

COMPLAINT TO TEXAS EDUCATION AGENCY COSMOS FOUNDATION, INC. D/B/A HARMONY PUBLIC SCHOOLS

This brief in support of the complaint against Cosmos Foundation, Inc., d/b/a Harmony Public Schools, (collectively “Harmony”) is submitted to the Texas Education Agency (“TEA”) with a request for a comprehensive investigation and sanctions as appropriate. Harmony operates seven open-enrollment charter school districts that serve a total of forty-six campuses in Texas.¹ Harmony is required by both state and federal law to use non-discriminatory employment practices and ensure the same of their vendors and subcontractors; ensure that its schools are open to all students; select vendors using open and competitive bidding processes; prohibit transactions that pose conflicts of interest and self-dealing; and to use public funds solely to support the public function of education. Though Harmony has been the subject of federal and state investigations in the last five years, each has been limited in scope and none has focused on Harmony’s employment, procurement, or operational practices. We therefore urge the TEA to conduct a comprehensive investigation of Harmony to ensure that 1) its employment practices are consistent with federal law; 2) its procurement and operational practices are consistent with state and federal law regarding competitive selection and conflicts of interest; and 3) its past legal violations in the areas of Special Education, English-Language Learners, and use of federal funds have been rectified.

The need for a thorough TEA investigation of Harmony is even more pressing given Harmony’s aggressive growth plans. Taking advantage of Texas’ permissive replication rules, Harmony is rapidly expanding throughout the State by opening new campuses with limited state involvement or oversight.² With forty-six campuses already, Harmony is poised to open up to fifteen new campuses over the next two school years serving an estimated additional 10,000 students.³ These expansions, if allowed to proceed, will cost Texas millions of taxpayer dollars per campus. With documented evidence of employment discrimination, self-dealing, violation of procurement laws, and concerning connections to a confederation of charter schools and charter school networks across the United States and world, Harmony’s operations in the state call for a comprehensive investigation immediately.

I. Jurisdiction of Texas Education Agency

The TEA has broad authority to monitor and investigate Harmony for any reason the Commissioner deems necessary.⁴ The TEA Commissioner is empowered to impose interventions and sanctions against Harmony Public Schools as an open-enrollment charter⁵ including:

¹ *Campuses*, Harmony Public Schools, <http://www.harmonytx.org/school.aspx> (last visited Mar. 29, 2016).

² Tex. Educ. Code § 12.101(b-4) (allowing open-enrollment charters to establish new campuses without affirmative approval of the Commissioner provided certain criteria are met).

³ Based on charter amendments approvals for new campuses provided by the TEA in response to a Public Information Act request.

⁴ Tex. Educ. Code § 39.057.

⁵ Tex. Educ. Code § 39.104 (authorizing interventions and sanctions for open-enrollment charter schools in same manner as for school districts and campuses); *see also*, Tex. Educ. Code § 39.102 (interventions and sanctions for school districts); Tex. Educ. Code § 39.103 (interventions and sanctions for campuses); 19 Tex. Admin. Code § 89.1076 (non-exhaustive list of interventions and sanctions).

withholding state funds,⁶ suspending the authority to operate,⁷ revoking contracts between charter schools and management companies,⁸ reconstituting the governing body of the charter holder,⁹ and revoking the charter itself.¹⁰ For the reasons set forth in this complaint based on information available in the public record, we urge the TEA to utilize its authority to investigate Harmony and apply these sanctions as appropriate.

II. Harmony discriminates in hiring and employment by unlawfully giving preference to Turkish nationals¹¹ and men

Federal law prohibits employment discrimination based on national origin and gender, yet Harmony systematically favors individuals of Turkish nationality in hiring and job assignment.¹² A plain review of Harmony's employment data submitted to the TEA shows that Harmony discriminates 1) in the recruiting and hiring of Turkish teachers with no American teaching experience or credentialing at the expense of qualified American teachers; and 2) in the hiring and promotion of almost exclusively Turkish men to leadership positions throughout the Harmony network. This is particularly egregious behavior since Harmony has already been successfully sued by former employees for employment discrimination on the basis of gender and national origin.¹³ In light of the evidence indicating a continuation of illegal discriminatory preference, TEA should investigate and put an end to these violations of non-waivable federal law.

⁶ 19 Tex. Admin. Code § 100.1023 (authorizing Commissioner to withhold state funds or suspend a school's authority to operate if a charter holder fails to satisfy generally accepted accounting standards of fiscal management, fails to comply with the Commissioner's rules concerning open-enrollment charter schools, or fails to comply with another applicable rule or law).

⁷ *Id.*

⁸ 19 Tex. Admin. Code § 100.1155 (authorizing Commissioner to revoke a contract between an open-enrollment charter school and a management company providing management services to the school if the Commissioner determines, following a final investigative report, that the management company has failed to provide services in compliance with its contractual or other legal obligations, violated any of the Commissioner's rules concerning open-enrollment charters, or failed to comply with any contractual or legal obligation to provide services to the school).

⁹ 19 Tex. Admin. Code § 100.1021.

¹⁰ *Id.*

¹¹ Please note that it is difficult to ascertain the nationality of individuals with absolute precision without access to the full H-1B documentation and other citizenship records (such as I-9 forms) that TEA as Harmony's authorizer has access to. Our methodology to identify nationality was based on a web-based search of sources of surnames by national origin, connections to cultural groups, self-identification, MyVisaJobs.com, and other resources.

¹² Section 703 of Title VII of the Civil Rights Act of 1964, *as amended*, 42 U.S.C. § 2000e-2; Section 704 of Title VII of the Civil Rights Act of 1964, *as amended*, 42 U.S.C. § 2000e-3.

¹³ *Equal Employment Opportunity Commission v. Cosmos Foundation, Inc.*, 2012 WL 10819360 (W.D. Tex 2012) (suit alleging employment discrimination based on gender and national origin, with Cosmos later settling with Plaintiff former employee Nicole Tuchsherer for \$125,000.00).

A. *Harmony Discriminates in Its Recruitment of Campus and Central Office Employees Exclusively from One Country (Turkey) and Gratuitous Use of H-1B Visas*

“Numerous times I saw competent American teachers get passed over for positions so they could justify bringing another Turk over on a work Visa.” – Former teacher at Harmony Science Academy Austin¹⁴

An H-1B visa is a special visa intended to be used for placing a foreign individual in a U.S. job that cannot be staffed with U.S. citizens.¹⁵ Harmony uses the H-1B visa process extensively, claiming it cannot find enough qualified teachers in Texas to teach its STEM curriculum and instead spends taxpayer dollars to source an extraordinary number of teachers from other countries, primarily Turkey.¹⁶ From 2013-2015, Harmony filed a remarkable 780 visa applications for a wide range of employment positions.¹⁷ In 2015 and 2016, Harmony sponsored more H-1B visas than any other elementary or secondary entity in the U.S.¹⁸ The number of visa applications sponsored by Harmony is especially abnormal considering the small size of Harmony’s workforce. For the 2014-2015 school year, Harmony employed approximately 2,600 personnel.¹⁹ By contrast, Baltimore City Public Schools—which sponsored the second highest number of H-1B visas among elementary and secondary schools in the U.S. in 2015—employs over 11,200 full-time staff.²⁰ The use of H-1B visas to source employees is not new to Harmony in recent years, either. From 2001-2012, Harmony filed 2,500 H-1B applications, with an astonishing total of 3,280 applications from 2001-2015.²¹

Harmony's stated rationale that it cannot find qualified teachers within Texas to teach its STEM curriculum is weakened when examining the positions hired for through the H-1B visa process. Harmony positions staffed by H-1B visa employees include Physical Education teachers, English teachers, Fine Arts teachers, legal counsel, budget accountants, human resources managers, area

¹⁴ *Anonymous Teacher Comment*, Great Schools (Dec. 12, 2011) <http://bit.ly/1UPMoG0>.

¹⁵ Editorial, *Workers Betrayed by Visa Loopholes*, N.Y. Times (June 15, 2015), <http://nyti.ms/1RJkWG1> (reporting the H-1B visa program “was created to allow companies to fill gaps in their work force with specialized employees they cannot find in the United States”).

¹⁶ George Joseph, *Education, Inc.*, Jacobin (Nov. 4, 2014), <http://bit.ly/22u7YEG>.

¹⁷ 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 May 5, 2016).

¹⁸ *2015 H1B Visa Reports: Elementary and Secondary Education*, MyVisaJobs.com, <http://bit.ly/1S8p2HM> (last visited March 18, 2016); *2016 H1B Visa Reports: Elementary and Secondary Education*, MyVisaJobs.com, <http://bit.ly/1UHmK4r> (last visited March 18, 2016).

¹⁹ *Staff FTE Counts and Salary Reports*, Texas Education Agency, <http://bit.ly/1pXIAFB> (last updated Feb. 17, 2015) (requires search query; select “2014-2015” year and “selected district totals using district number” report; Harmony district numbers are 015828, 071806, 101846, 101858, 101862, 161807, and 227816).

²⁰ *2015 H-1B Visa Reports: Elementary and Secondary Education*, MyVisaJobs.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).

²¹ Compiling the H-1B visa applications for Cosmos Foundation and Harmony Science Academies for years 2010-2012 and utilizing a legacy search for years 2001-2009, myvisajobs.com (last accessed May 5, 2016).

superintendents, counselors, librarians, and assistant principals, for example. In fact, a minimum of 42% of Harmony's Turkish teachers do not teach either math or science.²²

2015-2016 Subjects taught by Turkish teachers:

Subjects	Number of subject areas taught by teachers with Turkish surnames*	Percent of subject areas taught by Turkish teachers N: 491 (total subjects taught)	Percent of Turkish teachers teaching each subject N: 291 (total teachers)
Foreign language	64	13%	22%
Mathematics	87	18%	30%
Science	81	16%	28%
English Language Arts	53	11%	18%
Career and Technical Education	33	7%	11%
Technology Applications	22	4%	8%
Other (specific TEA category)	123	25%	42%
Miscellaneous: Special Education, Fine Arts, Physical Ed, Social Studies, "n/a"	28	6%	10%
TOTAL	491*	100%	Will not equal 100% because of overlap

**The number of subjects taught is higher than the total number of teachers because teachers teach more than one subject. There is an estimated total of 291 Turkish teachers, conservatively.*

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 illegal preference for hiring individuals of the same national origin as Harmony's leadership.

