals associated with MADIGAN as full-time employees, consultants, and contractors.

27. It was further part of the conspiracy that, for the purpose of influencing and rewarding MADIGAN, the conspirators often secured and attempted to secure jobs and contracts for these individuals as requested by McClain.

Concealment

28. It was further part of the conspiracy that, in order to conceal the unlawful benefits tendered for the purpose of influencing and rewarding MADIGAN, the conspirators concealed multiple violations of Exelon's Code of Business Conduct, including violations of: (i) the requirement to keep accurate and complete records of all payments made by ComEd, Exelon, and Exelon Business Services; (ii) the prohibition on never using a third party to make payments or offers that could be improper; and (iii) the prohibition on "providing something of value for the benefit of a public official in a position to make a decision that could benefit the company."

29. It was further part of the conspiracy that, in order to conceal the nature and purpose of their conduct, conspirators often referred to MADIGAN as “our Friend,” or “a Friend of ours,” rather than using MADIGAN’s true name.

30. It was further part of the conspiracy that the defendants and their co-conspirators misrepresented, concealed and hid, and caused to be misrepresented, concealed and hidden, and attempted to misrepresent, conceal and hide acts done in furtherance of the conspiracy and the purpose of those acts.

Overt Acts

31. In furtherance of the conspiracy and to effect its objects and purposes, the defendant and his co-conspirators committed and caused to be committed the following overt acts, among others, within the Northern District of Illinois and elsewhere:

- a. On or about May 30, 2011, MADIGAN voted in favor of EIMA.
- b. On or about October 26, 2011, MADIGAN voted in favor of overriding the Governor of Illinois’s veto of EIMA.
- c. On or about March 21, 2013, MADIGAN voted in favor of SB9.
- d. On or about May 22, 2013, MADIGAN voted in favor of overriding the Governor of Illinois’s veto of SB9.
- e. On or about each date set forth below, the conspirators caused payments to be made to JDDA in the approximate amount set forth below, with a substantial portion of each payment intended for associates of MADIGAN:

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
e-1	01/27/2014	\$31,000
e-2	03/03/2014	\$31,000
e-3	03/31/2014	\$43,000
e-4	04/28/2014	\$37,000
e-5	05/30/2014	\$37,000
e-6	07/03/2014	\$37,000
e-7	07/28/2014	\$37,000
e-8	08/29/2014	\$37,000
e-9	09/29/2014	\$37,000
e-10	10/30/2014	\$37,000
e-11	12/01/2014	\$37,000
e-12	12/29/2014	\$37,000
e-13	01/29/2015	\$37,000
e-14	03/02/2015	\$37,000
e-15	03/30/2015	\$37,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
e-16	04/27/2015	\$37,000
e-17	06/01/2015	\$37,000
e-18	06/29/2015	\$37,000
e-19	08/11/2015	\$37,000
e-20	08/31/2015	\$37,000
e-21	09/28/2015	\$37,000
e-22	10/29/2015	\$37,000
e-23	11/30/2015	\$37,000
e-24	12/28/2015	\$37,000
e-25	01/29/2016	\$37,000
e-26	02/29/2016	\$37,000
e-27	03/31/2016	\$37,000
e-28	04/28/2016	\$37,000
e-29	05/31/2016	\$37,000
e-30	06/27/2016	\$37,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
e-31	08/01/2016	\$37,000
e-32	08/29/2016	\$37,000
e-33	09/29/2016	\$37,000
e-34	10/31/2016	\$37,000
e-35	11/28/2016	\$37,000
e-36	03/02/2017	\$69,500
e-37	04/03/2017	\$65,000
e-38	05/30/2017	\$32,500
e-39	06/01/2017	\$32,500
e-40	06/29/2017	\$32,500
e-41	07/31/2017	\$32,500
e-42	09/11/2017	\$32,500
e-43	09/29/2017	\$32,500
e-44	10/30/2017	\$32,500
e-45	11/27/2017	\$32,500

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
e-46	01/16/2018	\$32,500
e-47	04/03/2018	\$65,000
e-48	04/16/2018	\$32,500
e-49	04/30/2018	\$32,500
e-50	05/29/2018	\$32,500
e-51	06/29/2018	\$32,500
e-52	07/30/2018	\$37,500
e-53	08/27/2018	\$37,500
e-54	10/01/2018	\$42,500
e-55	10/29/2018	\$37,500
e-56	11/30/2018	\$37,500
e-57	12/31/2018	\$3,750
e-58	01/04/2019	\$33,750
e-59	04/01/2019	\$112,500
e-60	04/09/2019	\$37,500

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
e-61	05/03/2019	\$37,500

f. On or about each date set forth below, Doherty caused a check to be made to Individual 13W-1 in the approximate amount set forth below, for payments totaling approximately \$256,000:

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
f-1	12/30/2013	\$4,000
f-2	01/31/2014	\$4,000
f-3	02/28/2014	\$4,000
f-4	03/31/2014	\$4,000
f-5	04/30/2014	\$4,000
f-6	05/30/2014	\$4,000
f-7	06/30/2014	\$4,000
f-8	07/31/2014	\$4,000
f-9	08/31/2014	\$4,000
f-10	09/30/2014	\$4,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
f-11	10/31/2014	\$4,000
f-12	11/30/2014	\$4,000
f-13	12/31/2014	\$4,000
f-14	01/31/2015	\$4,000
f-15	02/28/2015	\$4,000
f-16	03/31/2015	\$4,000
f-17	04/30/2015	\$4,000
f-18	05/31/2015	\$4,000
f-19	06/30/2015	\$4,000
f-20	07/31/2015	\$4,000
f-21	08/31/2015	\$4,000
f-22	09/30/2015	\$4,000
f-23	10/31/2015	\$4,000
f-24	11/30/2015	\$4,000
f-25	12/31/2015	\$4,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
f-26	01/31/2016	\$4,000
f-27	02/29/2016	\$4,000
f-28	03/31/2016	\$4,000
f-29	04/30/2016	\$4,000
f-30	05/31/2016	\$4,000
f-31	06/30/2016	\$4,000
f-32	07/31/2016	\$4,000
f-33	08/31/2016	\$4,000
f-34	09/30/2016	\$4,000
f-35	10/31/2016	\$4,000
f-36	11/30/2016	\$4,000
f-37	03/03/2017	\$4,000
f-38	03/03/2017	\$4,000
f-39	03/31/2017	\$4,000
f-40	04/05/2017	\$4,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
f-41	06/05/2017	\$4,000
f-42	06/08/2017	\$4,000
f-43	07/06/2017	\$4,000
f-44	07/31/2017	\$4,000
f-45	09/15/2017	\$4,000
f-46	10/06/2017	\$4,000
f-47	11/06/2017	\$4,000
f-48	12/07/2017	\$4,000
f-49	01/23/2018	\$4,000
f-50	04/10/2018	\$4,000
f-51	04/10/2018	\$4,000
f-52	04/24/2018	\$4,000
f-53	05/07/2018	\$4,000
f-54	06/05/2018	\$4,000
f-55	07/09/2018	\$4,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
f-56	07/31/2018	\$4,000
f-57	09/05/2018	\$4,000
f-58	10/05/2018	\$4,000
f-59	11/06/2018	\$4,000
f-60	12/10/2018	\$4,000
f-61	01/10/2019	\$4,000
f-62	04/08/2019	\$4,000
f-63	04/18/2019	\$4,000
f-64	04/26/2019	\$4,000

g. On or about each date set forth below, Doherty caused a check to be made to Individual 13W-2's company in the approximate amount set forth below, for payments totaling approximately \$325,000:

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
g-1	12/30/2013	\$5,000
g-2	01/31/2014	\$5,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
g-3	02/28/2014	\$5,000
g-4	03/31/2014	\$5,000
g-5	04/30/2014	\$5,000
g-6	05/30/2014	\$5,000
g-7	06/30/2014	\$5,000
g-8	07/31/2014	\$5,000
g-9	08/31/2014	\$5,000
g-10	09/30/2014	\$5,000
g-11	10/31/2014	\$5,000
g-12	11/30/2014	\$5,000
g-13	12/31/2014	\$5,000
g-14	01/31/2015	\$5,000
g-15	02/27/2015	\$5,000
g-16	03/31/2015	\$5,000
g-17	04/30/2015	\$5,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
g-18	05/31/2015	\$5,000
g-19	06/30/2015	\$5,000
g-20	07/31/2015	\$5,000
g-21	08/31/2015	\$5,000
g-22	09/30/2015	\$5,000
g-23	10/31/2015	\$5,000
g-24	11/30/2015	\$5,000
g-25	12/31/2015	\$5,000
g-26	01/31/2016	\$5,000
g-27	02/29/2016	\$5,000
g-28	03/31/2016	\$5,000
g-29	04/30/2016	\$5,000
g-30	05/31/2016	\$5,000
g-31	06/30/2016	\$5,000
g-32	07/31/2016	\$5,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
g-33	08/31/2016	\$5,000
g-34	09/30/2016	\$5,000
g-35	10/31/2016	\$5,000
g-36	11/30/2016	\$5,000
g-37	03/03/2017	\$5,000
g-38	03/03/2017	\$5,000
g-39	03/31/2017	\$5,000
g-40	04/05/2017	\$5,000
g-41	06/05/2017	\$5,000
g-42	06/08/2017	\$5,000
g-43	07/06/2017	\$5,000
g-44	07/31/2017	\$5,000
g-45	09/15/2017	\$5,000
g-46	10/06/2017	\$5,000
g-47	11/06/2017	\$5,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
g-48	12/07/2017	\$5,000
g-49	01/23/2018	\$5,000
g-50	04/10/2018	\$5,000
g-51	04/10/2018	\$5,000
g-52	04/24/2018	\$5,000
g-53	05/07/2018	\$5,000
g-54	06/05/2018	\$5,000
g-55	07/09/2018	\$5,000
g-56	07/31/2018	\$5,000
g-57	09/05/2018	\$5,000
g-58	10/05/2018	\$5,000
g-59	11/06/2018	\$5,000
g-60	12/10/2018	\$5,000
g-61	01/10/2019	\$5,000
g-62	04/08/2019	\$5,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
g-63	04/18/2019	\$5,000
g-64	04/26/2019	\$5,000
g-65	05/06/2019	\$5,000

h. On or about each date set forth below, Doherty caused a check to be made to Individual 13W-3 in the approximate amount set forth below, for payments totaling approximately \$144,000:

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
h-1	03/31/2014	\$4,500
h-2	04/30/2014	\$4,500
h-3	05/30/2014	\$4,500
h-4	06/30/2014	\$4,500
h-5	07/30/2014	\$4,500
h-6	08/31/2014	\$4,500
h-7	09/30/2014	\$4,500
h-8	10/31/2014	\$4,500

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
h-9	11/30/2014	\$4,500
h-10	12/31/2014	\$4,500
h-11	01/31/2015	\$4,500
h-12	02/27/2015	\$4,500
h-13	03/31/2015	\$4,500
h-14	04/30/2015	\$4,500
h-15	05/31/2015	\$4,500
h-16	06/30/2015	\$4,500
h-17	07/31/2015	\$4,500
h-18	08/31/2015	\$4,500
h-19	09/30/2015	\$4,500
h-20	10/31/2015	\$4,500
h-21	11/30/2015	\$4,500
h-22	12/31/2015	\$4,500
h-23	01/31/2016	\$4,500

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
h-24	02/29/2016	\$4,500
h-25	03/31/2016	\$4,500
h-26	04/30/2016	\$4,500
h-27	05/31/2016	\$4,500
h-28	06/30/2016	\$4,500
h-29	07/31/2016	\$4,500
h-30	08/31/2016	\$4,500
h-31	09/30/2016	\$4,500
h-32	10/31/2016	\$4,500

i. On or about February 27, 2015, McClain sent an email to Marquez, in which he wrote, “Our Friend’s ward? Summer interns? 10 jobs or 12 or what is the ceiling? Best, Mike.”

j. On or about April 2, 2015, in response to an email asking whether there was pressure to hire a prospective intern, or whether the intern could simply be “fairly considered” for the ComEd Internship Program, Marquez wrote an email that said, “There is pressure to hire Hope she interviews well.”

k. On or about April 29, 2015, Marquez forwarded an email to McClain, advising that a candidate McClain had referred to ComEd for the ComEd Internship Program had been hired.

l. On or about January 20, 2016, McClain wrote an email to Pramaggiore and Hooker that said the following: “I am sure you know how valuable [Lawyer A] is to our Friend,” and then went on to write, “I know the drill and so do you. If you do not get involve [sic] and resolve this issue of 850 hours for his law firm per year then he will go to our Friend. Our Friend will call me and then I will call you. Is this a drill we must go through? For me, Hook and I am sure you I just do not understand why we have to spend valuable minutes on items like this when we know it will provoke a reaction from our Friend.”

m. On or about January 20, 2016, Pramaggiore wrote an email to McClain, in response to the email referenced in paragraph 31(l) and responded, “Sorry. No one informed me. I am on this.”

n. On or about January 20, 2016, Pramaggiore forwarded the email referenced in paragraph 31(l) to Marquez.

o. On or about January 20, 2016, Pramaggiore forwarded the email referenced in paragraph 31(l) to an employee in ComEd’s legal department.

p. On or about February 25, 2016, McClain wrote an email to Marquez, in which McClain advised that “the 13th Ward may not want these people in their column,” in reference to ComEd counting interns that returned to the ComEd Internship

Program against the number of positions allotted to individuals from the Thirteenth Ward.

q. On or about April 15, 2016, McClain wrote an email to ComEd's project manager for FEJA with the subject heading, "[Lawyer A] law firm?!"

r. On or about May 22, 2016, the project manager for FEJA wrote an email to a member of ComEd's legal department that asked, in reference to Law Firm A, "Are we closed out on this topic?"

s. On or about May 24, 2016, McClain wrote an email to a member of ComEd's legal department, Hooker, and the project manager for FEJA, in which McClain proposed terms for the renewal of Law Firm A's contract with ComEd.

t. On or about each date set forth below, Intermediary 2 caused a check to be made to Individual 13W-3 in the approximate amount set forth below, for payments totaling approximately \$72,000:

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
t-1	11/12/2016	\$4,500
t-2	12/28/2016	\$4,500
t-3	01/24/2017	\$4,500
t-4	02/23/2017	\$4,500
t-6	03/20/2017	\$4,500

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
t-7	04/26/2017	\$4,500
t-8	05/31/2017	\$4,500
t-9	06/31/2017	\$4,500
t-10	07/26/2017	\$4,500
t-11	08/28/2017	\$4,500
t-12	09/27/2017	\$4,500
t-13	10/29/2017	\$4,500
t-14	11/25/2017	\$4,500
t-15	12/20/2017	\$4,500
t-16	01/30/2018	\$4,500
t-17	02/26/2018	\$4,500

u. On or about December 1, 2016, FEJA was called for a vote in the Illinois House of Representatives.

v. On or about December 2, 2016, McClain wrote an email to a member of ComEd's legal department, in which McClain followed up on a prior email concerning

Law Firm A, and asked, “After you catch a couple of good nights [sic] sleep can we put this item to bed?”

w. On or about December 3, 2016, Pramaggiore sent an email to McClain in which she assured McClain that she would resolve outstanding issues relating to Law Firm A’s contract, by noting, “Fidel and I are meeting on Monday to make our list. This will be on it.”

x. In or around January 2017, in connection with the renewal of JDDA’s contract, Pramaggiore signed a false and misleading document, known as a “Single Source Justification,” in support of the renewal of JDDA’s contract and caused it to be submitted to Exelon Business Services. This Single Source Justification form made it falsely appear that the large amount of money to be paid to JDDA under the contract was on account of, among other things, JDDA’s “unique insight & perspective to promote ComEd and its business matters to further develop, execute and manage its Government Relations presence” and did not indicate that a substantial amount of the fees that would be paid to JDDA was intended for third parties in an effort to influence and reward MADIGAN.