The H-1B visa process is expensive, generally ranging from \$2,000 to \$4,000 per individual and can take several months to complete. Using the more conservative number of \$2,000 per H-1B visa application filed, Harmony may have spent upwards of \$6,560,000 from 2001-2015 *on visa fees alone*. Rather than employ local teachers in need of employment, 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. This practice raises a number of alarms and is indicative of Harmony's involvement in the Gülen Organization, a network of Turkish-operated businesses and charter schools discussed in Section IV of this complaint. More immediately, it is prima facie evidence of an illegal, discriminatory

²² TEA Data and Master List of Teachers 2015-2016, Subjects Taught.

preference for individuals of the same national origin as Harmony’s leadership. The Cosmos Foundation, the governing board of Harmony Public Schools (hereinafter the “Cosmos Board”), has been dominated by a male Turkish super-majority since its inception. If the TEA investigates Harmony’s use of the H-1B visa process, it will find the following:

1. The overwhelming majority of individuals brought over on H-1B visas to work for Harmony are Turkish.²³
2. If these individuals are not from Turkey, they are likely connected to Gülen-affiliated schools, universities, and cultural institutions around the world.²⁴
3. Harmony specifically recruits in Turkey, as opposed to other countries with populations fluent in English with the same if not better qualifications to teach STEM subjects.
4. Harmony places H-1B visa recruits in all types of positions —not just the STEM subjects for which they claim they have difficulty finding qualified American teachers.
5. Harmony will not be able to provide documentation supporting the need to outsource certain positions through the H-1B process.
6. Harmony will not be able to prove that it posted the notice of these outsourced positions for a reasonable amount of time in reputable, high-trafficked job sites before resorting to the H-1B visa process.
7. Harmony will not be able to provide the information of the other individuals interviewed and considered before outsourcing the job.
8. If they are able to produce any of this information for positions ultimately put through the H-1B process, Harmony will not be able to provide a legitimate, non-discriminatory reason, the legal standard, for why they hired an unknown, un-interviewed Turkish national without American credentials, teaching experience, and in some cases proficiency in the English language over local teacher applicants.

The same anecdotal complaints arise regarding these Turkish teachers across Harmony’s campuses—they are not qualified, their English is poor to the point of being incomprehensible, and the schools exhibit a clear preference for Turkish nationals. See below for parent, teacher, and student complaints from Harmony schools in Austin, Houston, Dallas, and El Paso.

“Some of the teachers at these schools in general lack the understanding of the English language to varying degrees the worse of which makes it very hard to understand what they are saying... [T]he Turkish teachers ... have haphazard to irrational discipline tendencies. Combined with there [sic] poor English this turns into quite a problem and is the source of most of my discontent. Some of these teachers are great but some of them are very bad, to the point of being unable teach.” - Student at Harmony Science Academy North Austin²⁵

“[The syllabus] has so many miss spellings [sic] and incorrect grammar it is amazing that they are teaching my child. It must be that English is their second language. And don’t be fooled that

²³ The Gülen Organization draws its largest base of support from Turkey as the founder Fethullah Gülen is Turkish and is inspired by a nationalistic nostalgia for the Ottoman Empire, but there are Gülen schools and universities around the world that participate in the Gülen Organization, as well.

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²⁵ *Anonymous Comment*, Great Schools (Aug. 15, 2011) <http://bit.ly/1W5p7PH>.

this school is free... it isn't... they nickle [sic] and dime you to death!" Parent, Harmony Science Academy North Austin²⁶

"Teachers with little or no training or teacher experience..."- Parent, Harmony School of Business Dallas²⁷

"The preference in teachers is mostly from Turkish decent [sic]. These teachers have not mastered the English language and carry a heavy, incomprehensible accent. We often receive communication such as syllabi or emails from teachers, which are close to illegible."- Parent, Harmony Science Academy El Paso²⁸

"The Turkish staff have horrific english [sic] writing, reading, and speaking skills."- Parent, Harmony Science Academy El Paso²⁹

*"This school is supposed to be a *science* academy, but the majority of their science teachers are inexperienced and cannot speak English properly."- Parent, Harmony Science Academy Houston³⁰*

"If you want a lackluster educational experience with mediocre teachers who probably aren't even certified and have a less than novice awareness of the English language, then this is YOUR place!"- Teacher, Harmony School of Ingenuity Houston³¹

These complaints demonstrate the pervasive use of seemingly unqualified Turkish teachers across Harmony's network. This discriminatory preference based on national origin over qualified teachers of other backgrounds appears to be foundational to Harmony's business model. As such, TEA through its legal obligation to ensure that charters do not use public funds and resources to discriminate in this manner must perform their statutory obligation to investigate Harmony at once.

B. Harmony Discriminates in Its Hiring and Compensation of Turkish Teachers

"Turkish staff are given better pay, perks, and more access to the school compared to the regular non-turkish [sic] teachers." Parent at Harmony Science Academy El Paso.³²

That Harmony has an illegal preference for Turkish nationals is an obvious inference from its excessive and improper use of H-1B visa process. Yet, Harmony's overwhelming preference for Turkish nationals becomes even clearer upon analyzing Harmony's teacher employment data.³³

²⁶ Anonymous Parent Comment, Great Schools (Aug. 26, 2010) <http://bit.ly/1UPMoG0>.

²⁷ Anonymous Parent Comment, Great Schools (May 9, 2014) <http://bit.ly/1Vq0V9Y>.

²⁸ Anonymous Parent Comment, Great Schools (Oct. 10, 2013) <http://bit.ly/1M9D1O1>.

²⁹ Anonymous Parent Comment, Great Schools (June 7, 2010), <http://bit.ly/1M9D1O1>.

³⁰ Anonymous Parent Comment, Great Schools (Dec. 25, 2012), <http://bit.ly/23aP9mn>.

³¹ Anonymous Teacher Comment, Great Schools (Dec. 31, 2014), <http://bit.ly/1RIySxQ>.

³² Anonymous Parent Comment, Great Schools (June 7, 2010), <http://bit.ly/1M9D1O1>.

³³ TEA's Research and Analysis Division provided public data on teachers and staff employed by Harmony Public Schools in 2015-16 in the Teacher Master File and Teacher Class File, including names, salary, years of experience, degrees, and subjects and classes taught by school. Because national origin was not a category included in the information provided by TEA, national origin was determined

Conservatively, at least 15% of Harmony teachers appear to be of Turkish nationality or from countries with historical or cultural affiliations to Turkey.³⁴ Across all Harmony campuses, a minimum of 291 teachers are of Turkish nationality. At ten Harmony campuses, 20% or more of the teachers are of Turkish nationality.³⁵

In addition to Harmony's unlawful hiring preference for Turkish teachers, Turkish teachers are paid more on average annually than non-Turkish teachers. Furthermore, there are numerous examples of pay disparities between Turkish and non-Turkish teachers with similar years of experience and degrees and who teach similar subjects. These salary disparities deserve further investigation, and TEA should take into consideration that Harmony self-reports years of experience for its teachers and could be counting irrelevant experience for purposes of hiding the pay disparities based on national origin.

For example:

- In Austin, there are two special education teachers at Harmony schools each with master's degrees and six years' experience, yet the Turkish teacher is paid at a rate of \$18,000 more than the non-Turkish teacher.³⁶ In addition, a male Turkish special education teacher in Houston with a Master's degree and 8 years' experience is paid at a rate of \$19,550 more than the non-Turkish teacher.
- At Harmony School of Advancement – Houston, there are two science teachers with the same qualifications—a bachelor's degree and four years' experience. The Turkish male teacher is paid at a rate of \$65,700 while his non-Turkish female counterpart is paid at a rate of \$51,600—a difference of \$14,100.³⁷
- At the Houston Science Academy, a male Turkish teacher with a Bachelor's degree and three years' experience teaching "Other" subjects is paid \$51,000, while a female non-Turkish teacher with a Bachelor's degree and three years' experience teaching English Language Arts is paid \$47,900 – a disparity of \$3,100. In addition, a female teacher at

primarily through a web-based search of sources that provide surnames by national origin, as well as through myvisajobs.com, LinkedIn, cultural organizations, self-identification, and recognition of Turkish names. .

³⁴ See Exhibit 1, Turkish Teachers by Harmony Campus.

³⁵ *Id.*

³⁶ The Turkish teacher works at Harmony Science Academy – Austin at an annual salary rate of \$70,400, 71% as a special education teacher and 28% as a District Instructional Program or Executive Director; the non-Turkish teacher works at Harmony School of Innovation – Austin with an annual salary of \$52,500 teaching special education and math. The 2nd Turkish teacher teaches at the Harmony School of Excellence Houston and is paid at the rate of \$72,050 per year and works 71% as a special education teacher and 28% as a District Instruction Program Director or Executive Director. Please note that although we generally focused our review on pay discrepancies between teachers with similar degrees and years of experience, TEA should investigate as part of its review how years of experience are determined for each of the Turkish and/or H-1B visa employees.

³⁷ *Id.*

the same school with a Master’s degree and two years’ experience teaching "Other" subjects and Fine Arts is paid \$46,600, a disparity of \$4,400.³⁸

Nationality	Gender	Degree	Experience	Subject Area	Pay Rate
Turkish	Male	Bachelor’s	3	Other	51,000
Non- Turkish	Female	Bachelor’s	3	ELA	47,900
Non- Turkish	Female	Master’s	2	Fine Arts/ Other	46,600

- At the Harmony Science Academy in El Paso, a male Turkish science teacher with a Bachelor’s degree and four years’ experience is paid \$63,700 annually. A female non-Turkish teacher who teaches science and CTE subject areas has a Bachelor’s degree and five years’ experience and is paid \$50,500 annually, \$13,200 less than the Turkish teacher.
- At the Harmony Science Academy – West Houston, a male Turkish teacher with a Bachelor’s degree and no experience, who teaches English Language Arts and “other”, is paid \$56,875 annually. At the same school, a female non-Turkish teacher, who has one year of experience and teaches English Language Arts, “other”, and Social Studies is paid \$47,000 annually, a disparity of \$9,875.
- At the school of Innovation in Fort Worth, a male Turkish teacher, with a master’s degree and thirteen years of experience, teaching “other” subjects, makes \$72,000 annually. At a different school, but in the same district, a female, non-Turkish teacher with thirteen years of experience and a master’s degree, who is teaching “other” subjects”, makes \$55,000 annually, a disparity of \$17,000.

Again, differential in pay based on preference for national origin and/or gender is per se employment discrimination prohibited by federal law. These figures and inferences were drawn from data in the public record and demonstrate that on its face, Harmony appears to discriminate based on national origin. Harmony was required as part of a consent decree and settlement with the Equal Employment Opportunity Commission in 2014 to put into place policies, training, and practices to prevent discrimination on the basis of gender and national origin. However, it is evident from this preliminary review of Harmony’s most recent employment data that Harmony continues to overpay Turkish males over all other backgrounds, notably the same gender and national origin of the Harmony board and charter holder. In light of these ongoing violations of federal employment law, we urge TEA to investigate further with the additional resources available to the TEA as authorizer of Harmony’s schools.

C. Harmony Discriminates in Its Hiring and Promotion of Turkish Men for Leadership Positions

“It is sad & frustrating that there are only 2 qualifications to meet in order to advance as faculty. One is to be male, the second is to be Turkish. Unfortunately, I did not meet the second

³⁸ *Id*

qualification, so I spent all of my years working under Turkish first year teachers who were somehow made department chair.” Former Teacher at Harmony Science Academy Austin.³⁹

“Turkish Muslim Immigrants hold a near monopoly on the top administrative positions...”⁴⁰

Unsurprisingly, Harmony also favors Turkish nationals for leadership positions and, in most cases, Turkish men. The Turkish-run Cosmos Board’s favoritism for individuals with the same national origin is displayed in its recruiting, hiring, and promotion of Turkish individuals. The Cosmos Board, also male-dominated, displays its preference for Turkish men specifically by unlawfully reserving leadership positions almost exclusively for Turkish men.⁴¹ Turkish men in leadership positions include: Harmony’s CEO,⁴² all eight Harmony executive officers,⁴³ all six cluster superintendents,⁴⁴ and 72% of campus principals.⁴⁵ All five members of the Cosmos Board Finance Committee are Turkish.⁴⁶ Additionally, 79% of Harmony’s counselors, 42% of business managers, 50% of Human Resources personnel, and 76% of other non-instructional “District personnel” are Turkish.⁴⁷ This illegal preference is not new—if TEA investigates Harmony’s distribution of leadership roles, it will find that Turkish men have been in control of this organization from its inception. This is not by accident, nor is it legal.

³⁹ *Anonymous Teacher Comment*, Great Schools (Dec. 12, 2011), <http://bit.ly/1UPMoG0>.

⁴⁰ William Martin, *Head of the Class*, Texas Monthly (August 2010), available at <http://www.texasmonthly.com/articles/head-of-the-class/> (last visited April 29, 2016).

⁴¹ See *Board of Directors*, Harmony Public Schools, <http://bit.ly/1RdYiFq> (last visited March 18, 2016) (listing Soner Tarim, Oner Ulvi Celepcikay, Cengizhan Keskin, and Hakduran Koc as four of six directors); Stephanie Saul, *Charter Schools Tied to Turkey Grow in Texas*, N.Y. Times (June 6, 2011), <http://nyti.ms/22CKvNG> (reporting that Soner Tarim is from Turkey); *Biography of Oner Celepcikay*, University of Houston-Downtown, <http://bit.ly/1S1sb9E> (last visited March 18, 2016) (listing bachelor’s degree obtained from Istanbul University in Istanbul, Turkey); *Profile of Cengizhan Keskin*, LinkedIn, <http://bit.ly/1ZlvT3B> (last visited March 18, 2016) (listing bachelor’s and master’s degrees from Middle East Technical University in Ankara, Turkey); *Biography of Hakduran Koc*, University of Houston Clear Lake, <http://bit.ly/1pY9sVU> (last visited March 21, 2016) (listing bachelor’s degree from Ankara University in Ankara, Turkey).

⁴² See *Dr. Soner Tarim, CEO*, Harmony Public Schools, <http://bit.ly/1LJuEsF> (last visited March 24, 2016); Stephanie Saul, *Charter Schools Tied to Turkey Grow in Texas*, N.Y. Times (June 6, 2011), <http://nyti.ms/22CKvNG> (reporting that Soner Tarim is from Turkey).

⁴³ See *2016-2017 Janitorial Services RSP*, Harmony Public Schools, available at <http://bit.ly/1UJPOEU> (listing Harmony officers).

⁴⁴ *Superintendent Salary Reports*, Texas Education Agency, <http://bit.ly/1ULjqFs> (last updated Feb. 17, 2015) (accessed by searching by Harmony district numbers: 015828, 071806, 101846, 101858, 101862, 161807, and 227816).

⁴⁵ Stephanie Saul, *Charter Schools Tied to Turkey Grow in Texas*, N.Y. Times (June 6, 2011), <http://nyti.ms/22CKvNG> (reporting that most principals are men from Turkey).

⁴⁶ Harmony Public Schools Finance Committee Meeting, May 20, 2014 <https://www.harmonytexas.org/Portals/0/Files/2014-5-20%20Finance%20committee%20Meeting%20Agenda.pdf> (last accessed May 5, 2016).

⁴⁷ TEA data 2015-2016

D. TEA Must Investigate Harmony's Unlawful and Discriminatory Employment Practices

Beyond empirical data indicating Harmony discriminates on the basis of gender and national origin, recent lawsuits filed by former Harmony teachers and the U.S. Government point to individual cases of discrimination.⁴⁸ TEA should perform a comprehensive audit of Harmony to investigate whether its employment practices are consistent with state and federal law. Continuation of an open-enrollment charter is contingent on the charter holder satisfying generally accepted accounting standards of fiscal management, which includes paying individuals “the fair market value of services rendered . . . based on the individual’s education, experience, prior salary history, the job duties actually performed, and what a typical person with similar skills, experience, and job duties would earn.”⁴⁹ Given the evidence that Harmony overpays Turkish nationals with little relevant experience, TEA has an obligation to investigate Harmony and ensure compensation paid to Turkish nationals is not in excess of fair market based on the factors outlined under the Texas Administrative Code. TEA should also audit fees and expenses paid by Harmony to sponsor H-1B visas and scrutinize the funding source for these fees. Such visa fees legally cannot be paid for using federal funds.⁵⁰ Furthermore, Turkish individuals are employed in a variety of positions that are not in documented shortage areas and could be filled by local teachers. As such, the TEA should investigate whether these Turkish teachers are currently in violation of the terms of their H-1B visas that require the position hired for to be in a documented shortage area.⁵¹ Given the extraordinarily high number of visas sponsored, TEA should confirm that Harmony is not violating federal immigration law.

On its face, Harmony's governing board and charter holder the Cosmos Foundation discriminates against women, U.S. citizens, and other non-Turkish individuals in recruitment, hiring, pay, and promotion. Cosmos routinely shows preference for individuals with their same gender and national origin in violation of federal employment discrimination laws. TEA has a duty and an obligation to investigate these actions immediately, and, if appropriate, to consider reconstitution of the Cosmos Foundation as the charter holder to remedy the longstanding and continuing discrimination occurring at Harmony.

⁴⁸ See Complaint, United States of America v. Harmony Public Schools, No. 1:14-cv-00193 (W.D. Tex. Mar. 5, 2014); Nature of Action, EEOC v. Cosmos Foundation, Inc. d/b/a Harmony Science Academy (Austin), No. 1:12-cv-1003 (W.D. Tex. Oct. 30, 2012); Complaint for Civil Rights Violations, Couch v. Harmony Science Academy, No. 3:08-cv-00201 (W.D. Tex. June 5, 2008); see also Letter to Soner Tarim, Office of Civil Rights Docket No. 06-11-5004 (Nov. 26, 2014) (examining whether Harmony Public Schools discriminates on the basis of national origin by failing to provide English Language Learner students equal opportunity to participate in its charter schools).

⁴⁹ 19 Tex. Admin Code § 100.1022(c)(1)(A)(i).

⁵⁰ 2 C.F.R. § 200.464.

⁵¹ Anecdotal reports exist that Harmony and other Gulen Organization charter networks state certain individuals as the teacher of record when that individual is not actually serving as the teacher of record for classes in documented shortage areas. As such, the TEA should perform unannounced school visits to determine whether the teachers listed as teachers of record are in fact teaching the courses they are listed as responsible for.

III. Harmony Violates Competitive Procurement and Conflict of Interest Laws by Giving Preference to Related Turkish Businesses When Awarding Contracts

Harmony operates as if its charter school status exempts it from all laws and regulations designed to ensure transparency, accountability, and responsible stewardship of public resources. However, many governance, contracting, fiscal management, and conflict of interest rules that apply to traditional public schools still apply to Harmony.⁵² Specifically, Harmony repeatedly selects vendors owned or operated by individuals of the same preferred national origin (Turkish) as the Cosmos governing board. Many of these individuals were also formerly employed by Harmony before starting these vendor companies and have other overlapping ties with current Harmony employees and leadership. Furthermore, Harmony appears to share land and resources with some of its highest paid affiliated Turkish vendors. All of these facts provide strong circumstantial evidence that Harmony may be violating state and federal laws related to competitive bidding, conflict of interest, and nepotism prohibitions and warrants the TEA to investigate Harmony's procurement practices closely.⁵³

From a review of Harmony's publicly available IRS 990 forms between 2004-2014 which list the top five paid contractors each year, 61% of those contractors are Turkish-owned and operated. Of the \$202,024,228 of state and federal funds paid out to Harmony's top fifty-four contractors over that same period of time, \$152,770,870 went to the Turkish-owned and operated businesses, or 76%.⁵⁴ More information is needed about the additional contracts of \$100,000 and over that Harmony has executed. There were 124 additional contracts issued in 2014 alone, but they are not publically available.⁵⁵ Interestingly, the Cosmos Board Finance Committee is run by five individuals—all Turkish—and at least one bid proposal in 2014, and likely others, was reviewed

⁵² See, e.g., Tex. Educ. Code § 12.057 (requiring open-enrollment charter schools to comply with the Texas Open Meetings Act and Public Information Act); Tex. Educ. Code § 12.1053 (requiring open-enrollment charter schools to comply with Texas laws regarding competitive bidding on certain public works contracts and the Texas Professional Services Procurement Act); Tex. Educ. Code § 12.10154 (requiring open-enrollment charter schools to comply with conflicts of interest laws); Tex. Educ. Code § 12.10155 (requiring open-enrollment charter schools to comply with nepotism prohibitions).