y. On or about each date set forth below, Intermediary 2 caused a check to be made to Individual FR-1 in the approximate amount set forth below, for payments totaling approximately \$60,000:

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
y-1	03/20/2017	\$5,000
y-2	04/26/2017	\$5,000
y-3	05/31/2017	\$5,000
y-4	06/31/2017	\$5,000
y-5	07/26/2017	\$5,000
y-6	08/28/2017	\$5,000
y-7	09/27/2017	\$5,000
y-8	10/29/2017	\$5,000
y-9	11/25/2017	\$5,000
y-10	12/20/2017	\$5,000
y-11	01/03/2018	\$5,000
y-12	02/26/2018	\$5,000

z. On or about April 2, 2017, McClain sent an email to Marquez, Pramaggiore, and Hooker, inquiring about the participation of individuals associated with the Thirteenth Ward in the ComEd Internship Program, and noted, “I strongly

recommend this item as we go through this transition period. My goal is that both parties are happy and not frustrated a second. I hope you agree.”

aa. On or about November 17, 2017, MADIGAN caused an email to be sent to Pramaggiore, containing a copy of the resume for Individual BM-1.

bb. On or about November 17, 2017, Pramaggiore sent an email to a member of ComEd’s legal department, forwarding an email that had been sent at the request of MADIGAN, containing a copy of the resume for Individual BM-1.

cc. In or around January 2018, MADIGAN placed a call to Individual BM-1 and advised Individual BM-1 that Individual BM-1 would be contacted by someone at ComEd concerning the appointment to the ComEd board of directors.

dd. On or about January 5, 2018, Marquez sent an email approving the renewal of JDDA’s contract for 2018.

ee. On or about January 8, 2018, in connection with the renewal of JDDA’s contract, Pramaggiore signed a false and misleading document, known as a “Single Source Justification,” in support of the renewal of JDDA’s contract and caused it to be submitted to Exelon Business Services. This Single Source Justification form made it falsely appear that the large amount of money to be paid to JDDA under the contract was on account of, among other things, “Consultant has specific knowledge that cannot be sourced from another consultant/supplier.” The form did not indicate that a substantial amount of the fees that would be paid to JDDA was intended for third parties in an effort to influence and reward MADIGAN.

ff. On or about February 9, 2018, McClain sent an email to Marquez's assistant, in which McClain wrote that it was his understanding that the Thirteenth Ward would be provided ten positions in the ComEd Internship Program: "[F]or as long as I can remember it has been ten interns??"

gg. On or about February 12, 2018, Marquez caused an email to be sent by his assistant to McClain, in which the assistant wrote, "Confirmed with Fidel we will work to provide you 10 slots."

hh. On or about February 28, 2018, Intermediary 3 sent Individual 13W-3 a draft contract that made it falsely appear that Individual 13W-3 would perform consulting services for ComEd.

ii. On or about each date set forth below, McClain caused a check to be made to Individual 13W-3 by Intermediary 3's business in the approximate amount set forth below, for payments totaling approximately \$45,000:

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
ii-1	3/12/2018	\$4,500
ii-2	04/30/2018	\$4,500
ii-3	06/09/2018	\$4,500
ii-4	06/18/2018	\$4,500
ii-5	07/18/2018	\$4,500

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
ii-6	09/04/2018	\$4,500
ii-7	10/03/2018	\$4,500
ii-8	11/05/2018	\$4,500
ii-9	12/08/2018	\$4,500
ii-10	12/31/2018	\$4,500

jj. On or about each date set forth below, McClain caused a check to be made to Individual FR-1 by Intermediary 3's business in the approximate amount set forth below, for payments totaling approximately \$50,000:

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
jj-1	3/12/2018	\$5,000
jj-2	04/30/2018	\$5,000
jj-3	06/09/2018	\$5,000
jj-4	06/18/2018	\$5,000
jj-5	07/18/2018	\$5,000
jj-6	09/2018	\$5,000

<u>Overt Act</u>	<u>Date</u>	<u>Amount</u>
jj-7	10/2018	\$5,000
jj-8	11/05/2018	\$5,000
jj-9	12/08/2018	\$5,000
jj-10	12/31/2018	\$5,000

kk. In or around March 2018, MADIGAN met Individual 13W-3, and after Individual 13W-3 expressed concern to MADIGAN that Individual 13W-3 was performing no work for ComEd, MADIGAN told Individual 13W-3 not to worry, and explained that what Individual 13W-3 was doing, that is, campaign work for MADIGAN, was what was important to MADIGAN and that Individual 13W-3 was doing what Intermediary 3 and ComEd wanted.

ll. On or about April 24, 2018, McClain placed a call to Hooker and informed Hooker that he was going to tell Pramaggiore that MADIGAN wanted to add Individual 23W-1 to the group of MADIGAN associates paid by ComEd indirectly through JDDA.

mm. In or around April 2018, MADIGAN called Individual BM-1 and advised Individual BM-1 about the expected timing of Individual BM-1's appointment to the ComEd board of directors.

nn. In or around April 2018, MADIGAN gave McClain permission to work to kill HB 5626 on behalf of ComEd, and ComEd thereafter worked to defeat HB 5626.

oo. On or about May 2, 2018, MADIGAN placed a call to McClain, and after McClain advised MADIGAN that Pramaggiore was experiencing push-back to the appointment of Individual BM-1 to the ComEd board of directors, and had proposed finding a job that would pay Individual BM-1 the same amount of money as a board member, MADIGAN instructed McClain, “Yeah, Mike, I would suggest that we continue to support [Individual BM-1].”

pp. On or about May 16, 2018, McClain placed a telephone call to Pramaggiore during which they discussed preventing HB 5626 from being passed in the Illinois General Assembly.

qq. On or about May 16, 2018, at approximately 10:20 a.m., MADIGAN placed a call to McClain, during which MADIGAN instructed McClain (i) to discuss Individual 23W-1 with Pramaggiore; and (ii) to “go forward with” the appointment of Individual BM-1.

rr. On or about May 16, 2018, McClain placed a telephone call to Pramaggiore, during which call (i) Pramaggiore advised McClain that she had instructed Marquez to “hire” Individual 23W-1 after checking with Doherty; and (ii) McClain informed Pramaggiore that MADIGAN wanted to “keep pressing” for the appointment of Individual BM-1 to the ComEd board of directors, and Pramaggiore agreed to do so.

ss. On or about May 16, 2018, McClain placed a telephone call to Marquez, during which McClain explained why certain individuals were being paid indirectly through JDDA, by making reference to their utility to MADIGAN's political operation, and advised Marquez that Individual 23W-1 should be paid \$5,000 a month.

tt. On or about May 16, 2018, MADIGAN placed a telephone call to McClain, during which McClain advised MADIGAN, "You can call [Individual 23W-1] and say that they're going to get in touch with him."

uu. On or about May 16, 2018, MADIGAN placed a telephone call to Individual 23W-1.

vv. On or about May 18, 2018, McClain caused an email to be sent to Pramaggiore, Hooker, and other ComEd employees referencing HB 5626 that noted "a friend of ours" had authorized McClain to "go ahead and kill it."

ww. On or about June 20, 2018, McClain placed a telephone call to Hooker, during which McClain stated that MADIGAN was the person who first "warned" them about HB 5626 and that MADIGAN had given ComEd permission to work to "kill" the legislation.

xx. On or about June 29, 2018, Doherty caused an email to be sent to a ComEd employee, which made it falsely appear that the justification for an additional \$5,000 a month sought under JDDA's revised contract was because JDDA would assume an "expanded role with Cook County Board President's office and Cook County Commissioners and Department Heads," when in fact the additional \$5,000 a month in

compensation sought was intended for payment to Individual 23W-1, who performed little or no work for JDDA or ComEd.

yy. On or about July 10, 2018, McClain caused an email to be sent to Pramaggiore in which he stated, in reference to Individual BM-1, “Our Friend would like to make a call to him before it is announced, of course. I know this surprises you but I meet with our Friend every two weeks and he has a piece of paper in his file where it is brought to our attention.”

zz. On or about July 17, 2018, McClain placed a telephone call to Pramaggiore during which Pramaggiore told McClain that “we’re moving forward with [Individual BM-1]” and that McClain could tell MADIGAN.

aaa. On or about July 17, 2018, McClain placed a telephone call to MADIGAN during which McClain told MADIGAN that Individual BM-1 would be appointed to ComEd’s board of directors.

bbb. On or about September 7, 2018, MADIGAN placed a telephone call to McClain during which MADIGAN asked McClain to confirm that Individual BM-1 would be appointed to the ComEd board of directors.

ccc. On or about September 7, 2018, McClain and Pramaggiore participated in a telephone call, during which Pramaggiore assured McClain that Pramaggiore was continuing to advocate for the appointment of Individual BM-1 to ComEd’s board of directors and explained, “You take good care of me and so does our friend and I will do the best that I can to, to take care of you.”

ddd. On or about December 5, 2018, Marquez placed a call to McClain, during which call McClain authorized Marquez to “get rid” of Individual FR-1, meaning ComEd could discontinue making payments to Individual FR-1.

eee. On or about December 6, 2018, McClain sent an email to Marquez and others at ComEd, in which McClain advised, in reference to the ComEd Internship Program, “I am pretty sure the ‘ask’ will be to ‘put aside’ or ‘save’ ten summer jobs for the 13th Ward.”

fff. On or about December 7, 2018, MADIGAN placed a call to McClain, during which call MADIGAN instructed McClain to have ComEd discontinue its indirect payments to Individual 13W-3.

ggg. On or about December 8, 2018, McClain advised Intermediary 3 of MADIGAN’s decision to terminate payments to Individual 13W-3, and instructed Intermediary 3 to make it falsely appear that a remaining payment to Individual 13W-3 was a holiday bonus, even though Individual 13W-3 performed little or no work for Intermediary 3.

hhh. On or about January 29, 2019, Hooker traveled to the Union League Club, in Chicago, Illinois for the purpose of meeting with Marquez to discuss the renewal of the JDDA contract.

iii. On or about February 7, 2019, McClain traveled to a restaurant in Springfield, Illinois, for the purpose of meeting with Marquez to discuss the renewal of the JDDA contract.

jjj. On or about February 11, 2019, McClain placed a telephone call to Hooker and the two men discussed that MADIGAN was informed of the plan to have ComEd pay Individual 13W-1 indirectly through Doherty's lobbying firm and MADIGAN "thought it was great."

kkk. On or about February 12, 2019, McClain placed a telephone call to Pramaggiore during which Pramaggiore told McClain that the appointment of Individual BM-1 would move forward.

lll. On or about February 13, 2019, Doherty met with Marquez in Chicago, Illinois, and discussed how to present information to ComEd's chief executive officer concerning the renewal of the JDDA contract.

mmm. On or about February 18, 2019, Pramaggiore participated in a telephone call with Marquez, during which call, after she was told that the subcontractors associated with Doherty just "collect a check" and that Marquez needed to brief the chief executive officer of ComEd concerning the JDDA contract, Pramaggiore advised Marquez not to make any changes to the contract, because "we do not want to get caught up in a, you know, disruptive battle where, you know, somebody gets their nose out of joint and we're trying to move somebody off, and then we get forced to give 'em a five-year contract because we're in the middle of needing to get something done in Springfield."

nnn. On or about February 19, 2019, MADIGAN placed a telephone call to McClain during which MADIGAN authorized McClain to call Individual BM-1 for the purpose of letting Individual BM-1 know about the ComEd board appointment.

ooo. In or around March 2019, in connection with the renewal of JDDA's contract, the conspirators caused the preparation of a false and misleading document, known as a "Single Source Justification," in support of the renewal of JDDA's contract, and the submission of this form to Exelon Business Services. This Single Source Justification form made it falsely appear that the large amount of money to be paid to JDDA was because, among other things, "Consultant has specific knowledge that cannot be sources [sic] from another supplier/contractor," and did not indicate that a substantial amount of the fees that would be paid to JDDA was intended for third parties in an effort to influence and reward MADIGAN.

ppp. On or about March 5, 2019, McClain met with a ComEd executive and Marquez for the purpose of explaining why the JDDA contract and the payments to Individual 13W-1, Individual 13W-2, and Individual 23W-1 should be continued for another year.

qqq. On or about March 11, 2019, Doherty caused a representative from Exelon Business Services to execute a contract containing false representations and promises that the compensation paid to JDDA was in return for providing ComEd with advice on legislative issues, when in fact a significant portion of the compensation to be

paid to JDDA was intended for Individual 13W-1, Individual 13W-2, and Individual 23W-1, who in fact did little or no legitimate work for ComEd.

rrr. On or about April 25, 2019, Pramaggiore advised McClain by text message, "Just sent out Board approval to appoint [Individual BM-1] to ComEd Board."

sss. On or about April 26, 2019, ComEd filed a notice with the U.S. Securities and Exchange Commission stating that Individual BM-1 had served as a director of ComEd since April 2019.

All in violation of Title 18, United States Code, Sections 371 and 2.

COUNT THREE

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1 and 2 of Count Two of this indictment are realleged and incorporated here.

2. Between in or around November 2017 and in or around April 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, together with Michael F. McClain, with MADIGAN being an agent of the State of Illinois, corruptly solicited and demanded a thing of value and agreed to accept a thing of value from ComEd, namely, a position on the ComEd board of directors for Individual BM-1, and monetary payments associated with that position, intending for MADIGAN to be influenced and rewarded in connection with any business, transaction, and series of transactions of the State of Illinois involving a thing of value of \$5,000 or more, namely, legislation affecting ComEd and its business;

In violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

COUNT FOUR

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1 and 2 of Count Two of this indictment are realleged and incorporated here.

2. Between in or around April 2018 and in or around June 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, together with Michael F. McClain, with MADIGAN being an agent of the State of Illinois, corruptly solicited and demanded and agreed to accept a thing of value from ComEd, namely, payments of \$5,000 a month, for the benefit of MADIGAN and his associate, Individual 23W-1, intending for MADIGAN to be influenced and rewarded in connection with any business, transaction, and series of transactions of the State of Illinois involving a thing of value of \$5,000 or more, namely, legislation affecting ComEd and its business;

In violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

COUNT FIVE

The SPECIAL APRIL 2021 GRAND JURY further charges:

On or about June 29, 2018, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, together with Michael F. McClain, Anne Pramaggiore, John Hooker, and Jay Doherty, caused the use of a facility in interstate commerce, namely, an email account and associated communication network operated by the service provider Google, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely, a violation of Chapter 720 Illinois Compiled Statutes § 5/33-1(d) (bribery) and Chapter 720 Illinois Compiled Statutes § 5/33-8 (legislative misconduct), and thereafter, the defendant did perform, did cause to be performed, and did attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT SIX

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1 and 2 of Count Two of this indictment are realleged and incorporated here.

2. Between in or around January 2019 and on or about March 11, 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, together with Michael F. McClain, with MADIGAN being an agent of the State of Illinois, corruptly solicited and demanded and agreed to accept a thing of value from ComEd, namely, a new annual contract for JDDA and monetary payments associated with that contract, for the benefit of MADIGAN and his associates, Individual 13W-1, Individual 13W-2, and Individual 23W-1, intending for MADIGAN to be influenced and rewarded in connection with any business, transaction, and series of transactions of the State of Illinois involving a thing of value of \$5,000 or more, namely, legislation affecting ComEd and its business;

In violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

COUNT SEVEN

The SPECIAL APRIL 2021 GRAND JURY further charges:

On or about July 10, 2018, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, together with Michael F. McClain, caused the use of a facility in interstate commerce, namely, an email account and associated communication network operated by the service provider Adams Telephone Co-Operative, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely, a violation of Chapter 720 Illinois Compiled Statutes § 5/33-1(d) (bribery) and Chapter 720 Illinois Compiled Statutes § 5/33-8 (legislative misconduct), and thereafter, the defendant did perform, did cause to be performed, and did attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT EIGHT

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1(a) through 1(g), 1(k), 1(m), and 6 of Count One of this indictment are realleged and incorporated here.