⁵³ See Tex. Educ. Code § 12.1053 (stating that open-enrollment charter schools are considered to be a governmental entity for the purpose of competitive bidding requirements for public works contracts under Subchapter B, Chapter 271, Local Government Code); Tex. Educ. Code § 12.1054 (stating that the governing body of a charter holder, the members of the governing body of an open-enrollment charter school, and the officers of an open-enrollment charter school are considered to be local public officials for the purposes of regulation of conflicts of interests under Chapter 171, Local Government Code); Tex. Educ. Code. § 12.1055 (stating that open-enrollment charter schools are subject to nepotism prohibitions under Chapter 573, Government Code); 34 C.F.R. Part 80 (outlining federal procurement regulations applicable to Department of Education awards prior to December 2014); 2 C.F.R. Part 200 (outlining uniform procurement rules applicable to awards from all federal agencies after December 2014); 47 C.F.R. § 54.503 (requiring all entities participating in the E-Rate program to “conduct a fair and open competitive bidding process”).

⁵⁴ These figures were taken from a review of IRS 990 forms for the Cosmos Foundation/Harmony Public Schools from 2004-2014.

⁵⁵ IRS 990 2014 form for Cosmos Foundation.

by an all Turkish internal review committee.⁵⁶ The statistically significant choice of Turkish-owned and operated vendors, many with overlapping employment histories with Harmony, made by an organization that has already been found to illegally discriminate on the basis of national origin in employment strongly suggests that Harmony is not using open and competitive bidding practices as mandated by state and federal law.

1. Harmony's Relationship with Texas Gulf Foundation/North American College

Particularly troubling is Harmony's close relationship with the Texas Gulf Foundation ("TGF"), which does business as North American College and North American University ("NAU").⁵⁷ The owners and operators of TGF worked for Harmony before founding TGF in 2007.⁵⁸ Since then, TGF's connections to Harmony have proved lucrative. Between 2007 and 2011, Harmony reported it paid TGF \$525,000 for various services.⁵⁹ In 2013, Harmony awarded TGF \$805,000 in contracts for consulting services using federal Race to the Top funds.⁶⁰ Federal law imposes procedures for procuring goods and services using federal funds, including Race to the Top Funds, to ensure taxpayer dollars are spent appropriately.⁶¹ Yet, Harmony used these funds to award substantial contracts to its related entity TGF despite the law's clear prohibitions against "organizational conflicts of interest."⁶² Even the TEA recognized the close relationship between Harmony and TGF when it stated in a 2010 report, "[t]hese organizations work cohesively together to create an interlocking educational system, serving grades K-20, for the Houston area."⁶³ Further, there is no evidence that Harmony procured TGF's services using sealed bids or competitive proposals as required by federal regulations.⁶⁴

Here is a sampling of the overlapping relationships and ties between Harmony and TGF/NAU:

⁵⁶ Minutes, Harmony Public Schools Finance Committee Meeting, May 20, 2014, <https://www.harmonytx.org/Portals/0/Files/2014-5-20%20Finance%20committee%20Meeting%20Agenda.pdf> (last accessed May 5, 2016).

⁵⁷ See Letter from Cristian Rosas-Grillet, Assistant Attorney General, Office of Attorney General of Texas to W. Montgomery Meitler, Senior Counsel, Texas Education Agency (July 28, 2015), available at <http://bit.ly/22XQNI9> (noting that Texas Gulf Foundation d/b/a North American College).

⁵⁸ Stephanie Saul, *Charter Schools Tied to Turkey Grow in Texas*, N.Y. Times (June 6, 2011), <http://nyti.ms/22CKvNG> (reporting TGF owners and operators originally worked for Harmony); NAU History, North American University (last visited Mar. 29, 2016), <http://www.na.edu/about/history/> (noting that the Texas Gulf Foundation was founded in April 2007).

⁵⁹ Stephanie Saul, *Charter Schools Tied to Turkey Grow in Texas*, N.Y. Times (June 6, 2011), <http://nyti.ms/22CKvNG>.

⁶⁰ *Texas Gulf Foundation*, USA Spending, <http://1.usa.gov/22Y0ICO> (last visited Mar. 29, 2016).

⁶¹ 34 C.F.R. Part 80 (outlining federal procurement regulations applicable to Department of Education awards prior to December 2014); see 2 C.F.R. Part 200 (outlining uniform procurement rules applicable to awards from all federal agencies after December 2014).

⁶² 34 C.F.R. § 80.36(c)(1)(v).

⁶³ *One-year Compliance Report for Texas Gulf Educator Certification Program*, Texas Education Agency (Apr. 7, 2010), available at <http://bit.ly/1ojoyZHM> (automatically downloads as PDF) (emphasis added).

⁶⁴ 34 C.F.R. § 80.36(d).

Name	Harmony/Cosmos Position(s)	TGF/NAU Position(s)
Ozgur Ozer	Chief Academic Officer	Director of Education
Cahit Gezgin	Landlord listed in 2004 Harmony Elementary Houston charter application and registered agent for Harmony Science Academy Dallas ⁶⁵	Board President
Coval MacDonald	Wife Ellen Macdonald is Cosmos Board Member	Director
Yuksel Alp Aslandogan	Landlord to Harmony Science Academy Austin, the 2 nd Harmony school, Wife Dilara Cavus is a Computer Teacher at Harmony Science Academy in Houston.	Director, CEO
Bulent Dogan	Principal, Harmony School of Art and Technology	Assoc. Professor, NAU
Kadir Almus	Principal, Harmony Science Academy	Vice President, NAU; Professor, NAU
Kudbettin Aksoy	Superintendent Harmony Public Schools	Director, TGF

Furthermore, Harmony utilizes TGF/NAU extensively for consultation services despite numerous issues with the teacher preparation programs. As the TEA noted in the 2014-2015 Compliance Audit Report of TGF/NAU, the certification programs were out of compliance in many major areas, including:

1. Utilization of an uninformed advisory board;
2. Vague, high-level documentation of public meetings that obscure the business conducted by TGF/NAU and their advisory board;
3. Circumvention of the TEA requirements for alternative certification for Harmony teachers, making it easier for these teachers to complete certification;
4. Failure to collect important admissions information from foreign students, such as their TOEFL scores which demonstrate the potential student's English ability;
5. Allowing foreign students to enter with lower G.P.A.s than the stated requirement of 2.5;
6. Use of curriculum that does not comply with current required standards;
7. Failure to use assessments in these programs to ensure mastery of required standards;
8. Heavy dependence on adjuncts for creation of curriculum and materials;
9. Giving bonus points to student grades based on attendance;
10. Failure to provide the minimum clock-hours of instruction prior to granting certification in the TGF alternative certification program; and
11. Failure to provide the required field observation experiences.⁶⁶

⁶⁵ Negotiated Lease Agreement between Dr. Cahit Gezgin and Cosmos Foundation, Inc. (June 2005), available at <http://bit.ly/1N4YRO6> (page 329).

⁶⁶ Compliance Audit Report 2014-2015 North American University and Texas Gulf Foundation, Texas Education Agency, available at <http://bit.ly/1MO8tSz> (clicking link automatically downloads PDF copy of audit report from TEA).

During the same time period as TGF was allowing individuals to obtain a certification to teach using a non-compliant curriculum for fewer hours and without assessing for mastery, Harmony paid this entity over \$1.2 million for consulting and services. As shown above, the alternative certification program offered by TGF allows for a quick, easy path to teacher certification without regard to its students' low grades or lack of English proficiency. Due to Harmony's extensive use of H-1B visa recruits, numerous complaints about the quality and language abilities of those teachers, and the adverse findings of the TEA audit of TGF/NAU's teacher certification programs, TEA should investigate whether Harmony and TGF/NAU may be collaborating to perpetuate an easy, unprincipled route for certification for Harmony's H-1B visa recruits. At the very least, TEA should ensure that TGF/NAU was selected for these major contracts paid for with federal funds through the required open and competitive bidding process in light of the organizations' many longstanding and overlapping relationships.

2. Solidarity Contracting

TGF is just one example of Harmony's well-established practice of awarding contracts to related vendors operated by former Turkish employees. For example, Levent Ulusal joined Solidarity Contracting in 2009 eight months after Solidarity was formed, after working as a business manager at Harmony from 2003 to 2009. Harmony then awarded Solidarity Contracting over \$40 million in construction contracts while Mr. Ulusal was involved with the company, including his years as President.⁶⁷ The dates of Ulusal's employment with Harmony and the granting of major contracts to Solidarity are so close in time, they demand investigation for self-dealing, impropriety in bidding, and nepotism in granting major contracts to businesses affiliated with current and former employees.

3. Brighten Technologies

Brighten Technologies LLC is another Turkish-led business founded and staffed by former Harmony employees that has received significant business from Harmony.⁶⁸ Yusuf Duzgun (alias Joseph Duggan) was a former computer teacher at Harmony who later created Brighten and now regularly wins millions in contracts from his former employer. Using federal Race to the Top grant funds, Harmony awarded Brighten a sub-grant valued at \$904,719 to provide wireless networks infrastructure upgrades.⁶⁹ Brighten also received \$625,971 in E-Rate funds for

⁶⁷ *Harmony Public Schools*, Form 990 (2010), available at <http://harmonytx.org/finance-budget.aspx> (listing Solidarity Contracting as having received \$14,043,279 in compensation for construction services); *Harmony Public Schools*, Form 990 (2011), available at <http://harmonytx.org/finance-budget.aspx> (listing Solidarity Contracting as having received \$8,661,241 in compensation for construction services).