2. At times material to Count Eight of this indictment:

a. Company A was a New York-based real estate company. Individual A-1 was associated with Company A and was involved in overseeing and managing a real estate development project located within Alderman A's ward.

b. Organization B was a Chicago-based community organization. Individual B-1 was the chief executive officer of Organization B.

c. The State of Illinois established various boards and commissions (referred to collectively as the "State boards") to carry out certain governmental functions. These State boards included the Illinois Commerce Commission and the Illinois Labor Relations Board.

d. The Illinois Commerce Commission was, among other things, responsible for regulating public utilities, regulating intrastate rates charged by property motor carriers, and inspecting railroad crossings and tracks. Commissioners appointed to the Illinois Commerce Commission received a salary of at least approximately \$117,043 per year.

e. The Illinois Labor Relations Board was, among other things, responsible for administering the Illinois Public Labor Relations Act, the primary law

governing relations between unions and public employers. The Illinois Labor Relations Board maintained State and local panels that paid a salary to members of at least approximately \$93,926.

f. Certain salaried positions on the State boards, including the Illinois Commerce Commission and the Illinois Labor Relations Board, were filled by appointment of the Governor of the State of Illinois. In selecting candidates to fill such positions, the Governor would consider the advice of other public officials concerning suitable candidates.

3. Beginning in or around June 2018 and continuing to in or around January 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, together with others known and unknown to the Grand Jury, knowingly devised, intended to devise, and participated in a scheme to defraud the people of Illinois of the intangible right to the honest services of MADIGAN through bribery and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

4. It was part of the scheme that MADIGAN agreed to accept business steered by Alderman A towards his private law firm, Madigan & Getzendanner, and in exchange, MADIGAN agreed to assist, in his official capacity as Speaker of the House of Representatives, in advising and inducing the Governor of the State of Illinois to appoint

Alderman A to a State board that would pay Alderman A compensation of at least approximately \$93,926 a year upon Alderman A's retirement from the City Council.

5. It was further part of the scheme that, on or about June 20, 2018, MADIGAN met with Alderman A and agreed to assist Alderman A with obtaining an appointment upon his retirement from the City Council to a State board that compensated its board members, in exchange for Alderman A's assistance in steering business towards MADIGAN's private law firm, Madigan & Getzendanner.

6. It was further part of the scheme that, on or about July 11, 2018, MADIGAN caused information concerning State board positions, including the composition of each State board, how board members were appointed, board terms, and board compensation, to be delivered to Alderman A's office.

7. It was further part of the scheme that, on or about July 23, 2018, at MADIGAN's request, Alderman A contacted Individual A-1, and asked Individual A-1 to meet with MADIGAN so that MADIGAN could introduce himself for purposes of obtaining legal business from Individual A-1.

8. It was further part of the scheme that, on or about August 2, 2018, MADIGAN met with Alderman A, and during the meeting: (a) Alderman A explained that he was most interested in appointment to a State board that would pay him over \$100,000 a year; (b) MADIGAN explained that he would assist Alderman A in obtaining an appointment to a State board by "go[ing] to [the future Governor of the State of Illinois]. That's what I would do. . . . So you'd come in as [the future Governor's]

recommendation;” (c) Alderman A assured MADIGAN that “there’s a lot of good stuff happening in my ward” and that he would help MADIGAN obtain legal business for his private law firm; and (d) MADIGAN in return assured Alderman A that he would help him obtain a State board appointment by telling Alderman A, “Just leave it in my hands,” and asked that Alderman A also help a relative of MADIGAN and the relative’s employer obtain business from Organization B.

9. It was further part of the scheme that, on or about August 3, 2018, MADIGAN contacted Alderman A’s assistant to check on the status of the planned meeting with Individual A-1.

10. It was further part of the scheme that, on or about August 15, 2018, MADIGAN contacted Alderman A to check on the status of the planned meeting with Individual A-1, and asked Alderman A to convince Individual A-1 to provide MADIGAN legal business for a specific commercial real property located in Chicago that MADIGAN believed Company A to have an interest in.

11. It was further part of the scheme that, on or about August 21, 2018, MADIGAN caused an assistant to send an email to Alderman A’s assistant that confirmed that MADIGAN would be available to meet with Individual A-1 on September 4, 2018.

12. It was further part of the scheme that, on or about August 31, 2018, at MADIGAN’s request, Alderman A advised Individual A-1 that MADIGAN was interested in obtaining tax work for a specific piece of commercial real property.

13. It was further part of the scheme that, on or about September 4, 2018, MADIGAN met with Alderman A and Individual A-1 at his law firm, Madigan & Getzendanner, for the purpose of MADIGAN soliciting business for his private law firm from Company A.

14. It was further part of the scheme that, on or about September 26, 2018, MADIGAN asked Alderman A to assist him with obtaining tax work concerning a second commercial property MADIGAN believed Company A to have an interest in.

15. It was further part of the scheme that, on or about October 9, 2018, based on MADIGAN's request, Alderman A contacted Individual A-1.

16. It was further part of the scheme that, on or about October 26, 2018, MADIGAN met with Alderman A, and after Alderman A advised MADIGAN that Individual A-1 had agreed to give MADIGAN's law firm business, MADIGAN assured Alderman A that he would advise and induce the Governor of Illinois to appoint Alderman A to a State board.

17. It was further part of the scheme that, on or about November 23, 2018, MADIGAN met with Alderman A, and during the meeting: (a) Alderman A advised MADIGAN that he would not run for re-election, but was still committed to generating additional business for MADIGAN's law firm; (b) MADIGAN thanked Alderman A and asked Alderman A, "Do you wanna go forward now on one of those state appointments?"; (c) MADIGAN asked for Alderman A's resume, "Because I wanna have a meeting with [the Governor-elect] the week after next"; (d) MADIGAN explained that MADIGAN

wanted to let the Governor-elect “know what’s coming next,” but that his communication with the Governor-elect did not “need to be in writing. I can just verbally tell him”; and (e) after Alderman A indicated a relative was interested in a State job, MADIGAN asked for the relative’s resume as well.

18. It was further part of the scheme that, on or about December 1, 2018, MADIGAN called Alderman A and confirmed Alderman A’s interest in being appointed to the Illinois Commerce Commission or the Illinois Labor Relations Board.

19. It was further part of the scheme that, on or about December 4, 2018, pursuant to MADIGAN’s earlier request for Alderman A’s and Alderman A’s relative’s resumes, Alderman A’s assistant emailed copies of these resumes to an assistant who worked at the Thirteenth Ward Office.

20. It was further part of the scheme that, on or about December 4, 2018, an assistant who worked at the Thirteenth Ward Office emailed the resumes for Alderman A and Alderman A’s relative to MADIGAN’s assistant at Madigan & Getzendanner.

21. It was further part of the scheme that, on or about December 4, 2018, MADIGAN met with the Governor-elect for the State of Illinois to discuss, among other things, the composition of the State boards.

22. It was further part of the scheme that MADIGAN concealed, misrepresented, and hid and caused to be concealed, misrepresented and hidden, the existence and purpose of the scheme and the acts done in furtherance of the scheme.

23. On or about August 21, 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by wire communication in interstate commerce certain writings, signs, and signals, namely, an email to Alderman A's assistant that confirmed that MADIGAN would be available to meet with Individual A-1 on September 4, 2018, which email was processed through servers located outside Illinois;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT NINE

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1 through 22 of Count Eight of this indictment are realleged and incorporated here.

2. On or about December 4, 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by wire communication in interstate commerce certain writings, signs, and signals, namely, an email to an assistant who worked at the Thirteenth Ward Office that contained copies of resumes for Alderman A and Alderman A's relative, which email was processed through servers located outside Illinois;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT TEN

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1 through 22 of Count Eight of this indictment are realleged and incorporated here.

2. On or about December 4, 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by wire communication in interstate commerce certain writings, signs, and signals, namely, an email to MADIGAN's assistant at Madigan & Getzendanner that contained resumes for Alderman A and Alderman A's relative, which email was processed through servers located outside Illinois;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT ELEVEN

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1 and 2 of Count Eight of this indictment are realleged and incorporated here.

2. Beginning in or around June 2018, and continuing until in or around January 2019, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, as an agent of the State of Illinois, corruptly solicited and demanded, and agreed to accept things of value, namely, fees arising from the retention of his law firm, Madigan & Getzendanner, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions of the State of Illinois involving a thing of value of \$5,000 or more, namely, the appointment of Alderman A to a compensated State board position upon Alderman A's retirement from public office;

In violation of Title 18, United States Code, Section 666(a)(1)(B).

COUNT TWELVE

The SPECIAL APRIL 2021 GRAND JURY further charges:

On or about August 15, 2018, at approximately 1:58 p.m. (Session #63241), at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, caused the use of a facility in interstate commerce, namely, a cellular telephone assigned telephone number (312) XXX-0292, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely, a violation of Chapter 720 Illinois Compiled Statutes § 5/33-1(a) (bribery), Chapter 720 Illinois Compiled Statutes § 5/33-1(d) (bribery), Chapter 720 Illinois Compiled Statutes § 5/33-1(e) (bribery) and Chapter 720 Illinois Compiled Statutes § 5/33-8 (legislative misconduct), and thereafter, the defendant did perform and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT THIRTEEN

The SPECIAL APRIL 2021 GRAND JURY further charges:

On or about August 31, 2018, at approximately 9:58 a.m. (Session #64345), at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, caused the use of a facility in interstate commerce, namely, a cellular telephone assigned telephone number (312) XXX-0292, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely, a violation of Chapter 720 Illinois Compiled Statutes § 5/33-1(a) (bribery), Chapter 720 Illinois Compiled Statutes § 5/33-1(d) (bribery), Chapter 720 Illinois Compiled Statutes § 5/33-1(e) (bribery), and Chapter 720 Illinois Compiled Statutes § 5/33-8 (legislative misconduct), and thereafter, the defendant did perform and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT FOURTEEN

The SPECIAL APRIL 2021 GRAND JURY further charges:

On or about December 1, 2018, at approximately 2:06 p.m. (Session #69799), at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, caused the use of a facility in interstate commerce, namely, a cellular telephone assigned telephone number (312) XXX-0292, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely, a violation of Chapter 720 Illinois Compiled Statutes § 5/33-1(a) (bribery), Chapter 720 Illinois Compiled Statutes § 5/33-1(d) (bribery), Chapter 720 Illinois Compiled Statutes § 5/33-1(e) (bribery), and Chapter 720 Illinois Compiled Statutes § 5/33-8 (legislative misconduct), and thereafter, the defendant did perform, did cause to be performed and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT FIFTEEN

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1(a) through 1(g), 1(k), 1(m), and paragraph 6 of Count One of this indictment are realleged and incorporated here.

2. At times material to Count Fifteen of this indictment:

a. Company C was a joint-venture involved in the development of a large, multi-unit apartment building in Chicago, Illinois (the “Apartment project”). Individual C-1 was associated with the joint venture.

b. As of in or around June 2017, the Apartment project had not obtained the approvals required for the project from the City of Chicago, including a zoning change that would come for approval before the Committee on Zoning, Landmarks & Building Standards, chaired by Alderman A.

3. On or about June 12, 2017, MADIGAN asked Alderman A to introduce him to representatives of Company C, so that MADIGAN could seek business for his private law firm, Madigan & Getzendanner, from Company C.

4. On or about June 23, 2017, after Alderman A informed MADIGAN that: (i) representatives of Company C would meet with MADIGAN so that MADIGAN could seek legal work for his private firm; (ii) Company C still needed to deal with Alderman A “in terms of zoning” for the Apartment project; and (iii) “I think they understand how this works, you know, the *quid pro quo*, the *quid pro quo*,” MADIGAN said, “Okay. . . . Very good.”

5. On or about July 12, 2017, after Alderman A informed MADIGAN that, with respect to Individual C-1: (i) Alderman A had confirmed a meeting between Individual C-1 and MADIGAN so that MADIGAN could seek private legal work from Company C; and (ii) “I just talked to him, and I think, you know, by me giving him the zoning change and everything he needs and I think he understands, so I think it’ll be okay,” MADIGAN said, “Very good, okay.”

6. On or about July 18, 2017, immediately prior to a meeting with Individual C-1 and another representative for Company C, MADIGAN privately told Alderman A not to use the phrase *quid pro quo*, and falsely suggested a pretext for Alderman A’s introduction of Company C to MADIGAN for tax services: “You’re just recommending . . . because if they don’t get a good result on their real estate taxes, the whole project will be in trouble. . . . Which is not good for your ward. So you want high quality representation.” In truth and fact, as MADIGAN well knew, MADIGAN had asked Alderman A to introduce him to Company C for the purpose of obtaining private legal work; Alderman A had expressed no concern about the viability of the Apartment project based on real estate taxes; and Alderman A had twice advised MADIGAN of an understanding that approvals for the Apartment project would be received in exchange for private legal work being provided to MADIGAN’s law firm.

7. On or about July 18, 2017, MADIGAN met with Individual C-1 and another representative of Company C and, in Alderman A’s presence, sought tax work for his private law firm, Madigan & Getzendanner.

8. On or about September 7, 2017, after Alderman A informed MADIGAN that he would soon be taking official action on the Apartment project, and asked MADIGAN whether MADIGAN's law firm had received business from Company C: "I'm gonna be deciding on this development I told you, I think before, that I'm very likely to do it. . . . But I wanted to know if you had done anything with them yet," MADIGAN responded, "I'm almost positive the answer is yes," but asked Alderman A for an opportunity to "double check with my partner."

9. On or about September 11, 2017, after Alderman A asked MADIGAN during a telephone call whether Company C "had . . . contacted your firm or not," MADIGAN, using vague language to conceal the nature and significance of his instruction, told Alderman A, "Umm, you know, you should go ahead and process that. . . . You were contemplating processing something. You should go ahead and process that."

10. Beginning no later than in or around June 2017 and continuing through in or around September 2017, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, did knowingly attempt to commit extortion, which extortion would obstruct, delay, and affect commerce, in that MADIGAN attempted to obtain property, namely, fees arising from the retention of MADIGAN's law firm, Madigan &

Getzendanner, to be paid by Company C, with the consent of Company C, induced under color of official right;

In violation of Title 18, United States Code, Section 1951(a) and 2.

COUNT SIXTEEN

The SPECIAL APRIL 2021 GRAND JURY further charges:

On or about June 23, 2017, at approximately 4:58 p.m. (Session #34338), at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, caused the use of a facility in interstate commerce, namely, a cellular telephone assigned telephone number (312) XXX-0292, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely, a violation of 18 U.S.C. § 1951(a) (extortion) and Chapter 720 Illinois Compiled Statutes § 5/16-1(a) (theft), and thereafter, the defendant did perform and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT SEVENTEEN

The SPECIAL APRIL 2021 GRAND JURY further charges:

On or about July 12, 2017, at approximately 1:51 p.m. (Session #35528), at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, caused the use of a facility in interstate commerce, namely, a cellular telephone assigned telephone number (312) XXX-0292, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely, a violation of 18 U.S.C. § 1951(a) (extortion) and Chapter 720 Illinois Compiled Statutes § 5/16-1(a) (theft), and thereafter, the defendant did perform and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT EIGHTEEN

The SPECIAL APRIL 2021 GRAND JURY further charges:

On or about July 19, 2017, at approximately 5:42 p.m., at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN,

defendant herein, caused the use of a facility in interstate commerce, namely, an email account and associated communication network operated by the service provider Network Solutions to send an email to Individual C-1, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely, a violation of 18 U.S.C. § 1951(a) (extortion) and Chapter 720 Illinois Compiled Statutes § 5/16-1(a) (theft), and thereafter, the defendant did perform and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

COUNT NINETEEN

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1(a) through 1(g), 1(k), 1(m), 6, and 8 of Count One of this indictment are realleged and incorporated here.