⁶⁸ *Taxable Entity Search*, Texas Comptroller of Public Accounts, <http://bit.ly/1Utt8h6> (accessed by searching for Brighten Technologies using its Texas ID (32038619923), then clicking "Officers and Directors Information") (listing Yusuf Z. Duzgun, aka Joseph Duggan, as president of Brighten Technologies); George Joseph, *Education, Inc.*, Jacobin (Nov. 4, 2014), <http://bit.ly/22u7YEG> (reporting that Brighten Technologies was founded and is staffed by former Harmony employees).

⁶⁹ *Brighten Technologies, LLC*, USA Spending, <http://1.usa.gov/1MDIixE> (last visited Mar. 29, 2016) (award details accessed by clicking on link to Award ID 017595341-1).

telecommunication services provided to Harmony.⁷⁰ Harmony is required to follow fair and open competitive bidding processes when awarding contracts paid for by Race to the Top funds and E-Rate funds.⁷¹ Yet there is a clear pattern of awarding contracts to companies staffed with former Turkish Harmony employees, which raises numerous red flags. Tellingly, Brighten Technologies has little business outside of its work for Harmony, bidding almost exclusively on Harmony E-Rate contracts.⁷² Duzgun is a wealthy individual now as a consequence of Harmony contracts, as demonstrated by his regular individual donations to politicians favored by Harmony. In fact, Duzgun individually donated nearly \$80,000 in 2012 alone.⁷³

4. Harmony's Business Practices Resemble Those of a Charter Network under Investigation

Harmony's preference for affiliated Turkish vendors bears striking similarities to the ongoing Concept Schools investigation. Concept is an Ohio charter network also part of the Gülen Organization currently under investigation for defrauding the federal government by violating E-Rate competitive bidding rules.⁷⁴ Concept's Turkish leadership orchestrated this federal fraud by illegally influencing the outcome of the mandatory competitive bidding for its E-Rate work through providing insider information to its preferred provider. After awarding the contract to the preferred provider, Concept paid off the provider to direct work to Concept's Turkish subcontractors and a fake subcontractor that was in reality Concept. This allowed Concept to illegally pocket the E-Rate funds and covertly enrich its affiliated Turkish vendors. The numerous similarities between Harmony and Concept Schools—including their affiliation with the Gülen Organization—is cause to investigate whether Harmony is utilizing the same scheme to award E-Rate and other federal contracts to its affiliates.

5. Harmony Awards Contracts to the Same Groups of Related Vendors

There are also numerous connections between the Turkish businesses awarded Harmony contracts. For example, Yunus Dogan is affiliated with a group of construction and catering businesses that have all been awarded substantial contracts with Harmony. Mr. Dogan is president of Atlas Texas Construction and Trading Inc., a partner at Atlas Food & Beverages

⁷⁰ *Brighten Technologies, LLC*, E-Rate Search Tool, <http://bit.ly/1RzKnaS> (last visited Mar. 29, 2016) (showing funded and unfunded applications, including \$625,971 funded applications with Harmony schools).

⁷¹ 34 C.F.R. Part 80 (outlining federal procurement regulations applicable to Department of Education awards prior to December 2014); 2 C.F.R. Part 200 (outlining uniform procurement rules applicable to awards from all federal agencies after December 2014); 47 C.F.R. § 54.503 (requiring all entities participating in the E-Rate program to “conduct a fair and open competitive bidding process”).

⁷² *Brighten Technologies, LLC*, E-Rate Search Tool, <http://bit.ly/1RzKnaS> (last visited Mar. 29, 2016) (showing that 94% of E-Rate applications submitted by Brighten Technologies have been for Harmony contracts).

⁷³ *Yusuf Duzgun Contributions*, InsideGov, <http://bit.ly/1ZZKwd3> (last visited Apr. 2, 2016).

⁷⁴ *See Application for Search Warrant for Concept Schools*, U.S. District Court (N.D. Ill.), Case No. 14-M-288 (June 4, 2014), available at <http://bit.ly/1qiKh00> (presenting evidence demonstrating probable cause to believe Concept Schools violated the competitive bidding regulations imposed by the E-Rate program).

LLC, and president of Apple Catering Inc.⁷⁵ These three businesses led by Mr. Dogan collectively have received compensation in excess of \$16 million from Harmony contracts.⁷⁶

Likewise, six contracts from 2008 to 2013 totaling over \$13 million were awarded to catering companies in which Omer Baday held a leadership position as the managing partner, a director, President, or a governing person.⁷⁷

Year	Company Name	Contract Total	Name of Officer, Board Member, Registered Agent	Other information
2008	Atlas Texas Food and Beverage	\$427,195	2008 Omer Baday, Managing Partner	Assumed names: DNR Turkish Grill - 2010 Turkish Kitchen - 2013 Permission from Atlas Texas Construction Trading and Construction to use the name "Atlas Texas"
2010	Atlas Texas Food and Beverage	\$1,948,978	2010 – Omer Baday, Director and Partner 2009 - Manager	2012 – Omer Baday deleted as 20% owner
2011	Northwest Catering	\$2,420,613	2011 Omer Baday - Director	
2012	Apple Catering	\$2,025,095	2010 – Omer Baday, Governing Person – Certificate of Formation	2014 - Inactive
2012	Northwest Catering	\$3,186,087	2012 – Omer Baday – sole shareholder (100%)	
2013	Northwest Catering	\$3,610,734	2013 - Omer Baday, President & Director	
TOTAL		\$13,618,702		

⁷⁵ *Taxable Entity Search*, Texas Comptroller of Public Accounts, <http://bit.ly/1Utt8h6> (accessed by searching for companies by Texas ID—32015611117, 10438151242, and 32039891299—then clicking on “Officers and Directors Information”).

⁷⁶ Stephanie Saul, *Charter Schools Tied to Turkey Grow in Texas*, N.Y. Times (June 6, 2011), <http://nyti.ms/111wLdh> (reporting that Harmony awarded Atlas Texas Construction and Trading a construction contract even though its bid was several hundred thousand dollars higher than the \$1.17 million low bid); *Id.* (reporting Harmony awarded Atlas Texas Food & Beverages a contract worth hundred of thousands of dollars even though a national company undercut Atlas’ price by 78 cents a day per meal); *Harmony Public Schools*, Form 990 (2010), available at <http://harmonytx.org/finance-budget.aspx> (listing Atlas Texas Food & Beverages as having received \$1,948,978 in compensation for catering services); *Harmony Public Schools*, Form 990 (2012), available at <http://harmonytx.org/finance-budget.aspx> (listing Apple Catering as having received \$2,025,095 in compensation for catering services).

⁷⁷ IRS 990 forms 2008-2013; documents filed by companies with the Texas Secretary of State, available at <https://direct.sos.state.tx.us>.

6. Harmony Shares Land and Resources with Highly Paid Affiliated Vendors

Open and competitive bidding requirements ensure that tax dollars fund contracts selected based on merit and value rather than the organizations' affiliations or established relationships with one another. Harmony, however, routinely selects affiliated Turkish vendors that are not operating at arms' length from Harmony as both state and federal law require. In addition to the overlapping relationships and employment histories of Harmony vendors detailed above, official documents filed with the Texas Secretary of State show that Harmony has shared land and resources with two of its highly paid Turkish vendors. Both Ege Construction⁷⁸ and Apple Catering⁷⁹ list official addresses for purposes of their corporations' registrations with the Secretary of the State, and in both cases, these vendors are claiming addresses that are in reality the addresses of Harmony schools and/or property owned by the Cosmos Foundation. This same fact pattern, where the charter network and its preferred vendors share property and addresses, exists in other charter networks affiliated with the Gülen Organization,⁸⁰ and indicates that Harmony chooses to do business with related vendors outside of the scope of the law. As such, Harmony's adherence to procurement requirements should be examined to ensure that it is not systematically choosing related vendors for contracts that require open and competitive bidding.

In addition to the businesses discussed above, Harmony has awarded substantial contracts to the following Turkish businesses: Target Design and Management LLC, Crystal Facility Solutions, Northwest Catering Services Inc., and Winport Group LLC.⁸¹ And, like Harmony, these businesses sponsor numerous Turkish nationals for employment through the H-1B visa program.⁸²

⁷⁸ On August 25, 2010, Osman Oskan, the Registered Agent/Director/Member for Ege Construction, a company that received over \$10 million in contracts from Harmony in 2006, 2007, and 2009, lists its address with the Secretary of State as 8120 W Camp Wisdom Rd, Dallas. However, the Dallas County Central Appraisal District lists the Cosmos Foundation as the owner of property at 8120 W Camp Wisdom Rd, Dallas, TX 75249 from 2011 – 2015, and a mechanic's lien filed against the Cosmos Foundation in 2010 lists Cosmos as the property owner of 8120 W Camp Wisdom Rd in 2010. This address, while still listed on several commercial websites as Ege Construction's website, is now the site of the Harmony School of Nature and Athletics.

⁷⁹ The address for Apple Catering in 2009 and 2012 was listed as 1024 W Rosemeade Pkwy in Carrollton, TX 75007 (Dallas County), the same address as Harmony Science Academy-Carrollton and Harmony School of Innovation-Carrollton. Apple Catering received a contract in 2012 from Harmony totaling over \$2 million.

⁸⁰ For example, in California, the Turkish-operated Magnolia Public Schools was found by state auditors to share an address with Accord Education, its highly paid educational services vendor.

⁸¹ *Harmony Public Schools*, Form 990 (2010, 2011, 2012, 2013, and 2014), available at <http://harmonytx.org/finance-budget.aspx> (listing Target Design and Management, LLC as one of Harmony's five highest compensated independent contractors for fiscal years 2010 to 2014, receiving contracts valued at over \$36 million); *Harmony Public Schools*, Form 990 (2010, 2011, 2012), available at <http://harmonytx.org/finance-budget.aspx> (listing Crystal Facility Solutions as having received \$7,027,960 over three years in compensation for maintenance and janitorial services); *Harmony Public Schools*, Form 990 (2011), available at <http://harmonytx.org/finance-budget.aspx> (listing Northwest Catering Services as having received \$2,420,613 in compensation for catering services).