2. At times material to Count Nineteen of this indictment:

Relevant Entities and Individuals

a. The State of Illinois owned a parcel of land located in Chicago's Chinatown neighborhood (the "Chinatown parcel") that was used to operate a parking lot accessible to the community.

b. A group of individuals ("Group A") sought to develop the Chinatown parcel and the adjacent area by converting the parking lot into a commercial development which would include a hotel. In order to move forward with this development, Group A sought to have the State of Illinois transfer ownership of the Chinatown parcel to the City of Chicago, so that Group A could in turn acquire the Chinatown parcel from the City and thereafter develop it and the adjacent area.

c. Lobbyist 1 was engaged in the practice of lobbying public officials in the legislative and executive branches of the State of Illinois.

d. Representative A and Representative B were elected members of the House of Representatives.

e. The Illinois Department of Transportation was responsible for planning, construction, operation, and maintenance of the State of Illinois's

transportation network. Part of the duties of the Illinois Department of Transportation included seeking the introduction of bills in the Illinois General Assembly, known as land transfer bills or land use bills, that authorized the transfer of surplus State-owned real property. Such land transfer bills would provide for the State to sell or transfer the property to a third party on the terms specified therein.

f. The Illinois Secretary of Transportation was the chief executive officer within the Illinois Department of Transportation.

g. The Office of the Illinois Secretary of State, headed by the Secretary of State, was responsible for, among other things, issuing driver's licenses, registering vehicles, and promoting traffic safety.

3. Beginning on or about July 18, 2017, and continuing to in or around January 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN and
MICHAEL F. McCLAIN,

defendants herein, together with others known and unknown to the Grand Jury, knowingly devised, intended to devise, and participated in a scheme to defraud the people of the State of Illinois of the intangible right to the honest services of MADIGAN through bribery and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

4. It was part of the scheme that MADIGAN agreed to use his position as Speaker of the House to assist with and cause the passage of legislation providing for the transfer of the Chinatown parcel with the understanding that, in exchange, legal work

would be steered to his private law firm, Madigan & Getzendanner, which would generate legal fees that personally benefitted MADIGAN.

**MADIGAN Assigns McCLAIN to Work on
the Transfer of the Chinatown Parcel**

5. It was further part of the scheme that on or about July 18, 2017, MADIGAN discussed with Alderman A the transfer of the Chinatown parcel from the State of Illinois to the City of Chicago so that Group A could in turn acquire the Chinatown parcel from the City of Chicago for the purposes of commercially developing the parcel.

6. It was further part of the scheme that on or about September 7, 2017, MADIGAN advised Alderman A that the decision to transfer the Chinatown parcel was in the “hands of” the Illinois Department of Transportation, and that MADIGAN would find somebody to talk to the Illinois Department of Transportation.

7. It was further part of the scheme that, on or about September 13, 2017, MADIGAN obtained the telephone number of a member of Group A from Alderman A, and instructed Alderman A to tell this individual that McCLAIN would be in contact in one or two days.

8. It was further part of the scheme that, on or about September 13, 2017, McCLAIN contacted a member of Group A for the purpose of discussing the transfer of the Chinatown parcel.

9. It was further part of the scheme that, on or about November 14, 2017, McCLAIN met with Alderman A and, thereafter, with members of Group A to discuss the transfer of the Chinatown parcel.

10. It was further part of the scheme that, on or about December 15, 2017, McCLAIN and Alderman A discussed McCLAIN's plan to involve Lobbyist 1 in the effort to transfer the Chinatown parcel, owing to Lobbyist 1's useful contacts within the Governor's administration.

MADIGAN and McCLAIN Are Told MADIGAN Will Receive Tax Work in Exchange for Assisting with the Transfer of the Chinatown Parcel

11. It was further part of the scheme that, on or about December 18, 2017, after McCLAIN was informed by Alderman A that "In the past, I have been able to steer some work to Mike [MADIGAN], and these guys will do the same thing," McCLAIN agreed that MADIGAN would assist with the transfer of the Chinatown parcel.

12. It was further part of the scheme that, in or around late 2017, McCLAIN indicated to Lobbyist 1 that MADIGAN would not block any bill providing for the transfer of the Chinatown parcel from passage in the House of Representatives.

13. It was further part of the scheme that, on or about March 26, 2018, after Alderman A told MADIGAN that "I've been around for a long time. I can be discreet," and that Group A would provide MADIGAN with property tax work for the Chinatown parcel, MADIGAN thanked Alderman A, and agreed to follow up on matters relating to the transfer of the Chinatown parcel, to include having McCLAIN communicate with the sponsor of an already-filed land transfer bill that could be amended to also provide for the transfer of the Chinatown parcel.

14. It was further part of the scheme that, on or about March 27, 2018, after Alderman A told MADIGAN that, if MADIGAN could take care of the transfer of the

Chinatown parcel, Group A would “appreciate it” and give MADIGAN tax work for his private law firm, MADIGAN said, “Okay, alright, very good.”

**MADIGAN and McCLAIN Work to Overcome Opposition
to the Transfer of the Chinatown Parcel**

15. It was further part of the scheme that, between on or about April 17, 2018, and on or about April 18, 2018, McCLAIN discussed with Lobbyist 1 how to overcome the obstacle posed by State Senator A, who was believed to oppose legislation providing for the transfer of the Chinatown parcel to the City of Chicago, so that the land could thereafter be transferred to Group A.

16. It was further part of the scheme that, on or about April 24, 2018, after confirming that MADIGAN was using a private telephone, McCLAIN reported that “we got troubles” concerning the transfer of the Chinatown parcel, and MADIGAN suggested that a “big delegation” from Chinatown visit State Senator A and another senator who were believed to oppose legislation providing for the transfer of the Chinatown parcel.

17. It was further part of the scheme that, on or about April 25, 2018, McCLAIN told Alderman A and Lobbyist 1 about MADIGAN’s suggestion to have a delegation from Chinatown visit two State senators to persuade them to remove their opposition to the transfer of the Chinatown parcel.

18. It was further part of the scheme that, on or about May 16, 2018, MADIGAN asked McCLAIN for a report on McCLAIN’s progress in arranging for the transfer of the Chinatown parcel, and McCLAIN explained that he was in the process of

having information concerning the Chinatown parcel delivered to a member of MADIGAN's legislative staff.

19. It was further part of the scheme that on or about May 28, 2018, for the purpose of concealing MADIGAN's participation in the illegal activity and making it appear that MADIGAN was uninvolved in efforts to transfer the Chinatown parcel, McCLAIN told MADIGAN's staff member to make sure MADIGAN voted "present" on the bill concerning the transfer of the Chinatown parcel because the bill concerned "a developer of his," and based on McCLAIN's questions concerning the insertion of language concerning the Chinatown parcel into a bill, the staff member offered to follow up with Lobbyist 1 concerning the additional language authorizing the transfer of the Chinatown parcel that needed to be added to a pending land transfer bill.

20. It was further part of the scheme that, on or about May 30, 2018, McCLAIN advised MADIGAN's chief of staff that State Senator A had put a "brick" on the transfer of the Chinatown parcel in the Senate, meaning that any bill providing for the transfer of the Chinatown parcel would not pass in the Senate.

21. It was further part of the scheme that, on or about May 31, 2018, McCLAIN left a message for MADIGAN and reported that "we have had many hurdles" concerning the transfer of the Chinatown parcel, that the Illinois Secretary of Transportation was opposed to the transfer of the Chinatown parcel, and that Lobbyist 1 was still attempting to "find a vehicle" for the transfer of the Chinatown parcel.

22. It was further part of the scheme that, on or about May 31, 2018, MADIGAN called McCLAIN, and instructed McCLAIN to “put the file in the drawer for a while” due to the opposition mounted by the Secretary of Transportation and others to legislation concerning the transfer of the Chinatown parcel.

23. It was further part of the scheme that, on or about May 31, 2018, after Alderman A advised McCLAIN that the amendment to Representative A’s bill authorizing the transfer of the Chinatown parcel had been filed and indicated his understanding that the plan was to have the legislation considered during the General Assembly’s upcoming fall veto session, McCLAIN agreed, and explained that he expected the Secretary of Transportation to have found “another job and be gone” by that time, and that MADIGAN was “fine with that” plan.

MADIGAN and McCLAIN Identify and Secure a Sponsor in the House for a Bill Concerning the Transfer of the Chinatown Parcel

24. It was further part of the scheme that, on or about June 20, 2018, MADIGAN explained to Alderman A that “in all likelihood” the Secretary of Transportation would no longer be in office after the election in early November 2018, and in response to Alderman A’s request for MADIGAN’s intervention either in November 2018 or January 2019 to ensure the passage of legislation concerning the Chinatown parcel, MADIGAN agreed to get it done.

25. It was further part of the scheme that, on or about June 22, 2018, based on MADIGAN’s request for information, McCLAIN asked for additional information from Lobbyist 1 in relation to the transfer of the Chinatown parcel.

26. It was further part of the scheme that, on or about July 31, 2018, McCLAIN advised Alderman A that McCLAIN had talked to MADIGAN about the transfer of the Chinatown parcel the previous week, and that McCLAIN did not anticipate any problems with passing legislation authorizing the transfer of the Chinatown parcel in the fall.

27. It was further part of the scheme that, on or about August 7, 2018, McCLAIN discussed with Lobbyist 1 finding a different sponsor for the land transfer bill and the amendment authorizing the transfer of the Chinatown parcel in the House of Representatives, owing to the fact that Representative A did not support the transfer of the Chinatown parcel.

28. It was further part of the scheme that, on or about October 26, 2018, MADIGAN advised Alderman A of his willingness to call legislation concerning the Chinatown parcel for a vote in the House during the veto session, and told Alderman A, “I have to find out about . . . who would be the proponent in the House. We gotta find the appropriate person for that. I have to think it through.”

29. It was further part of the scheme that, on or about November 2, 2018, MADIGAN told McCLAIN that “we never settled on a sponsor” for the bill concerning the transfer of the Chinatown parcel, and MADIGAN told McCLAIN that Representative B would be a suitable sponsor for the bill in the House of Representatives because Representative B’s seat was within the Senate district that included the Chinatown parcel.

30. It was further part of the scheme that, on or about November 7, 2018, McCLAIN left a voicemail message for Representative B, in which McCLAIN asked Representative B to sponsor the bill providing for the transfer of the Chinatown parcel in the House of Representatives.

31. It was further part of the scheme that, on or about November 8, 2018, McCLAIN told Representative B that “a friend of ours [MADIGAN] talked to me and said that, since you’re the other half of that Senate district . . . the thought was that maybe that they would hand the bill over to you and that you’d be the chief sponsor,” and Representative B agreed to sponsor the bill.

32. It was further part of the scheme that, on or about November 10, 2018, McCLAIN sent an email to Lobbyist 1, in which McCLAIN asked Lobbyist 1 if Lobbyist 1 had talked to Representative B about moving sponsorship of the land transfer bill to Representative B, and whether there were any problems with moving the bill to Representative B.

33. It was further part of the scheme that, on or about November 11, 2018, MADIGAN and McCLAIN caused Lobbyist 1 to email Representative B a copy of the proposed amendment to the land transfer bill introduced by Representative A that would provide for the transfer of the Chinatown parcel to the City of Chicago.

34. It was further part of the scheme that, on or about November 21, 2018, McCLAIN advised Alderman A that a “major hurdle” to passage of legislation concerning the Chinatown parcel had arisen, in that the Illinois Secretary of State had

received petitions from local businesspeople in Chinatown who were opposed to the transfer of the Chinatown parcel, and that the Illinois Secretary of State had reached out to leadership in the Senate to express opposition to the transfer.

35. It was further part of the scheme that, on or about November 23, 2018, after Alderman A advised MADIGAN that there was opposition to legislation providing for the transfer of the Chinatown parcel and that it was best to wait until after upcoming elections and attempt to pass the legislation in May 2019, MADIGAN agreed to do so.

36. It was further part of the scheme that, on or about November 23, 2018, MADIGAN confirmed with McCLAIN that the bill to transfer the Chinatown parcel would not go forward in the General Assembly's veto session.

37. It was further part of the scheme that MADIGAN and McCLAIN concealed, misrepresented, and hid and caused to be concealed, misrepresented and hidden, the existence and purpose of the scheme and the acts done in furtherance of the scheme.

38. On or about November 10, 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN and
MICHAEL F. McCLAIN,

defendants herein, for the purpose of executing the scheme, knowingly caused to be transmitted by wire communication in interstate commerce certain writings, signs, and signals, namely, an email from McCLAIN to Lobbyist 1, in which McCLAIN asked if Lobbyist 1 had talked to Representative B about moving sponsorship of a land transfer

bill to Representative B, and whether there were any problems with moving the bill to Representative B, which email was processed through servers outside Illinois;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT TWENTY

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1 through 37 of Count Nineteen of this indictment are realleged and incorporated here.

2. On or about November 11, 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN and
MICHAEL F. McCLAIN,

defendants herein, for the purpose of executing the scheme, knowingly caused to be transmitted by wire communication in interstate commerce certain writings, signs, and signals, namely, an email from Lobbyist 1 to Representative B, which contained a copy of the language of the proposed amendment to a land transfer bill providing for the transfer of the Chinatown parcel, which email was processed through servers located outside Illinois;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT TWENTY-ONE

The SPECIAL APRIL 2021 GRAND JURY further charges:

1. Paragraphs 1 and 2 of Count Nineteen of this indictment are realleged and incorporated here.

2. Beginning in or around July 2017, and continuing until in or around November 2018, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN and
MICHAEL F. McCLAIN,

defendants herein, with MADIGAN being an agent of the State of Illinois, corruptly solicited and demanded, and agreed to accept things of value, namely, fees arising from the retention of MADIGAN's law firm, Madigan & Getzendanner, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions of the State of Illinois involving a thing of value of \$5,000 or more, namely, a bill authorizing the transfer of the Chinatown parcel;

In violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

COUNT TWENTY-TWO

The SPECIAL APRIL 2021 GRAND JURY further charges:

On or about November 2, 2018, at approximately 2:10 p.m. (Session #14490), at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL J. MADIGAN and
MICHAEL F. McCLAIN,

defendants herein, caused the use of a facility in interstate commerce, namely, a telephone assigned telephone number (773) XXX-7700, with intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment and carrying on of an unlawful activity, namely, a violation of Chapter 720 Illinois Compiled Statutes § 5/33-1(a) (bribery), Chapter 720 Illinois Compiled Statutes § 5/33-1(d) (bribery), Chapter 720 Illinois Compiled Statutes § 5/33-1(e) (bribery), and Chapter 720 Illinois Compiled Statutes § 5/33-8 (legislative misconduct), and thereafter, the defendants did perform, did cause to be performed, and attempt to perform an act to carry on and facilitate the promotion and carrying on of said unlawful activity;

In violation of Title 18, United States Code, Sections 1952(a)(3) and 2.