⁸² *Employer Database*, MyVisaJobs.com, <http://bit.ly/1V6zvFQ> (last visited Mar. 30, 2016) (accessed by searching by company name) (listing H-1B visas sponsored by Apple Catering, Atlas Texas Construction

Several local and national media outlets have reported on Harmony's questionable contracting practices, yet neither the TEA nor any other government agency has conducted an investigation of Harmony's contracting practices to date.⁸³ Notably, the Texas House Government Investigations and Ethics Committee agreed to conduct a procurement investigation of Harmony in 2011, but it appears none was ever performed.⁸⁴ Meanwhile, Harmony's political contributions more than quadrupled from 2011 to 2012.⁸⁵

While Harmony and its related Turkish vendors donate significantly to state and local politicians in Texas as further discussed below, Harmony cannot be allowed to ignore state and federal law intended to protect the public from abuse of taxpayers' dollars. Harmony is prohibited from awarding contracts to vendors and businesses on the basis of favoritism, preference for the same national origin and/or religion, and for the sole purpose of enriching its overlapping connected partners for private enrichment at the public expense. TEA must utilize its authority and access to investigate these abuses and protect the taxpayers and students of this state.

IV. Connections to the Gülen Organization

"Tarim [Harmony's Superintendent] and many of his peers have been influenced by the writings of Fethullah Gülen..."⁸⁶

Harmony and many of its directors, employees, and related Turkish vendors are affiliated with the Gülen Organization, a network of Turkish-controlled charter networks, businesses, and cultural organizations. The Gülen Organization is headed by Fethullah Gülen, a controversial Turkish Islamic cleric. Gülen's religious views and his ideological followers (usually referred to as the Gülen Movement or *Hizmet*) are not at issue in this complaint. What is at issue, however, is that Harmony displays the same markers of impropriety and illegality as other charter school networks linked to the Gülen Organization.

and Trading, Brighten Technologies, Crystal Facility Solutions, Solidarity Contracting, Target Design and Management, and Winport Group).

⁸³ See Stephanie Saul, *Charter Schools Tied to Turkey Grow in Texas*, N.Y. Times (June 6, 2011), <http://nyti.ms/111wLdh>; Scott Beauchamp, *120 American Charter Schools and One Secretive Turkish Cleric*, The Atlantic (Aug. 12, 2014), <http://theatlantic.com/1ROiDEX>; George Joseph, *Education, Inc.*, Jacobin (Nov. 4, 2014), <http://bit.ly/22u7YEG>; Alia Malik, *Inquiry Finds Problems at Harmony Charters*, San Antonio Express-News (Nov. 26, 2014), <http://bit.ly/1n2hhb3>; Benjamin Wermund, *Harmony Charter Chain Agrees to Changes after Civil Rights Investigation*, Houston Chronicle (Nov. 26, 2014), <http://bit.ly/24rwLr7>.

⁸⁴ Jessica Huseman, *Texas Legislature to Launch Investigation of Charter Schools*, CBS Dallas-Fort Worth (June 29, 2011), <http://cbsloc.al/1TIOKFF>.

⁸⁵ See *Charter Schools Master Texas Civics Lessons*, Lobby Watch (Jan. 9, 2013), <http://bit.ly/235lv1Y>.

⁸⁶ William Martin, *Head of the Class*, Texas Monthly (August 2010), <http://www.texasmonthly.com/articles/head-of-the-class/> discussing Harmony and its employees connections to Gülen after a series of interviews with Harmony.

A. Harmony Displays the Same Markers of Affiliation with the Gülen Organization as Charter Networks under Investigation

The Turkish charter networks within the Gülen Organization are well known and often discussed in the media. In fact, the New York Times 2011 article that first exposed the Gülen Organization focused on Harmony, examining with suspicion the multi-million dollar construction contracts Harmony awarded to Solidarity, an unlicensed construction company with no experience, operated by a former Harmony employee.⁸⁷ This nepotistic selection of affiliated Turkish vendors for major school contracts is one of the primary markers of charter networks operating within the Gülen Organization. Harmony displays all of the markers, each calculated to facilitate the unlawful patterns of the Gülen Organization.

The markers of a charter network’s affiliation with the Gülen Organization include:

Marker	Harmony
1) A governing board of appointed, not elected, individuals, with those of Turkish descent and/or national origin operating in a supermajority or majority	Yes. Harmony’s board, the Cosmos Foundation, has been dominated by a self-appointing Turkish supermajority or majority every year since its inception. ⁸⁸
2) Use of closely affiliated vendors, also operated, governed, or staffed by Turkish individuals	Yes. According to IRS Tax Forms for the Cosmos Foundation, Harmony uses the following Turkish-run vendors (note, this is a sampling from years 2010-2013): <ul style="list-style-type: none"> 1. Northwest Catering Services, Inc. \$3.6M in 2013,⁸⁹ located at the same address listed for another Harmony vendor-Atlas Texas Food and Beverage-both owned/operated by Unal Cevak. 2. Apple Catering, Inc. \$2M in 2012,⁹⁰ also owned/operated by Unal Cevak and also Yunus Dogan. Note that in 2012, Cosmos also paid Cevak-owned Northwest Catering Services, Inc. \$3.2M for a total of \$5.2M to businesses owned by Unal Cevak in that same year. 3. Target Design and Management, LLC \$2.9M in 2013,⁹¹ owned/operated by Osman Ozguc and Kemal Oksuz. Oksuz is notably the president/CEO of the Turquoise Council for Americans and Eurasians. At one point, Target

⁸⁷ Stephanie Saul, *Charter Schools Tied to Turkey Grow in Texas*, N.Y. Times (June 6, 2011), <http://nyti.ms/22CKvNG>.

⁸⁸ <http://www.guidestar.org/PartnerReport.aspx?ein=76-0615245&Partner=Demo> for 1999-2014 990 forms for Cosmos Foundation.

⁸⁹ *Harmony Public Schools*, Form 990 (2013), available at <http://harmonytx.org/finance-budget.aspx>.

⁹⁰ *Harmony Public Schools*, Form 990 (2012), available at <http://harmonytx.org/finance-budget.aspx>.

⁹¹ *Harmony Public Schools*, Form 990 (2013), available at <http://harmonytx.org/finance-budget.aspx>.

	<p>Design and Management shared the same address as Harmony Public Schools corporate offices.</p> <p>4. Crystal Facility Solutions, Inc. \$1.9M in 2012,⁹² operated by Ibrahim Sumer.</p> <p>5. Solidarity Contracting \$8.7M in 2011,⁹³ owned/operated by Levent Ulusal.</p> <p>6. Winport Equipment, LLC \$4.6M in 2010,⁹⁴ also owned/operated by Ibrahim Sumer. Note that Crystal Facility Solutions received \$2.1M in the same year, for a total of \$6.7M in payment to companies owned/operated by Sumer in 2010.</p>
3) Transition and overlap between charter network Turkish employees and the preferred Turkish vendors used by that charter network	Yes. See examples discussed previously with Texas Gulf Foundation, Solidarity, and Brighten Technologies.
4) Use of the H-1B visa process to sponsor high numbers of Turkish teachers and employees	Yes. As discussed previously, Harmony filed a staggering 780 H-1B visa applications in the years 2013-2015.
5) Turkish males operating nearly exclusively in positions of leadership within the charter network	Yes.
6) Shuffling of Turkish employees between charter schools within the network as well as with other Gülen Organization networks	Yes. For example, Zekeriya Yuksel worked as principal in the Dove Science Academy (within the Gülen Organization). He also served as a board member on the SKY Foundation, the Turkish governing board of the Dove Science Academies, also an entity within the Gülen Organization. Later, he became a principal at Harmony Science Academy, San Antonio (a Gülen Organization school), then a regional superintendent for Harmony. He is listed on the 2013 Cosmos Foundation as “Chief Person.”
7) Extensive political donation requirements for Turkish employees and board members	Yes, discussed below
8) Use of poor recordkeeping and ambiguous financial practices with the suspected motive of diverting public funds to the Gülen Organization for private purposes	Yes. While a comprehensive forensic financial audit has not been conducted of Harmony, the 2012 TEA audit found that Harmony misspent federal funds intended for special education students, Title I students, and used federal grants to cover payroll illegally. ⁹⁵ This misuse of

⁹² *Harmony Public Schools*, Form 990 (2012), available at <http://harmonytx.org/finance-budget.aspx>.

⁹³ *Harmony Public Schools*, Form 990 (2011), available at <http://harmonytx.org/finance-budget.aspx>.

⁹⁴ *Harmony Public Schools*, Form 990 (2010), available at <http://harmonytx.org/finance-budget.aspx>.

⁹⁵ Lindsay Kastner, *Auditors Say Funds Misspent for Harmony Campuses*, San Antonio Express-News (July 31, 2012), <http://bit.ly/1RElgW4>.

	funds is a common marker of charter networks affiliated with the Gülen Organization.
9) STEM curriculum with Turkish language instruction	Yes.

Harmony shares both these markers and direct relationships with other known charter networks within the Gülen Organization that are currently under investigation.

1. [Concept Schools \(Ohio\)](#)

Concept Schools, a charter network with known ties to the Gülen Organization, was raided by the FBI in the summer of 2014 and is the subject of an ongoing investigation due to their use of affiliated vendors and fraudulent use of public funds.⁹⁶ Like Harmony, Concept Schools shares the Gülen Organization commonalities including a board dominated by Turkish individuals,⁹⁷ use of closely affiliated Turkish-dominated vendors,⁹⁸ use of H-1B visas for Turkish teachers and employees,⁹⁹ and STEM instruction with Turkish language.¹⁰⁰ Particularly compelling evidence against Concept included emails between the Turkish leadership written in Turkish discussing how to orchestrate the forging of federal compliance reports for the E-Rate program.¹⁰¹

2. [Dove Science Academy \(Oklahoma\)](#)

Harmony also has significant ties to the Sky Foundation, an organization that operates charter schools in Oklahoma and has suspected ties to the Gülen Organization. Dove Science Academy, one of the schools operated by the Sky Foundation, was recently audited by the State of Oklahoma.¹⁰² Like Harmony and Concept Schools, Dove Science Academy shares many of the

⁹⁶ See *Application for Search Warrant for Concept Schools*, U.S. District Court (N.D. Ill.), Case No. 14-M-288 (June 4, 2014), available at <http://bit.ly/1qiKh00> (detailing facts of Concept Schools' suspected defrauding of federal funds in application for search warrant filed by U.S. Department of Education); see Section II.C (discussing Harmony's majority Turkish board of directors).