FORFEITURE ALLEGATION ONE

The SPECIAL APRIL 2021 GRAND JURY alleges:

1. The allegations contained in Count One of the indictment are realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 1963(a)(3).

2. As a result of the violation of Title 18, United States Code, Section 1962(d), as alleged in the foregoing indictment,

MICHAEL J. MADIGAN and
MICHAEL F. McCLAIN,

defendants herein, have property constituting, and derived from, proceeds which were obtained, directly and indirectly, from racketeering activity in violation of Title 18, United States Code, Section 1962.

3. The interests of the defendants subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(3), include but are not limited to approximately \$2,850,337.

4. To the extent that the property described above as being subject to forfeiture pursuant to Title 18, United States Code, Section 1963(a)(3), as a result of any act or omission by the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. have been transferred or sold to, or deposited with, a third party;
- c. have been placed beyond the jurisdiction of the Court;
- d. have been substantially diminished in value; or

- e. have been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States of America, pursuant to Title 18, United States Code, Section 1963(m) to seek forfeiture of any other property of the defendant up to the value of the property described above as being subject to forfeiture;

All pursuant to Title 18, United States Code, Section 1963(a)(3).

FORFEITURE ALLEGATION TWO

The SPECIAL APRIL 2021 GRAND JURY further alleges:

1. Counts Two through Twenty-Two of this indictment are incorporated here for the purpose of alleging forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(e).

2. As a result of the offenses charged in Counts Two through Twenty-Two of this indictment,

MICHAEL J. MADIGAN and
MICHAEL F. McCLAIN,

defendants herein, shall forfeit to the United States any and all right, title, and interest they have in any property, real and personal, which constitutes or is derived from proceeds traceable to the offenses in Counts Two through Twenty-Two.

3. The interests of defendants subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) as incorporated by Title 28, United States Code, Section 2461(c), include but are not limited to approximately \$2,827,837.

4. If, as a result of any act or omission by the defendants, any of the forfeitable property described above:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty,

the United States shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY

STATE PUBLIC CHARTER SCHOOL AUTHORITY



2019 CALL FOR QUALITY CHARTER SCHOOLS
SUMMER CYCLE REQUEST FOR PROPOSALS

Schools Opening Fall 2020 and Beyond

MS Word Application Template

Application Track B:

**Start-Up Applicant (Committee to Form) Seeking to Operate With a Management Agreement
With a Non-Profit or For-Profit Educational Management Organization**

Contents

1. SPCSA Charter Proposal Cover Sheet.....	1-3
2. Executive Summary.....	2-7
3. Meeting the Need	3-10
4. Academic Plan	4-15
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1. SPCSA Charter Proposal Cover Sheet

Identify the **primary point of contact** for your team. Barring a change in the makeup of the founding group, this will likely be the liaison identified in the Notice of Intent. This individual will serve as the contact for all communications, scheduling, and notices regarding your application. The Primary Contact is expected to ensure that your team receives all general communications promptly. Please note that, as with all aspects of your application, names and contact information of the Primary Contact will become public information. Please note that neither the Primary Contact nor any other member of the Committee to Form may be an employee of a proposed vendor, including an educational management organization.

Primary contact person: Annette Dawson Owens

Mailing address:

Street/PO Box: 2632 Sunday Grace Drive

City: Henderson State NV Zip 89052

Phone Number: day 702-336-5149 evening 702-336-5149

Fax Number: _____ Email: annette@nevadastrongacademy.org

Name of team or entity applying: Nevada Strong Academy Charter School

- Track A
- Track B
- Track C
- Track D

Provide a brief description of your school that includes the name, the mission, grades served and other information you would like to include in a brief communication of this type. Your description will be used by the sponsor to provide information to the public about applicants and, for approved schools, new charter schools.

The mission of Nevada Strong Academy is to prepare every student to be college and career ready to lead in their community and world by sparking curiosity and providing students with an exceptional, well-rounded education through high-quality instruction, rigorous curriculum, and character development.

Our school will serve students in kindergarten through twelfth grade and our mission informs our daily activities and students' classroom experiences. We provide a joyful, safe, caring and collaborative atmosphere. Our curriculum features a quality student centered program with an emphasis on STREAMS-Science, Technology, Engineering and Mathematics, as well as reading, art and social-emotional learning (SEL). Our mission guides us in targeted, intentional and purposeful design and decisions that impact every element of our school.

Cover Sheet 1-3

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Names, roles, and current employment of all persons on applicant team (add lines as needed):

Full Name	Current Job Title and Employer	Position with Proposed School
Soner Tarim	Co-Founder of Nevada Strong	Founder
Annette Dawson Owens	Co-Founder of Nevada Strong	Founder
Carrie Buck	Fundraising/Pinecrest Foundation	Board Member
Sam Castor	Legal Counsel/Switch	Board Member
Monty Coon	Director/Artificial Intelligence	Board Member
Lindsey Dalley	Dentist/Dalley Dental	Board Member
Andy Hafen	Retired Mayor	Board Chair
Kurt Harris	Attorney/Harris Law Firm	Board Member
David Jones	Manager/Northern Trust	Board Treasurer
Bea Soares	Business advisor/SCORE	Board Vice Chair
Amy Trombetti	Director/SPEDCO	Board Member

Does this applicant team, charter management organization, or education management organization have charter school applications under consideration by any other authorizer(s) in the United States? Yes No

If yes, complete the table below, adding lines as needed.

State	Authorizer	Proposed School Name	Application Due Date	Decision Date

Does this applicant team, charter management organization, or education management organization have new schools scheduled to open elsewhere in the United States in the 2018-19 or 2019-20 school years? Yes No

If yes, complete the table below, adding lines as needed.

Proposed School Name	City	State	Opening Date

School Name (add lines as needed):

Proposed School Name(s)*	Opening Year	Grades served Year 1	Grades served at capacity

(a) Planned Enrollment (Must Correspond to Budget Worksheet Assumptions)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
K	112	112	112	112	112	112
1	84	112	112	112	112	112
2	56	84	112	112	112	112
3	56	56	84	112	112	112
4	56	56	56	84	112	112
5	50	56	56	56	84	112
6		39	112	112	112	112
7			30	67	112	112
8					52	112
9						4
10						
11						
12						
Total	414	515	674	767	920	1012

Nevada law currently permits an operator to contract with for-profit and non-profit education management organizations and education service providers.

Does the proposed school intend to contract or partner with an education management organization (EMO) or education service provider (ESP) or other organization to provide school management services? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If yes, identify the EMO/ESP:	<i>Royal School</i>

Effective January 1, 2016, Nevada law permits authorizers to enter into charter contracts to nonprofit charter management organizations which directly hold a charter in another state as well as to Nevada non-profit corporations formed for the purpose of applying for a charter in conjunction with such a CMO.

Is the applicant for the proposed school a charter management organization (CMO) or a Nevada non-profit corporation formed for the purpose of applying for a charter in conjunction with a CMO? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If yes, identify the CMO and any affiliated NV non-profit:	

Applicant Certification:

Annette Dawson Owens

July 15, 2019

Signature

Date

Annette Dawson Owens
Printed Name:

2. Executive Summary

4 Page Limit

Provide a brief overview of your proposed school, including:

- (a) An overview of the mission and vision for the school
- (b) Proposed model and target community
- (c) The outcomes you expect to achieve
- (d) The key components of your educational model
- (e) The values, approach, and leadership accomplishments of your school leader or leadership team
- (f) Key supporters, partners, or resources that will contribute to your school's success

- (a) Provide a brief overview of the mission and vision for the school

The mission of Nevada Strong Academy is to prepare every student to be college and career ready to lead in their community and world by sparking curiosity and providing students with an exceptional, well-rounded education through high-quality instruction, rigorous curriculum, and character development.

In Las Vegas, there are disparities in academic attainment between minority students and their Caucasian peers and between students from low-income families and their more affluent peers. Nevada Strong Charter School exists to both extinguish the Achievement Gap and raise the collective level of performance for all students by providing educational excellence to students and families in Las Vegas. We believe that providing students and families access to a rigorous, college-preparatory academic program in a structured environment of high expectations will break the cycle of underperformance and change the life trajectories of the students we serve.

Our vision for Nevada Strong is to deliver learning experiences that equip students with the knowledge and social-emotional skills necessary for them to be curious, knowledgeable, responsible, and well-rounded future leaders.

We envision equity and excellence for all. Starting in kindergarten and continuing into high school, we prepare students for a rigorous college preparatory study and pursuit of their lives goals and dreams. Students who graduate from our school will have a clear picture of what college looks like, will be able to understand what is required for entrance, and they will have the knowledge, skills, and test scores to position them to open college and career doors.

- (b) Proposed model and target community

The importance of education in today's global economy cannot be overstated. Yet, by any objective measure, educators are failing to prepare the vast majority of our students. At Nevada Strong, we will focus our collective efforts to overcoming this trend and setting our students on the path to success in high school, college, and beyond. Nevada Strong's model rests on three major pillars that lead to success: high-quality instruction, rigorous academics, culture, and values that connect students with the community. The value of these seemingly simple pillars is not in their identification but in the implementation of our model.

Our first pillar of success, high-quality instruction, will be realized by supporting great teachers within a school that is modeled around using academic data to inform the instruction students receive constantly. Collecting data in real time allows intervention/extension activities to be

Executive Summary 2-7

provided quickly – often the same day. Data will inform lesson plans and instructional strategies as it will be a common theme throughout our professional development and processes of continuous improvement.

Rigorous academics, our second pillar, begins with a foundation of proven curriculums that have been successful in student populations that mirror our own. Starting with curriculum and assessments that are already aligned to state standards allows teachers to spend time analyzing data and responding to student needs.

Our third pillar speaks to the Core Values at Nevada Strong. Excellent academics are the primary focus of a school, but developing culture and character should not be sacrificed in the quest for higher test scores. We know that incorporating our S.T.R.O.N.G. values, Scholar, Team, Resilience, Optimism, Noble, Gracious into our daily routines and discussions will ultimately build a community of confidence, support, and even greater success.

Target Community:

In order to provide an excellent K-12 education option to families and students who do not currently have access to one in the heart of our city, we will strategically locate near disadvantaged students who do not have access to a high-quality school. Students who are experiencing high poverty, who are at risk of dropping out or failing in school, students who are disengaged because they do not have access to a high-quality educational outcome, those whose needs are not being met, whether they be English language learners, special education students or students dealing with trauma, all are a target and focus of Nevada Strong Academy.

(c) The outcomes you expect to achieve

By starting in kindergarten, ensuring our entire program is aligned to rigorous high school standards, and by using quantitative student performance to drive instruction, Nevada Strong will create a dynamic, responsive, and supportive environment that is centered on realizing the full potential of all students.

We expect students, upon graduation, be college and career ready performing at or above grade level in all subjects, with every option and avenue open to them for post-secondary experiences. We expect them to be confident, capable connected individuals due to the high quality, caring, and personalized education they receive at Nevada Strong Academy.

(d) The key components of your educational model

At the center of our educational model and instructional program are nine core components: 1) Rigorous curriculum and instruction; 2) Assessment and academic progress monitoring; 3) Addressing the needs of special populations; 4) Highly effective teacher development; 5) Social and emotional learning; 6) College, career and military readiness; 7) Extracurricular activities and enrichment; 8) Parent engagement, and 9) Classroom management through clear protocols and procedures.

These nine core elements are our non-negotiables and equip all students, including students with disabilities and English language learners to learn and achieve as we understand their individual needs and work to meet them.

In addition, we focus on the fundamental five, which are strategies every teacher uses to improve educational outcomes for students. We utilize double blocks of instruction in reading and math as well as daily fluency practice in both subjects. We personalize learning through the project and place-based learning and serve the whole child through STREAMS360, which, besides a strong STEM focus, attends to reading, arts, and social-emotional learning for students.

(e) The values, approach, and leadership accomplishments of your school leader or leadership team
Nevada Strong believes in creating a culture of care and respect for all staff, students, and teachers. Our approach is targeted, intentional, and purposeful in all that we do throughout the school. Our team is determined, enthusiastic, well versed, and equipped to address all students' educational and emotional needs, including students with disabilities and English language learners. We believe every student can learn and achieve when their individual needs are understood and met.

The vast experience of our Founding Team positions Nevada Strong as uniquely capable of success. Soner Tarim's track record of excellence is often the standard to which other schools are held. He has already proven that he will be successful in founding schools under ideal and difficult conditions. He brings with him a career of best practices; lessons learned, tips, tricks, and experiences in serving our students, families, teachers, and community.

Annette Dawson Owens, our school co-founder, is in the midst of an incredible journey preparing to open a school. Capitalizing on her years of experience and community connections, including school relationships across the country, she has learned from dozens of high-performing schools. By combining this knowledge with her decades of experience in the classroom and assembling a governing board with specialized skills and deep community interests, Dawson Owens is equipped to create a school that changes the lives of each and every student. That is Nevada Strong.

(f) Key supporters, partners, or resources that will contribute to your school's success

Key supporters and partners, as well as resources that will contribute to our schools success, are Project Lead the Way, Uncommon Training, The Public Education Foundation, Project and Place-Based Learning Organizations, The Boy Scouts of America, Shaan Patel's Prep Expert/Shark Tank, partnerships with local colleges and universities, Teach For America, and countless non-profits throughout the community.

3. Meeting the Need

TARGETED PLAN

- (1) Identify the community you wish to serve and describe your interest in serving this specific community.

In Clark County alone, there are over 360,000 specific reasons we want to start a school. Each of these students are part of our future; every student has a story to tell, and most of our young scholars are underserved. Nevada Strong is designed around the central mission of serving students in underserved areas and providing choice in their education and control over their future.

While Nevada's recent results have improved slightly, it is still consistently at or near the bottom in ACT scores nationally¹. With a composite score of 17.5, only 11 percent of the state's high school juniors are college and career ready. Data from the Department of Education's website shows the results of the 2017 NAEP. By 8th grade, only 27% of students were proficient in math, and 28% were proficient in reading. This knowledge gap starts even earlier than in middle school. By 4th grade, only 31% of students were proficient in both math and reading. In a sea of discouraging data, results for African American and Latino students were even worse. Black and Hispanic students' results on the NAEP are roughly 20 percent lower in all four categories.

Our students, after attending thirteen years of school, should not need remedial courses before starting on their college and career paths. If this is the case, the system has failed and has not been designed in targeted, intentional, and purposeful ways as it should and could be. Nevada Strong is interested in serving the community to make a difference in college and career readiness.

Given the clear need for high-quality seats across the state, Nevada Strong has chosen two specific areas of focus:

1. zip code 89119 (including 89169)
2. zip code 89106 (including 89107, 89108)

The 89106 Zip Code is home to two 1-star elementary schools, five 2-star elementary schools, one 1-star middle school, and one 2-star middle school.

Within a four-mile radius of zip code 89106, there are twenty elementary schools serving 12,486 elementary students who are currently attending one and two-star performing schools. Eighteen of the twenty schools have student populations that are 100% free and reduced lunch. Half of these students have 40% or more ELL students.

The 89119 Zip Code is home to two 2-star elementary schools, and the only middle school is one star.

Within a four-mile radius of zip code 89119, there are six elementary schools serving 4378 elementary students who are currently attending one and two-star performing schools. 2 All schools are 100% free and reduced lunch. Four out of the six one and two-star schools have 40% or more ELL students. Nevada Strong is committed to serving our most underserved students;

¹ http://www.doe.nv.gov/News_Media/Press_Releases/2018/Nevada_ACT_Scores_Improve/

² <https://opportunity180.org>

specifically, students who qualify for free/reduced lunch and students who are learning English as their second language.

As seen across Clark County (and across the country) the trend is for large numbers of students in urban areas to attend the lowest performing schools. Research confirms both the collective underperformance of our students and specific achievement gaps that African American and Latino students must overcome.

We wish to serve students in an area of need and have identified facilities in the above two locations as we considered possible areas to serve and partnerships. Public charter schools can play a key role in working alongside the local school district to help solve the education equity problem in Clark County.

- (2) Explain how your model, and the commitment Explain how your model, and the commitment to serve this population, including the grade levels you have chosen, would meet the district and community needs and align with the mission of the SPCSA.

Our model has nine distinct pillars, including high-quality instruction, rigorous curriculum, and character development which, together, will provide an excellent and equitable education for all. Our proposed STREAMS-360 Project Based Learning model will fortify the foundational skills of students and prepare them to face academic challenges at the high school and college levels. Practical application of knowledge will be encouraged so that students can broaden their horizons and preview what their professional lives are going to be like. Our innovative approach will be targeted, intentional, and purposeful. Through our project based and blended learning components of our educational plan, we'll create personalized learning paths for all students in grades K-12 in order to meet the needs of each student. This, in concert with a strong program to support students socially and emotionally, will prepare our students to be college and career ready.

Our model aligns with the SPCSA's mission of increasing student achievement while being innovative in our design and personalized approach to serve students. Students currently have limited access to a high-quality school, and Nevada Strong would provide an option in excellence and equity for all.

PARENT AND COMMUNITY INVOLVEMENT

- (1) Describe the role to date of any parents, neighborhood, and/or community members involved in the development of the proposed school.

In addition to providing updated information via our school website and interacting on social media, we have also focused on cultivating interactive opportunities for students, parents, and families to ask questions and provide feedback. We have hosted community information sessions and tabling events. We have attended monthly community events to speak with parents about our school, offer families the opportunity to provide input, and distribute 'intent to enroll' forms. These surveys and direct conversations have given parents an intentional opportunity to express their desires and priorities for their child's education.

The Nevada Strong board has met extensively with key community members including our mayors, the speaker of the assembly, and the governor. Our board members have met with members of the education committee, commissioners, assemblymen, and senators. We have reached out to local politicians, city and business leaders, traditional district education leaders, national charter network leaders, and major colleges and universities both locally and nationally.

Meeting the Need 3-11

Our co-founder has a rich history of being active in education locally. She's involved in Community Education Advisory Boards, various educational committees (including Title One), School Organizational Teams and has actively engaged with local universities. She's continuously seeking opportunities for continued professional development and remains active in the community through My Brother's Keeper. She was selected for the Public Education Executive Leadership cohort and trained monthly by local and national educational experts that helped inform the design of Nevada Strong.

Parents have influenced the design of our school by encouraging us to focus on student engagement and personalized learning pathways that meet the needs of each individual student. A culture of care, as well as a safe learning environment, are desires expressed by parents as well as students. Nevada Strong has developed targeted, intentional, and purposeful practices that will be implemented in the school, such as daily affirmations for both teachers and students, as well as professional development before school begins. Teachers will practice and be ready on day one, before students ever enter the building, with routines and procedures that maximize outcomes for students.

- (2) Describe how you will engage parents, neighborhood, and community members from the time that the application is approved through the opening of the school. What specific strategies will be implemented to establish buy-in and to learn parent priorities and concerns during the transition process and post opening?

Post-authorization, Nevada Strong will engage parents, neighborhood and community members by continuing our purposeful outreach efforts already underway. We'll leverage our relationships with community organizations, local businesses, early childhood facilities, and churches to help us inform parents and families about the opportunity for their child(ren). Our board will continue to build on the business and community relationships we have already established to engage more families in our target community.

Several members of our Founding Board have extensive experience in start-up charter schools and marketing. Specific strategies to establish buy-in and continue to discuss parents' priorities and concerns during the transition process and post opening include: door-to-door canvassing, boots-on-the-ground events to pass out flyers, interactive social media outreach, information sessions and town hall meetings, radio interviews, and a commitment that our outreach efforts (flyers, postcards, enrollment forms, information sheets) will be available in English and Spanish. As a Founding Team, we fully understand that enrollment will rely on energetic mobilization of the relationships and connections within our community. Parent engagement is a two-way street, and ample opportunities will be given for parents to provide feedback through surveys, through question and answer periods, through open communication and listening tours.

- (3) Describe your plan for engaging parents/families in the life of the school, in addition to any proposed governance roles related to students' parents/guardians. Explain the plan for building family-school partnerships that strengthen student support and academic outcomes and how the school will encourage parental involvement. Describe any expectations for parent volunteering.

Nevada Strong's plan for engaging parents/families in the life of the school starts with every child receiving a home visit. We will create a Family Advisory Council/School Organizational Team/PTO that meets monthly and consists of parents and staff members.

We will elect a parent to serve as a member of the Nevada Strong Academy Board. We will leverage the board and school leaders' personal connections within the community to bring in resources that would be most helpful to our families.

Nevada Strong will have an open door policy and believes every parent is an asset and strengthens our school culture. We will have a family questionnaire to capture our parents' skill sets and their desires to be involved in the school. We will have regular surveys, weekly check-ins with parents regarding their student, monthly family night events, which depending on the expressed desires of our parents could include guest speakers, resume writing workshops, job fairs, etc. Our parents will be invited to regular college visits, and student-led parent teacher conferences at our school.

- (4) Discuss the community resources that will be available to students and parents. Describe any strategic partnerships the school will have with community organizations, businesses, or other educational institutions that are part of the school's core mission, vision, and program other than the EMO identified in the application or dual-credit partners discussed in subsequent sections. Specify the nature, purposes, terms, and scope of services of any such partnerships, including any fee-based or in-kind commitments from community organizations or individuals that will enrich student-learning opportunities. Include, as Attachment 1, existing evidence of support from community partners such as letters of intent/commitment, memoranda of understanding, and/or contracts.

Nevada Strong's founder has deep roots working within the community and established relationships. The school will continue to formalize countless additional relationships with preschool partners such as Accelero and Strong Start, with community centers such as the Boys and Girls Clubs, the Cambridge Community Center, Dolittle Community Center, with countless mentoring organizations such as Tulip, Big Brothers Big Sisters, JAG-Jobs for America's Graduates, 100 Black Men of NV, with community libraries such as the Clark County Library and Clark County West Las Vegas Library.

Nevada Strong has discussed our school and made contact with local sports leaders such as the Raiders, the Lights, the Aces, the 51s, the Aviators. We continue to build awareness with non-profits and organizations that serve at-risk youth such as Shade Tree, St. Jude's, Veteran's Village, the Harbor, Casa Luz, Three Square, and the Police Department. We will continue to build relationships with local places of worship embedded in the community such as Victory Baptist Church, Casa Luz, New Jerusalem Worship Center, etc. In addition, Nevada Strong has built relationships within the Latin Chamber, the Urban Chamber, the Henderson Chamber of Commerce the Clark County Black Caucus chair, and attended numerous gatherings, meet and greet events.

In addition, a number of community partners are available and eager to partner with Nevada Strong when services are desired by parents or staff that will enrich students' lives in aftercare programs or at times within the school day. Community resources that will be available to students and parents include college and university partnerships, as well as after-school activities made possible by organizations such as the Boy and Girl Scouts of America, Coding, Think Law, and Music, Leadership Training, etc.

- (5) Describe the group's ties to and/or knowledge of the target community. What initiatives and/or strategies will you implement to learn from and engage the neighborhood, community, and broader city?

Nevada Strong has ties to and knowledge of our target community through direct involvement with My Brother's Keeper, long term relationships with the local universities, and by sitting on a variety of Boards and Committees including: the Community Education Advisory Board, Title 1 Committee, School Reorganization efforts, school organization teams, the Public Education Foundation's Executive Leadership Academy, and School Leader's Council.

We will leverage our community partners to provide our students opportunities through speaking engagements, project-based learning, field trips, and other interactive experiences. In keeping with our commitment to literacy, these community-based experiences will be woven into a language arts lesson unit or project as appropriate. Starting in kindergarten, Nevada Strong students will have opportunities to participate in and be exposed to experiences that provide them enhanced academic and personal development as well as service opportunities in the community. Our students will have annual opportunities to broaden their horizons and serve the community. As students get older, naturally, the level of the project will advance. By graduation, students will complete a "Capstone" level project. We will provide the necessary supports and scaffolding for students, but we will use this opportunity to develop their skills and confidence and connect to the community as we prepare them for success in college and careers.

To continue to learn from the community and engage the neighborhood, upon authorization, we will provide STREAM360 activities for the target community. This will allow us to highlight our STEM focus combined with literacy to get parents and students excited about learning and attending Nevada Strong. Our school leaders have training and connections to Project Lead the Way, and we will highlight and connect college and career paths as an integral part of our mission.

Nevada Strong is also committed to recruiting mentors and has connected with mentor groups who want to be involved in schools and make a difference in the lives of our students. In addition, our co-founder has made connections with our homeless and foster advocates in the community and will continue to see that our most underserved have the opportunity to access Nevada Strong Academy.

- (6) Identify any organizations, agencies, or consultants that are partners in planning and establishing the school, along with a brief description of their current and planned role and any resources they have contributed or plan to contribute to the school's development. If much of the founding group and/or the EMO contractor is new to Nevada, describe how your previous work has prepared you to establish relationships and supports in this new community.

Amy Trombetti of Spedco-Special Education Consulting Services (SPEDCO) provides schools with exceptional services and coaching regarding support, professional development, and federal law compliance. This allows special education teachers/directors the ability to focus on their student's educational needs. She was a school administrator with Utah Charter Schools and spent 10 years as a Special Education Teacher and Facilitator with Clark County School District. She has a B.S. in Education/Special Education from UNLV, Administrations and Supervision from the University of Phoenix and is Mediation/Conflict Resolution certified from the University of Utah.

In addition, Soner Tarim founder of Harmony Schools, successfully serving urban students in Texas and whose bio is attached is providing any and all necessary support to the successful launch of Nevada Strong.

- 1- Bu tuzuk hukumleri ekim 2005 maaşlarından (ekim sonunda verilen) itibaren uygulanacaktır.
- 2- Maaşlı eleman çalışan bütün şehirler her bölgenin kendisi tarafından kriterleri aşağıda verilen noktalara göre belirlenmiş olan 5 kategoriden hangisine uygunsa yerleştirilecektir. (eski tüzükteki 4 olan sayı 5 e çıkarılmıştır)
- 3- Kategorilerin belirlenmesinde ana esas olarak kira aralıkları değerlendirilecektir. Buna ilave , o şehre has hususi durumlar varsa onlar da bölgenin kendi içinde dikkate alınacak ve nihai olarak kategorilendirme yapılacaktır.
- 4- Kira aralıkları 2 odalı ve 3 odalı , normal bir apartman dairesi esas olarak aşağıdaki şekilde belirlenmiştir.

A	B	C	D	E
600 – 750	700 - 900	800 - 1000	950 - 1250	1200 - 1500
700 – 900	850 - 1000	950-1250	1200 – 1400	1400 ve üstü

- 5- Ana maaş tablosunda bekar – evli çocuksuz – evli 1 çocuklu ve evli 2 çocukluya göre her kategoride alınacak taban maaşlarla birlikte 3. çocuktan itibaren her çocukta eklenecek farklar da yer almıştır. Örnek olarak 4 çocuklu bir aile evli 2 çocuklunun üzerine 3. çocuk farkı + 4. çocuk farkı rakamlarını da ekleyerek taban maaşını hesaplayacaktır.

	A	B	C	D	E
<i>Bekarlar</i>	1550	1650	1750	1850	1900
<i>Evli çocuksuz</i>	1850	2050	2250	2550	2750
<i>Evli 1 çocuklu</i>	1950	2150	2400	2700	2900
<i>Evli 2 çocuklu</i>	2050	2250	2500	2800	3100
<i>3. Çocuk Farkı</i>	300	300	350	400	400
<i>4. Çocuk Farkı</i>	300	300	300	300	300
<i>5. Çocuk Farkı</i>	400	400	400	400	400
<i>6. Çocuk Farkı</i>	300	300	300	300	300

- 6- **Makam** : Mudur yardımcilari – kucuk bolge h. icin \$ 50 , mudurler , bolge dean of acad., project man, il-eyalet had. vb icin \$ 100, genel md, bolge had icin \$ 150 makam ucreti eklenecektir.
- 7- **Yol Parasi** : Her yerdeki yetkili kisilerce tespit edilecek yilda bir kez TR ye gidis-donus yol paralari da toplam olarak (ailecek) hesap edilip 12 ye bolunerek taban maasa eklenecektir. Bu eklemede 0-2 yas icin % 10, 2-11 yas icin % 80, 12 ve ustü yas icin yetiskin ucretinin aynisi alinir.
- 8- Yetkililerin (BH) % 5 oraninda artirma veya azaltma yetkisi vardir.
- 9- **Kidem Farki** : Hzm muessesesinde maasli calismaya basladigi yildan itibaren sayilmak uzere kidem ucreti olarak yil basina \$ 10 ekleme yapilir.
- 10- **Tazminat** : Bolge disinda bir yere tayin edildiğinde eski bolgesinde calistigi yil adedince maas kadar tazminat eski yeri tarafından verilir. Maasa esas olarak da TR de , Istanbul da ayni statudeki birisinin aldigi maas alinir.
- 11- **Emeklilik** : Emeklilik olarak TR deki Bagkur un gonullu emeklilik sistemi uygulaması hakkında ek madde gelecektir. Amerikadaki kanunlar geregi emeklilik fonuna muessese tarafından sahsin adina yatirilan paralar alinma zamanında tamamen muesseseye birakilacaktır.
- 12- **Green Card** : Greencard icin basvuruda bulunan arkadaslarin avukatlik masraflari beldesi tarafından, saglik ve fotograf masraflari sahis tarafından karsilanacaktır.
- 13- İlk defa gelecek olanlar icin pasaport ve vize masraflari gelecegi yer tarafından karsilanacaktır. .
- 14- Esi ile birlikte muesseselerimizde calisanlardan birine tam ucret , esine ise ayni kategorideki bekar maasi verilir. Eslerden biri muessesemizde, digeri farkli yerde calisan ailelerde ise muessesede calisana evli – cocuksuz taban ucreti odendir.
- 15- **Vefat Durumunda** :
- a- Bekar bir calisanin vefati durumunda ailesine (anne – baba) veya bizde calisan bir bayanin vefatında esine verilmek uzere 3 aylık kidem tazminatı kadar yardım yapilir. Cenaze masraflari da karsilanir.
 - b- Bizde calisan erkek arkadasin vefati durumunda cenaze masraflari bizim tarafimizdan karsilanir, esine 3 aylık kidem tazminatı yardım yapilir, ayrica 1 yil sure ile TR deki Istanbul maaasinin yarisi kadar odeme yapilir. Son durumda bayanin ailesi yoksa veya onlarin yaninda kalamayacak durumda ise odeme tam maas olarak yapilir.
 - c- Bizde calisan erkek arkadasin esinin vefati durumunda esinin cenaze masraflari karsilanir.
- 16- Bedelli askerlik yapacaklara odayecegi ucretin % 30 u odendir.
- 17- **Doktora – master ve gelistirme dersleri**
Ogretmenlik kalitesini artirmak vb maksatlarla asagidaki sartlar dahilinde bazi arkadaslarin doktora veya master yapmasına izin verilebilir.
- a- Kimin doktora – master yapacağı heyette kararlaştirilacak.
 - b- Egitim ile alakali ve istisare ile belirlenen konularda yapılacak.
 - c- Bir donemde alacağı ders adedi de heyet tarafından belirlenecek.
 - d- Ders ve rehberlik aksatılmayacak.
 - e- Tayin durumuna engel teskil etmeyecek.