⁹⁷ *Concept Schools*, Form 990 (2014), available at <http://bit.ly/1Sx2vnY>.

⁹⁸ *Application for Search Warrant for Concept Schools*, U.S. District Court (N.D. Ill.), Case No. 14-M-288 (June 4, 2014), available at <http://bit.ly/1qiKh00>; *Charter Firm Suspected of Cheating Federal Grant Program*, Chicago Sun-Times (Dec. 16, 2014), <http://bit.ly/1UCj8Ta> (detailing investigation of Concept Schools); see Section III (discussing Harmony's use of closely affiliated Turkish-dominated vendors).

⁹⁹ See *Concept Schools*, MyVisaJobs.com, <http://bit.ly/1UDk35Y> (last visited Mar. 30, 2016) (listing H-1B visa application submitted by Concept Schools); see Section II.A (discussing Harmony's use of H-1B visas).

¹⁰⁰ See *Concept Model*, Concept Schools, <http://bit.ly/1UtzX2b> (last visited Mar. 30, 2016); *Parent Connect*, Harmony Public Schools, <http://bit.ly/22PPnmr> (last visited Mar. 30, 2016) (listing Turkish as one of the primary languages taught at Harmony).

¹⁰¹ See *Application for Search Warrant for Concept Schools*, U.S. District Court (N.D. Ill.), Case No. 14-M-288 (June 4, 2014), available at <http://bit.ly/1qiKh00>.

¹⁰² Randy Ellis, *State Audit Questions Charter Schools' Site Lease Payments*, The Oklahoman (Mar. 17, 2016), <http://bit.ly/1qllwkg>.

Gülen Organization commonalities including a Turkish-dominated board,¹⁰³ use of H-1B visas to bring in Turkish teachers and employees,¹⁰⁴ and STEM instruction with Turkish language.¹⁰⁵ The audit discovered the Sky Foundation made \$175,000 in payments to Harmony to sponsor a science fair competition; however, not a single Dove Science Academy student attended or participated in the competition.¹⁰⁶ The audit also found that the Sky Foundation collected almost \$3.2 million more in lease payments for use of a school site than it paid to originally purchase the property.¹⁰⁷ Alarming, the audit concluded that “it appears the schools were supporting Sky [Foundation] instead of Sky supporting the schools.”¹⁰⁸ This conclusion is all the more troubling given that Harmony provides “support services” to the Sky Foundation on replicating Harmony’s model for operating charter schools.¹⁰⁹ The TEA should investigate Harmony to determine the basis for which it received a \$175,000 payment from the Sky Foundation to sponsor a science fair and to ensure it does not engage in the same self-dealing as the Sky Foundation.

Furthermore, there is employee overlap between Harmony, Dove, and North American University, as well. Both Volkan Cicek and Feliz Camuz served as teachers in the Dove Science Academy in Oklahoma City and later taught at Harmony schools. Cicek was a board member for the Sky Foundation. Camuz is also involved with the Raindrop Foundation, a Gülen cultural organization discussed further below. Yalcin Akyildiz was a principal at Dove Science Academy Oklahoma City before coming to work at Harmony as a regional superintendent. John Can Topuz, VP of Academic Affairs at North American University, was paid over \$50,000 by the Sky Foundation in 2006 for curriculum consultation. NAU’s Alp Aslandogan also purchased property from the Sky Foundation and then sold it to the Raindrop Foundation. The connections go on and on between these Turkish individuals and entities, all operating within the Gülen Organization at the American taxpayer’s expense.

3. [Pelican Educational Foundation \(Louisiana\)](#)

Harmony also provides “support services” for replicating Harmony’s operating model to the Pelican Educational Foundation, a Louisiana charter school operator with suspected ties to the Gülen Organization.¹¹⁰ Several schools operated by the Pelican Educational Foundation have come under significant government scrutiny in recent years. One school, Abramson Science and Technology, was closed by the Louisiana Board of Elementary and Secondary Education

¹⁰³ *Board of Education, Dove Science Academy*, <http://bit.ly/1Tjsqlu> (last visited Mar. 30, 2016) (listing a four member board of education with all Turkish nationals).

¹⁰⁴ *See Dove Science Academy - Tulsa*, MyVisaJobs.com, <http://bit.ly/1RkoVC9> (last visited Mar. 30, 2016); *Dove Science Academy - Oklahoma City*, MyVisaJobs.com, <http://bit.ly/1MU35Ie> (last visited Mar. 30, 2016).

¹⁰⁵ Megan Rolland, *Dove Science Academy in OKC Celebrates 10 Years of Success*, *The Oklahoman* (Mar. 28, 2011), <http://bit.ly/1Y1fFuZ> (reporting that Dove Science Academy provides a Turkish-language program).

¹⁰⁶ Randy Ellis, *State Audit Questions Charter Schools’ Site Lease Payments*, *The Oklahoman* (Mar. 17, 2016), <http://bit.ly/1qllwkg>.

¹⁰⁷ *Id.*

¹⁰⁸ *Id.*

¹⁰⁹ *Official Statement, Harmony Public Schools Series 2015 Bonds at B-4* (June 19, 2015), available at <http://bit.ly/1RMNa2H>.

¹¹⁰ *Id.*

pending an investigation of an attempt to bribe an employee of a Louisiana Department of Education employee and numerous complaints from teachers regarding serious deficiencies.¹¹¹ Shockingly, Cuneyt Dokmen, the principal of Abramson Science and Technology at the time of its closure, who by any measure of accountability should have had a very difficult time finding further employment in K-12 education, is now employed by Harmony as a college transitions counselor.¹¹² Nihat Bayhan, the former CEO of Pelican, later was hired as a Harmony Principal, then Regional Superintendent, and now serves as the Harmony Chief Internal Auditor.¹¹³

Pelican's connections to Harmony grow more alarming: Inci Akpinar, the individual who attempted to bribe the Louisiana State Board of Education official on behalf of Pelican, is the vice president of Atlas Texas Construction and Trading, which does significant business with Harmony and is a Gülen-affiliated vendor.¹¹⁴ Atlas, mentioned earlier in this complaint, is one of Yunus Dogan's businesses and is routinely listed as one of Harmony's highest paid vendors on Harmony's tax documents.

4. [Little Scholars of Arkansas Foundation, d/b/a LISA Academy \(Arkansas\)](#)

Harmony also has concerning ties with LISA Academy, a newer, smaller charter network based in Arkansas. Like Harmony, LISA Academy is governed by a Turkish-dominated governing board,¹¹⁵ hires Turkish employees extensively through the H-1B visa process,¹¹⁶ places primarily Turkish males in leadership positions,¹¹⁷ and utilizes a STEM curriculum.¹¹⁸

As further evidence of Harmony's role as a seeding network in the Gülen Organization, Harmony guaranteed a \$2 million set of bonds to support LISA Academy's expansion in Arkansas with public funds.¹¹⁹ Per the terms of the guarantee, Harmony would pay on LISA

¹¹¹ Letter from Penny Dastugue, President of State Board of Elementary and Secondary Education, to Tevfik Eski, CEO of Pelican Educational Foundation (July 15, 2011), available at <http://bit.ly/1UF3OFt>; see also, Andrew Vanacore, *Abramson Charter in Eastern New Orleans Shut Down*, Times-Picayune (July 15, 2011), <http://bit.ly/1PHJ0tI>.

¹¹² See Christopher Tidmore, *State Orders Closure of Abramson Charter School*, The Louisiana Weekly (Aug. 8, 2011), <http://bit.ly/1M3huaj> (reporting that Mr. Dokmen was principal of Abramson at the time of its closure); *Profile of Cuneyt Dokmen*, LinkedIn, <http://bit.ly/1M3hbfi> (last visited March 31, 2016) (listing prior employment with Pelican Educational Foundation and current employment with Harmony).

¹¹³ See <http://www.zoominfo.com/p/Nihat-Bayhan/1509067295> (last visited April 1, 2016).

¹¹⁴ Andrew Vanacore, *Records Show Glaring Faults at School with Ties to Turkish Charter Network*, Times-Picayune (July 20, 2011), <http://bit.ly/1RPIzzU>; see also, *Taxable Entity Search*, Texas Comptroller of Public Accounts, <http://bit.ly/1Utt8h6> (accessed by searching for Atlas Texas Construction & Trading using its Texas ID (3201561117), then clicking "Officers and Directors Information") (listing Inci Akpinar as vice president).

¹¹⁵ See, e.g., *LISA Academy*, Form 990 (2004 to 2013), available at <http://bit.ly/1ovPQXV> (last visited April 4, 2016) (listing Turkish board members).

¹¹⁶ *LISA Academy*, MyVisaJobs.com, <http://bit.ly/200PqGN> (last visited April 4, 2016).

¹¹⁷ See, e.g., *2015-2016 District Contracts for All Employee*, LISA Academy, <http://bit.ly/1UQHsQz> (last visited April 4, 2016) (listing names, positions, and salaries of employees).

¹¹⁸ *Academics*, LISA Academy, <http://bit.ly/1M9Z5bF> (last visited April 4, 2016).

¹¹⁹ See *Audit Report*, Harmony Public Schools 15 (Aug. 31, 2012), available at <http://bit.ly/1q0Rxb6>; see also *Official Statement*, Harmony Public Schools Series 2015 Bonds at 18 (June 19, 2015), available at <http://bit.ly/1RMNa2H>.