- f- Yaz zamani ders alip almayacagi heyet tarafından kararlartirilacak.
 - g- Doktora-master masraflari sahis tarafından karlsilanacak, vergi iadesindeki egitim tution u (\$ 1500) kendisine kalacaktır.
 - h- Doktora-master disinda gelisim maksatli muessese tarafından alinmasi istenen derslerin masrafi muessese tarafından karlsilanacaktır.
- 18- **Vergi iadeleri** tamamen muesseseye aittir. Buna mortgage vb den dolayi gelen iadeler de dahildir.
- 19- Baska bir iste calisilmasina, ucret karssiligi ozel ders verilmesine izin verilmez.
- 20- Saglik sigortasi muesseseden yapilmayacak, genel olusturulacak havuzdan ihtiyac durumunda verilmek uzere gelistirilen ve ekte izah edilecek sistem uygulanacaktır.
- 21- Amerika disindan tayin olanlarin vize alip da gelinceye kadar ucretleri eski yerleri tarafından odenir.
- 22- Bu tuzuk hukumleri makabline samil degildir. (geriye islemez)

- 1- These by-laws' provisions shall be applied from the salaries of October 2005 (to be paid at the end of October) forward.
- 2- All the cities with salaried employees shall be assigned by their districts to one fitting category among the 5 determined according to the items the criteria of which are displayed below. (The number of categories in the former by-laws which was 4 has been increased to 5.)
- 3- In determining the categories, the rent ranges shall be the main criteria to be considered. In addition to this, in case there are specific circumstances related with the city in question, those shall also be taken into consideration within the district itself and hence the final categories shall be assigned.
- 4- The rent ranges are determined by taking a normal apartment with two and three rooms as basis like in the following:

A	B	C	D	E
600 – 750	700 - 900	800 - 1000	950 - 1250	1200 - 1500
700 – 900	850 - 1000	950-1250	1200 – 1400	1400 and above

- 5- On the main salaries table, the base salary in each category of the cities are given according to the status of the employee as “single – married without children – married with one child– married with two children” together with the marginal payments to be added for each child as of the third child. For example, for a family with four children, the base rate of salary will be calculated by adding the marginal payments for the third and fourth child to the base salary of an employee that is “married with two children”.

	A	B	C	D	E
<i>Singles</i>	1550	1650	1750	1850	1900
<i>Married without children</i>	1850	2050	2250	2550	2750
<i>Married with one child</i>	1950	2150	2400	2700	2900
<i>Married with two children</i>	2050	2250	2500	2800	3100
<i>Marginal Payment for the:</i>					
<i>3rd Child</i>	300	300	350	400	400
<i>4th Child</i>	300	300	300	300	300
<i>5th Child</i>	400	400	400	400	400
<i>6th Child</i>	300	300	300	300	300

- 6- **Executive compensation** : For deputy principals – small district heads \$50, for principals, district deans of academy, project men, city/(county)-state heads, etc. \$100, for general directors, district heads \$150 shall be added as executive compensation.
- 7- **Travel allowance** : The travel expenses to be set by officers in each location for one travel to Turkey and back for each year shall be calculated (for a whole family) and added to the base salary after being divided into 12. In this addition, for children between ages of 0-2 10% of, between ages of 2-11 80% of, and for and above 12 years old children the total of the adult fee shall be calculated.
- 8- The officers (District Heads) are authorized to add or subtract 5%.
- 9- **Seniority allowance** : To be counted as from the year the employee started to work for their corporate entity on salary basis, \$10 for each year is going to be added as seniority allowance.
- 10- **Compensation**: When the employee gets relocated to a place outside of their district, he/she shall be paid by their former district so many salaries as the number of the years he/she had worked in their former district. As the basis for the salary, salary of an employee in a similar position in Istanbul, Turkey shall be taken.
- 11- **Retirement** : As for pension, an additional clause regarding the practice of the voluntary retirement system by Bağkur (Social Security Organization for Artisans and the Self-Employed) in Turkey is going to be brought in. As required by law in the United States, the money invested in the pension fund for an individual by the corporate entity shall be left entirely to the corporate entity at the time of the payment.
- 12- **Green Card** : The attorney fees of the colleagues that applied for a Green Card shall be covered by their county, the health and photography expenses by themselves.
- 13- For the ones who will come for the first time, the passport and visa expenses are going to be covered by the location they will arrive at.
- 14- For employees who work together with their spouses at one of our corporations, one spouse shall be paid the whole salary, the other the salary for single employees in their category. In families where one spouse works for us and the other is employed at a different corporate entity, our employee shall be paid the base salary of “married– without children”.
- 15- **In the case of death** :
 - a- In the case of death of a single employee, the family (mother– father); or in the case of death of a female employee, her spouse shall be aided in the amount of 3 months-seniority allowance. The funeral costs shall also be compensated.
 - b- In the case of death of a male employee, his funeral costs shall be compensated and his spouse shall be aided in the amount of 3 months-seniority allowance. Furthermore, his spouse shall be paid half of his salary in Istanbul, Turkey throughout one year. In this last case, if the

female spouse does not have a family or is unable to stay with them, the payment shall be made as the whole salary thereof.

- c- In the case of the death of a male employee's spouse, her funeral costs shall be compensated.

16- For the ones who will make a payment to be exempted from their military service, 30% of the exemption fee shall be compensated.

17- PhD – Master's and further training courses

For the purpose of upgrading the teaching quality and the like, some colleagues may be allowed to attend a PhD or master's program under the circumstances listed below:

- a- Who is going to do a doctorate or master's shall be decided by the board.
- b- It shall be done in subjects related with education and decided in communion.
- c- The number of courses to be taken in one term shall be also determined by the board.
- d- Teaching classes and counseling courses are not going to be skipped.
- e- It shall not hinder any relocation.
- f- The board shall decide whether courses can be taken during the summer term.
- g- The expenses for the doctoral and master's studies shall be covered by the individual but the tuition (\$ 1500) in tax repayments shall remain with them.
- h- Besides the doctoral and master's studies, any compulsory further training courses shall be covered by the corporate entity.

18- **Tax refunds** belong totally to the corporate entity, including the repayments stemming from mortgage, etc.

19- There shall be no permission to do an extra job or give private lessons for a fee.

20- The health insurance shall not be covered by the corporate entity but a system that is designed to function as payment from a pool to be spent when needed shall be practiced. This system shall be explained in the attachment.

21- The payments of the ones to be relocated from overseas shall be paid by their former employers until they will receive their visa and arrive in the US.

22- These by-laws' provisions shall not apply retroactively.

Orange County

CJIS Arrest Affidavit

Revision #: 2020.CF.
Court Case #: 15246 (20)

Arrested At-Large JRA
Document Date: 12/10/2019

Document #: 885127

Location of Defendant Vehicle: (ORI) : FL0480400 Agency: Orlando Police Department Date-Time Booked: Agency Case Number: 2019-166989
Name: FIC/CNIC Check: Date-Time of Arrest:

Address of Arrest:

DEFENDANT Adult Juvenile Jacket Number: Inmate Number: Language: ENGLISH
NAME (L,F,M): YALCIN, ABDULAZIZ A.K.A.: Race: W Sex: M DOB: 12/17/1985 Age: 34
Height: 6'01" Weight: 165 Hair: RED Eyes: BRO POB: City: State: POB: Country:
RES Street: 10313 CRYSTAL POINT DR Citizenship
City: ORLANDO State: FL Zip: 32825 Home Phone: Other Phone:
Scars/Tattoos: Ethnicity: UNKNOWN
Driver's License/ State ID No: Y425-000-85-057-0 State: FL Year Expires: 2024 SSN #: [REDACTED]

Business and Occupation: Bus Street #: City: State: Zip:
Next of Kin Name: Phone:
Next of Kin Street #: City: State: Zip:

AGGRAVATORS: Firearm Weapon Mask Vest Convicted Sex Batterer Hate Crime Special Victim: Domestic Violence? N

OFFENSES: Felony Misd. ORD. Traffic Out of County Court Location: CIRCUIT Originating State/Country: /ORANGE

No.	GOC Code	Description	Count	Bond Amt \$ / Status	FSS/ORD	FDLE Ref#	Drug Name	Citation Number
1		FAILURE TO REPORT CHILD ABUSE	39.205(1)-3	2,500.00	39.205.1	7317		

DCF Notified? By Whom? On Probation? Miranda Warning? By Whom? Involved?

Sworn to and subscribed before me this 11 day of Dec year 19. I swear or affirm the above statements are correct and true (407) 246-2470
Notary Public Law Enforcement or Corrections Officer Personally Known Produced Identification
Type of Identification: _____
Notary Signature: [Signature] Officer's Signature: [Signature] Officer's Bus. Phone No. WASSERMAN, GHENA / 19008
Notary Name: _____ Officer's Name/ID: [REDACTED]
Notary Commission # / Exp. Date: _____

Orange County **CJIS Arrest Affidavit** Revision #: 2020.CF.

Arrested At-Large JRA Document #: 885127 Court Case #: 15246 (20)

Document Date: 12/10/2019 Agency Case Number: 2019-166989

Location of Defendant Vehicle: (ORI): FL0480400 Agency: Orlando Police Department Date-Time Booked: FCIC/NCIC Check: Date-Time of Arrest:

Address of Arrest:

DEFENDANT Adult Juvenile Jacket Number: Inmate Number: Language: ENGLISH

NAME (L,F,M): YALCIN, ABDULAZIZ A.K.A.: Race: W Sex: M DOB: 02/17/1985 Age: 34

Height: 6'01" Weight: 165 Hair: RED Eyes: BRO POB City: POB State: POB Country:

RES Street: 10313 CRYSTAL POINT DR Citizenship:

City: ORLANDO State: FL Zip: 32825 Home Phone: Other Phone:

Scars/Tattoos: Ethnicity: UNKNOWN

Driver's License/ State ID No: Y425-000-85-057-0 State: FL Year Expires: 2024 SSN #: [REDACTED]

Business and Occupation: Bus Street#: City: State: Zip:

Next of Kin Name: Phone:

Next of Kin Street #: City: State: Zip:

AGGRAVATORS: Firearm Weapon Mask Vest Convicted Sex Batterer Hate Crime Special Victim: Domestic Violence? N

OFFENSES: Felony Misd. ORD. Traffic Out of County Court Location: CIRCUIT /ORANGE State/County:

No.	GOC Code	Description	Count	Bond Amt \$ / Status	FSS/ORD	FDLE Rec#	Drug Name	Citation Number
1		FAILURE TO REPORT CHILD ABUSE	39.205(1)-3	1 2,500.00	39.205.1	7317		

DCF Notified? By Whom? On Probation? Miranda Warning? By Whom? Invoiced?

Sworn to and subscribed before me, this 11 day of Dec year 19 I swear or affirm the above statements are correct and true

Notary Public Law Enforcement or Corrections Officer Personally Known Produced Identification Type of Identification

Notary Signature: [Signature] Notary Name: _____ Notary Commission # / Exp. Date: _____

Officer's Signature: [Signature] Officer's Bus. Phone No. (407) 246-2470
WASSERMAN, GHENA / 19008
Officer's Name/ID: _____

Orange County CJIS Arrest Affidavit

Arrested At-Large JRA Document #: 885127 Vision #: 2020.09. Court Case #: 15246 (20)

Document Date: 12/10/2019 Agency Case Number: 2019-166989
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 Name: FCIC/CIC Check: Date-Time of Arrest:

Address of Arrest:

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Height: 6'01" Weight: 165 Hair: RED Eyes: BRO POB City: POB State: POB Country: Citizenship

RES Street: 10313 CRYSTAL POINT DR City: ORLANDO State: FL Zip: 32825 Home Phone: Other Phone: Ethnicity: UNKNOWN

Scars/Tattoos: Driver's License/ State ID No: Y425-000-85-057-0 State: FL Year Expires: 2024 SSN #: [REDACTED]

Business and Occupation: Bus Street: City: State: Zip: Phone: Next of Kin Name: Street #: City: State: Zip:

AGGRAVATORS: Firearm Weapon Mask Vest Convicted Sex Batterer Hate Crime Special Victim: Domestic Violence? N

OFFENSES: Felony Misd. ORD. Traffic Out of County Court Location: CIRCUIT Originating State/County: /ORANGE

No.	GOC Code	Description	Count	Bond Amt \$ / Status	FSS/ORD	FDLE Ref#	Drug Name	Citation Number
1		FAILURE TO REPORT CHILD ABUSE	39.205(1)-3	2,500.00	39.205.1	7317		

DCF Notified? By Whom? On Probation? Miranda Warning? By Whom? Involved?

[Large empty space for notes or additional information]

Sworn to and subscribed before me this 11 day of Dec year 19
 Notary Public Law Enforcement or Corrections Officer Personally Known Produced Identification Type of Identification: _____
 I swear or affirm the above statements are correct and true (407) 246-2470
 Officer's Signature: [Signature] Officer's Bus. Phone No. WASSERMAN, GHENA / 19008
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Orange County **CJIS Arrest Affidavit** Revision #: 2020.CF.

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NAME (L.F.M.): YALCIN, ABDULAZIZ A.K.A.: Race: W Sex: M DOB: 02/17/1985 Age: 34

Height: 6'01" Weight: 165 Hair: RED Eyes: BRO POB City: POB State: POB Country:

RES Street: 10313 CRYSTAL POINT DR Citizenship:

City: ORLANDO State: FL Zip: 32825 Home Phone: Other Phone:

Scars/Tattoos: Ethnicity: UNKNOWN

Driver's License/ State ID No: Y425-000-85-057-0 State: FL Year Expires: 2024 SSN #: [REDACTED]

Business and Occupation: Bus Street#: City: State: Zip:

Next of Kin Name: Phone:

Next of Kin Street #: City: State: Zip:

AGGRAVATORS: Firearm Weapon Mask Vest Convicted Sex Batterer Hate Crime Special Victim: Domestic Violence? N

OFFENSES: Felony Misd. ORD. Traffic Out of County Court Location: CIRCUIT Originating State/County: /ORANGE

No.	GOC Code	Description	Count	Bond Amt \$ / Status	FSS/ORD	FDLE Rec#	Drug Name	Citation Number
1		FAILURE TO REPORT CHILD ABUSE	39.105(1)-3	1 2,500.00	39.205.1	7317		

DCF Notified? By Whom? On Probation? Miranda Warning? By Whom? Invoked?

[Large empty box for notes or additional information]

Sworn to and subscribed before me, this 11 day of Dec year 19. I swear or affirm the above statements are correct and true. (407) 246-2470

Notary Public Law Enforcement or Corrections Officer Officer's Signature: *M. Wasserman* Officer's Bus. Phone No. WASSERMAN, GHENA / 19008

Personally Known Produced Identification Officer's Name/ID: [REDACTED]

Type of Identification: Notary Signature: *[Signature]* Notary Name: Notary Commission # / Exp. Date:

Orange County

CJIS Arrest Affidavit

Revision #: 2020.CP.
Court Case #: 15246 (50)

Arrested At-Large JRA
Document Date: 12/10/2019

Document #: 885127

Location of Defendant Vehicle: (ORI) : FL0480400 Agency: Orlando Police Department Date-Time Booked: Agency Case Number: 2019-166989
Name: FIC/CNIC Check: Date-Time of Arrest:

Address of Arrest:

DEFENDANT Adult Juvenile Jacket Number: Inmate Number: Language: ENGLISH
NAME (L,F,M): YALCIN, ABDULAZIZ A.K.A.: Race: W Sex: M DOB: 12/17/1985 Age: 34

Height: 6'01" Weight: 165 Hair: RED Eyes: BRO POB City: POB State: POB Country: Citizenship:

RES Street#: 10313 CRYSTAL POINT DR City: ORLANDO State: FL Zip: 32825 Home Phone: Other Phone: Ethnicity: UNKNOWN

Scars/Tattoos:

Driver's License/ State ID No: Y425-000-85-057-0 State: FL Year Expires: 2024 SSN #: [REDACTED]

Business and Occupation: Bus Street#: City: State: Zip:

Next of Kin Name: Phone: State: Zip:

Next of Kin Street #: City: State: Zip:

AGGRAVATORS: Firearm Weapon Mask Vest Convicted Sex Batterer Hate Crime Special Victim Domestic Violence? N

OFFENSES: Felony Misd. ORD. Traffic Out of County Court Location: CIRCUIT Originating State/County: /ORANGE

No.	GOC Code	Description	Count	Bond Amt \$ / Status	FSS/ORD	FDLE Ref#	Drug Name	Citation Number
1		FAILURE TO REPORT CHILD ABUSE	39.205(1)-3	2,500.00	39.205.1	7317		

DCF Notified? By Whom? On Probation? Miranda Warning? By Whom? Involved?

[Large empty rectangular area for notes or additional information]

Sworn to and subscribed before me this 11 day of Dec year 19
Notary Public Law Enforcement or Corrections Officer
Personally Known Produced Identification
Type of Identification

I swear or affirm the above statements are correct and true (407) 246-2470
Officer's Signature: [Signature] Officer's Bus. Phone No. WASSERMAN, GHENA / 19008
Officer's Name/ID: [REDACTED]

Notary Signature: [Signature]

Notary Name: Notary Commission # / Exp. Date

Orange County **CJIS Arrest Affidavit** Revision #: 2020.CF.

Arrested At-Large JRA Document #: 885127 Court Case #: 15246 (20)

Document Date: 12/10/2019
 Location of Defendant Vehicle: (ORI) : FL0480400 Agency: Orlando Police Department Date-Time Booked: Agency Case Number: 2019-166989
 Address of Arrest: P/C/N/C/C Check: Date-Time of Arrest:

DEFENDANT Adult Juvenile Jacket Number: Inmate Number: Language: ENGLISH

NAME (L,F,M): YALCIN, ABDULAZIZ A.K.A.: Race: Sex: DOB: Age: 34
 Height: 6'01" Weight: 165 Hair: RED Eyes: BRO POB City: POB State: POB Country:

RES Street: 10313 CRYSTAL POINT DR City: ORLANDO State: FL Zip: 32825 Home Phone: Other Phone: Citizenship: UNKNOWN

Scars/Tattoos: Driver's License/ State ID No: Y425-000-85-057-0 State: FL Year Expires: 2024 SSN #: [REDACTED]

Business and Occupation: Bus Street: City: State: Zip: Next of Kin Name: Phone: Next of Kin Street #: City: State: Zip:

AGGRAVATORS: Firearm Weapon Mask Vest Convicted Sex Batterer Hate Crime Special Victim: Domestic Violence? N

OFFENSES: Felony Misd. ORD. Traffic Out of County Court Location: CIRCUIT Originating State/County: /ORANGE

No.	GOC Code	Description	Count	Bond Amt \$ / Status	FSS/ORD	FDLE Rec#	Drug Name	Citation Number
1		FAILURE TO REPORT CHILD ABUSE	39.105(1)-3	2,500.00	39.205.1	7317		

DCF Notified? By Whom? On Probation? Miranda Warning? By Whom? Invoked?

[Large empty area for notes or additional information]

Sworn to and subscribed before me this 11 day of Dec year 19 I swear or affirm the above statements are correct and true (407) 246-2470

Notary Public Law Enforcement or Corrections Officer Officer's Signature: M. Kuber Officer's Bus. Phone No: WASSERMAN, GHENA / 19008
 Personally Known Produced Identification Officer's Name/ID: [REDACTED]

Notary Signature: [Signature] Notary Name: Notary Commission # / Exp. Date:

Orange County

CJIS Arrest Affidavit

Revision #: 2020.CP.
Court Case #: 15246 (50)

Arrested At-Large JRA
Document Date: 12/10/2019

Document #: 885127

Location of Defendant Vehicle: (ORI) : FL0480400 Agency: Orlando Police Department Date-Time Booked: Agency Case Number: 2019-166989
Name: FIC/CNIC Check: Date-Time of Arrest:

Address of Arrest:
DEFENDANT Adult Juvenile Jacket Number: Inmate Number: Language: ENGLISH
NAME (L,F,M): YALCIN, ABDULAZIZ A.K.A.: Race: W Sex: M DOB: 12/17/1985 Age: 34
Height: 6'01" Weight: 165 Hair: RED Eyes: BRO POB City: POB State: POB Country:
RES Street#: 10313 CRYSTAL POINT DR Citizenship:
City: ORLANDO State: FL Zip: 32825 Home Phone: Other Phone:
Scars/Tattoos: Ethnicity: UNKNOWN

Driver's License/ State ID No: Y425-000-85-057-0 State: FL Year Expires: 2024 SSN #: [REDACTED]
Business and Occupation: Bus Street#: City: State: Zip:
Next of Kin Name: Phone:
Next of Kin Street #: City: State: Zip:

AGGRAVATORS: Firearm Weapon Mask Vest Convicted Sex Batterer Hate Crime Special Victim: Domestic Violence? N

OFFENSES: Felony Misd. ORD. Traffic Out of County Court Location: CIRCUIT Originating State/County: /ORANGE

No.	GOC Code	Description	Count	Bond Amt \$ / Status	FSS/ORD	FDLE Ref#	Drug Name	Citation Number
1		FAILURE TO REPORT CHILD ABUSE	39.205(1)-3	2,500.00	39.205.1	7317		

DCF Notified? By Whom? On Probation? Miranda Warning? By Whom? Invoked?

[Large empty rectangular area for notes or additional information]

Sworn to and subscribed before me this 11 day of Dec year 19
Notary Public Law Enforcement or Corrections Officer
Personally Known Produced Identification
Type of Identification

I swear or affirm the above statements are correct and true (407) 246-2470
Officer's Signature: [Signature] Officer's Bus. Phone No. WASSERMAN, GHENA / 19008
Officer's Name/ID: [REDACTED]

Notary Signature: [Signature] Notary Name: Notary Commission # / Exp. Date

Orange County

CJIS Arrest Affidavit

Revision #: 2020.CF.
Court Case #: 15246 (20)

Arrested At-Large JRA
Document Date: 12/10/2019

Document #: 885127

Location of Defendant Vehicle: (ORI) : FL0480400 Agency: Orlando Police Department Date-Time Booked: Agency Case Number: 2019-166989
Name: FIC/CNIC Check: Date-Time of Arrest:

Address of Arrest:

DEFENDANT Adult Juvenile Jacket Number: Name: Language: ENGLISH
NAME (L,F,M): YALCIN, ABDULAZIZ A.K.A.: Race: W Sex: M DOB: 02/17/1985 Age: 34
Height: 6'01" Weight: 165 Hair: RED Eyes: BRO POB: City: State: POB: Country:
RES Street: 10313 CRYSTAL POINT DR Citizenship
City: ORLANDO State: FL Zip: 32825 Home Phone: Other Phone:
Scars/Tattoos: Ethnicity: UNKNOWN
Driver's License/ State ID No: Y425-000-85-057-0 State: FL Year Expires: 2024 SSN #: [REDACTED]

Business and Occupation: Bus Street: City: State: Zip:
Next of Kin Name: Phone:
Next of Kin Street #: City: State: Zip:

AGGRAVATORS: Firearm Weapon Mask Vest Convicted Sex Batterer Hate Crime Special Victim: Domestic Violence? N

OFFENSES: Felony Misd. ORD. Traffic Out of County Court Location: CIRCUIT Originating State/Country: /ORANGE

No.	GOC Code	Description	Count	Bond Amt \$ / Status	FSS/ORD	FDLE Ref#	Drug Name	Citation Number
1		FAILURE TO REPORT CHILD ABUSE	39.205(1)-3	2,500.00	39.205.1	7317		

DCF Notified? By Whom? On Probation? Miranda Warning? By Whom? Involved?

Sworn to and subscribed before me this 11 day of Dec year 19 Notary Public Law Enforcement or Corrections Officer Personally Known Produced Identification Type of Identification

I swear or affirm the above statements are correct and true (407) 246-2470 Officer's Bus. Phone No. Officer's Signature: M. WASSERMAN, GHENA / 19008 Officer's Name/ID

Notary Signature: [Signature]

Notary Name: Notary Commission # / Exp. Date

Orange County **CJIS Arrest Affidavit** Revision #: 2020.CF.

Arrested At-Large JRA Document #: 885127 Court Case #: 15246 (20)

Document Date: 12/10/2019 Location of Defendant Vehicle: (ORI) : FL0480400 Agency Name: Orlando Police Department Date-Time Booked: Agency Case Number: 2019-166989 FC/NCIC Check: Date-Time of Arrest:

Address of Arrest:

DEFENDANT Adult Juvenile Jacket Number: Inmate Number: Language: ENGLISH

NAME (L.F.M.): YALCIN, ABDULAZIZ A.K.A.: Race: W Sex: M DOB: 02/17/1985 Age: 34

Height: 6'01" Weight: 165 Hair: RED Eyes: BRO POB City: POB State: POB Country:

RES Street: 10313 CRYSTAL POINT DR Citizenship:

City: ORLANDO State: FL Zip: 32825 Home Phone: Other Phone:

Scars/Tattoos: Ethnicity: UNKNOWN

Driver's License/ State ID No: Y425-000-85-057-0 State: FL Year Expires: 2024 SSN #: [REDACTED]

Business and Occupation: Bus Street#: City: State: Zip:

Next of Kin Name: Phone:

Next of Kin Street #: City: State: Zip:

AGGRAVATORS: Firearm Weapon Mask Vest Convicted Sex Batterer Hate Crime Special Victim: Domestic Violence? N

OFFENSES: Felony Misd. ORD. Traffic Out of County Court Location: CIRCUIT /ORANGE State/County:

No.	GOC Code	Description	Count	Bond Amt \$ / Status	FSS/ORD	FDLE Rec#	Drug Name	Citation Number
1		FAILURE TO REPORT CHILD ABUSE	39.205(1)-3	1 2,500.00	39.205.1	7317		

DCF Notified? By Whom? On Probation? Miranda Warning? By Whom? Invoked?

[Large empty area for notes or additional information]

Sworn to and subscribed before me this 11 day of Dec year 19 I swear or affirm the above statements are correct and true (407) 246-2470

Notary Public Law Enforcement or Corrections Officer Officer's Signature: M. K... Officer's Bus. Phone No. WASSERMAN, GHENA / 19008

Personally Known Produced Identification Officer's Name/ID: [REDACTED]

Type of Identification: [REDACTED] Notary Signature: [Signature] Notary Name: / Notary Commission # / Exp. Date

Orange County

CJIS Arrest Affidavit

Revision #: 2020.CF.
Court Case #: 15246 (20)

Arrested At-Large JRA
Document Date: 12/10/2019

Document #: 885127

Location of Defendant Vehicle: (ORI) : FL0480400 Agency: Orlando Police Department Date-Time Booked: 2019-166989
Address of Arrest: Name: FCI/CNIC Check: Date-Time of Arrest:

DEFENDANT Adult Juvenile Jacket Number: Inmate Number: Language: ENGLISH
NAME (L,F,M): YALCIN, ABDULAZIZ A.K.A.: Race: W Sex: M DOB: 12/17/1985 Age: 34
Height: 6'01" Weight: 165 Hair: RED Eyes: BRO POB: City: State: POB: Country:
RES Street: 10313 CRYSTAL POINT DR Citizenship
City: ORLANDO State: FL Zip: 32825 Home Phone: Other Phone:
Scars/Tattoos: Ethnicity: UNKNOWN
Driver's License/ State ID No: Y425-000-85-057-0 State: FL Year Expires: 2024 SSN #: ██████████

Business and Occupation: Bus Street: City: State: Zip:
Next of Kin Name: Phone:
Next of Kin Street #: City: State: Zip:

AGGRAVATORS: Firearm Weapon Mask Vest Convicted Sex Batterer Hate Crime Special Victim Domestic Violence? N
OFFENSES: Felony Misd. ORD. Traffic Out of County Court Location: CIRCUIT Originating State/County: /ORANGE

No.	GOC Code	Description	Count	Bond Amt \$ / Status	FSS/ORD	FDLE Ref#	Drug Name	Citation Number
1		FAILURE TO REPORT CHILD ABUSE	39.205(1)-3	2,500.00	39.205.1	7317		

DCF Notified? By Whom? On Probation? Miranda Warning? By Whom? Invoked?

[Large empty box for notes or additional information]

Sworn to and subscribed before me this 11 day of Dec year 19. I swear or affirm the above statements are correct and true. (407) 246-2470
Notary Public Law Enforcement or Corrections Officer Officer's Signature: M. WASSERMAN, GHENA / 19008
Personally Known Produced Identification Officer's Name/ID: ██████████
Type of Identification: _____
Notary Signature: [Signature] Notary Name: _____ Notary Commission # / Exp. Date: _____

IN THE CIRCUIT COURT OF ORANGE COUNTY, STATE OF FLORIDA

THE STATE OF FLORIDA

INFORMATION # 2020 CF. 15046

VS.

DIVISION - 20

20

ABDULAZIZ YALCIN

1. FAILURE TO REPORT CHILD ABUSE (F3-L1)
2. FAILURE TO REPORT CHILD ABUSE (F3-L1)

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF FLORIDA:

ARAMIS D. AYALA, State Attorney of the Ninth Judicial Circuit prosecuting for the State of Florida in Orange County, or ARAMIS D. AYALA, State Attorney of the Ninth Judicial Circuit prosecuting for the State of Florida in Orange County, by and through the undersigned Designated Assistant State Attorney, under oath, CHARGES that ABDULAZIZ YALCIN, a high school principal, between the 23rd day of March, 2019 and the 1st day of May, 2019, in said County and State, knowing or having reasonable cause to suspect that a child, to-wit: [REDACTED] was being abused, abandoned, or neglected, did, in violation of Florida Statute 39.205(1), knowingly and willfully fail to report said abuse, abandonment or neglect to the Florida Department of Children and Family Services.

FILED IN OFFICE
OFFICE OF CLERK
2020 DEC 23 PM 12:07

IN THE CIRCUIT COURT OF ORANGE COUNTY, STATE OF FLORIDA

THE STATE OF FLORIDA

INFORMATION #

2020 CF 15246

VS.

DIVISION - 20

20

ABDULAZIZ YALCIN

1. FAILURE TO REPORT CHILD ABUSE (F3-L1)

2. FAILURE TO REPORT CHILD ABUSE (F3-L1)

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF FLORIDA:

ARAMIS D. AYALA, State Attorney of the Ninth Judicial Circuit prosecuting for the State of Florida in Orange County, or ARAMIS D. AYALA, State Attorney of the Ninth Judicial Circuit prosecuting for the State of Florida in Orange County, by and through the undersigned Designated Assistant State Attorney, under oath, CHARGES that ABDULAZIZ YALCIN, a high school principal, between the 23rd day of March, 2019 and the 1st day of May, 2019, in said County and State, knowing or having reasonable cause to suspect that a child, to-wit: [REDACTED] was being abused, abandoned, or neglected, did, in violation of Florida Statute 39.205(1), knowingly and willfully fail to report said abuse, abandonment or neglect to the Florida Department of Children and Family Services.

FILED IN OFFICE
OFFICE OF CLERK
2020 DEC 23 PM 12:07