Academy's behalf should LISA Academy default.¹²⁰ TEA should examine the terms of this relationship and whether it was legal for Harmony to guarantee the bond dealings of a separate corporation in another state with public funds earned in Texas. There is no evidence to support that any requirements of the Public Funds Investment Act were followed by Harmony, nor that this action is legal under the requirements of that law.¹²¹ This debt and bond guarantee is still active.

In addition to acting as bond guarantor, Harmony is also a paid vendor of LISA Academy with regards to licensing software.¹²² The characteristic shuffling of Turkish employees between Harmony and LISA Academy also exists, though with more employees leaving the mentee organization of LISA Academy for bigger positions within the mentor Harmony. For example, Bilgehan Yasar currently works as Cluster Superintendent for Harmony but previously served as a principal for LISA Academy.¹²³ Similarly, Omer Ozmeral now works in Harmony's administration whereas before, he served as the superintendent of LISA Academy North.¹²⁴

B. Harmony Displays Similar Abuse of H-1B Visa Employees as Gülen-affiliated Schools

According to reports of Turkish whistleblowers who have since left employment from Gülen-affiliated schools, Turkish employees brought over on H-1B visas are forced to teach long hours in after-school, weekend, and holiday tutoring programs in addition to their regular full-time employment. They are also required to do additional work to cover for sham external vendors designed to make their employers money, all with less compensation than their American teacher counterparts.¹²⁵ According to these reports, Turkish employees receive a higher salary than their American counterparts only on paper. In reality, Turkish employees' compensation is later docked significantly in forced kickbacks to the Gülen Organization.¹²⁶ As reported, this practice represents a per se violation of the H-1B program's requirement that H-1B visa employees be paid the prevailing wage and should be investigated.

Whistleblowers have also stated they were required to donate to other Gülen Organization charter schools, entities, and politicians as part of the trade-off for being brought to the United States on H-1B visas, all under threat of losing their visas. As reported, these statements demonstrate employment discrimination on the basis of national origin, along with conduct constituting human trafficking as defined by federal law. TEA should ensure that Harmony's Turkish teachers are receiving the compensation they are owed by matching pay stubs with bank records to ensure that these individuals are not being mistreated.

¹²⁰ *Id.*

¹²¹ Public Funds Investment Act, Tex. Gov't Code §§ 2256.001 to 2256.055.

¹²² See *Board Minutes*, LISA Foundation (Feb. 6, 2013), <http://bit.ly/1SMqks0> (approving licensing agreement with Harmony); see also *Official Statement*, Harmony Public Schools Series 2015 Bonds at B-4 (June 19, 2015), available at <http://bit.ly/1RMNa2H>.

¹²³ See *Minutes*, Arkansas State Board of Education 3 (April 9, 2007), <http://bit.ly/1PQGuMv> (reflecting that Mr. Yasar made a presentation regarding LISA Academy's renewal).

¹²⁴ *Student Handbook 2008-2009*, LISA Academy, <http://bit.ly/23bufUn> (last visited April 4, 2016).

¹²⁵ See Valerie Strauss, *Islamic Cleric Linked to U.S. Charter Schools Involved in Turkey's Political Drama*, Wash. Post (Dec. 26, 2013), <http://wapo.st/1RqCLuu>.

¹²⁶ We are happy to provide evidence of these kickbacks from a former Harmony Turkish employee is available upon TEA request.

C. *Harmony Has Significant Ties to Gülenist Cultural Groups*

Harmony also has significant ties to Turkish cultural groups, a key indicator of affiliation with the Gülen Organization. For example, Target Design and Management LLC, a construction firm that has received over \$51 million in compensation from Harmony from 2009 to 2014, is owned by Kemal Oksuz.¹²⁷ According to Federal Elections Commission filings, Mr. Oksuz has served as president of the Assembly of the Friends of Azerbaijan (“AFAZ”), president of the Turquoise Council of Americans and Eurasians, and executive director of the Niagara Foundation.¹²⁸ AFAZ, the Turquoise Council, and the Niagara Foundation are all closely affiliated with Fethullah Gülen.¹²⁹

AFAZ and the Turquoise Council are under investigation by the U.S. House Ethics Committee for violations of congressional ethics rules related to a trip to Azerbaijan for lawmakers the groups sponsored in 2013.¹³⁰ Lawmakers may participate in expense-paid trips provided that trips are not paid for by lobbyists or foreign governments and are approved by the House Ethics Committee. In seeking approval for the trip from the Ethics Committee, AFAZ and Turquoise Council misrepresented the trip’s true funder—Azerbaijan’s state oil company.¹³¹

Harmony also has a direct connection to the Institute of Interfaith Dialog, an organization founded by Fethullah Gülen.¹³² Alp Aslandogan, a former board president of the Institute of Interfaith Dialog, is the CEO of the Texas Gulf Foundation, a vendor that provides consulting

¹²⁷ Stephanie Saul, *Charter Schools Tied to Turkey Grow in Texas*, N.Y. Times (June 6, 2011), <http://nyti.ms/111wLdh> (reporting that Kemal Oksuz is an owner of Target Design and Management); *Harmony Public Schools*, Form 990 (2010, 2011, 2012, 2013, and 2014), available at <http://harmonytx.org/finance-budget.aspx> (listing Target Design and Management, LLC as one of Harmony’s five highest compensated independent contractors for fiscal years 2010 to 2014, receiving contracts valued at over \$36 million).

¹²⁸ *Al Green for Congress*, Itemized Receipts, FEC Form 3 (Nov. 2014), available at <http://docquery.fec.gov/cgi-bin/fecimg/?201509299002786208> (listing Kemal Oksuz as President of Assembly Friends of Azerbaijan); *Olson for Congress Committee*, Itemized Receipts, FEC Form 3 (Dec. 2011), available at <http://docquery.fec.gov/cgi-bin/fecimg/?12970346072> (listing Kemal Oksuz as president of Turquoise Council); *Lampson for Congress*, Itemized Receipts, FEC Form 3 (Oct. 2008), available at <http://docquery.fec.gov/cgi-bin/fecimg/?29933475678> (listing Kemal Oksuz as executive director of Niagara Foundation).

¹²⁹ See Russ Choma, *Lawmakers Who Traveled to Azerbaijan Urged Action Benefiting State Oil Company that Funded Trip*, Center for Responsive Politics (May 26, 2015), <http://bit.ly/1WXFEmQ> (reporting on close affiliations between Fethullah Gülen, AFAZ, and the Turquoise Council); *Fethullah Gülen*, Niagara Foundation, <http://bit.ly/1oiWOi5> (last visited Mar. 30, 2016) (listing Fethullah Gülen as the honorary president of the Foundation).

¹³⁰ Russ Choma, *Lawmakers Who Traveled to Azerbaijan Urged Action Benefiting State Oil Company that Funded Trip*, Center for Responsive Politics (May 26, 2015), <http://bit.ly/1WXFEmQ>; Will Tucker, Lise Olsen, & Kevin Diaz, *U.S. House Ethics Panel Probes Texas Lawmakers’ Azerbaijan Trip*, Houston Chronicle (May 13, 2015), <http://bit.ly/1SwQwqK>.

¹³¹ *Id.*

¹³² Stephanie Saul, *Charter Schools Tied to Turkey Grow in Texas*, N.Y. Times (June 6, 2011), <http://nyti.ms/111wLdh>.

services to Harmony.¹³³ Furthermore, Aslandogan frequently serves as Gülen’s spokesperson in his role as President of the Alliance of Shared Values, another Gülenist cultural organization, and as discussed before, has extensive, deep-rooted financial ties and land deals with all of the charter networks discussed at length in this complaint. Harmony’s connections to Aslandogan and the Institute of Interfaith Dialog only provide further confirmation that Harmony is entrenched in the Gülen Organization.

D. Harmony and Its Affiliates Routinely and Extensively Donate to State and Federal Elected Officials

Like all charter networks and businesses operating within the Gülen organization, Harmony and its affiliates regularly donate to state and federal politicians on both sides of the aisle. In fact, Gülen himself reportedly stated in a Turkish newspaper that his followers must donate to their local politicians to gain admittance to his secretive compound in rural Pennsylvania to visit him, though Gülen later denied making the remark.¹³⁴ Harmony and its affiliates fit this pattern through a high degree of activity toward influencing state and federal policy, legislation, and general treatment for their business model through institutionalized giving. A search of the Texas Tribune Campaign Finance website underscores the extent of political contributions by this network of inter-related Turkish individuals and businesses.

These giving campaigns are well-timed. In the 2012 election cycle, Harmony’s state political contributions sky-rocketed.¹³⁵ This increase in donations followed the 2011 call to audit Harmony’s procurement practices by the Texas House Government Investigations and Ethics Committee. There is no record that the procurement audit was ever conducted, however, and it was not included in the House interim charges for the 82nd Legislature.¹³⁶

Examples of Turkish Harmony Employees/Teachers donations to State Elected Officials

First	Last	Position/Campus	State Donations
Soner	Tarim	HPS Superintendent	\$ 10,000.00
Zekeriya	Yuksel	HPS Regional Superintendent	\$ 7,500.00

¹³³ *Profile of Alp Aslandogan*, Huffington Post, <http://huff.to/1UWH8Qs> (last visited Mar. 31, 2016) (stating that Mr. Aslandogan served as board president of the Institute of Interfaith Dialog); Letter from Cristian Rosas-Grillet, Assistant Attorney General, Office of Attorney General of Texas to W. Montgomery Meitler, Senior Counsel, Texas Education Agency (July 28, 2015), *available at* <http://bit.ly/22XQNI9> (listing Mr. Aslandogan as the President of the Texas Gulf Foundation); *see also* Section III (discussing Harmony’s relationship with the Texas Gulf Foundation).

¹³⁴

<http://www.wsj.com/news/articles/SB10001424052748704025304575284721280274694?mg=re-no64->

[wsj&url=http%3A%2F%2Fonline.wsj.com%2Farticle%2F%2FSB10001424052748704025304575284721280274694.html&fpid=2,7,121,122,201,401,641,1009](http://www.wsj.com/news/articles/SB10001424052748704025304575284721280274694.html&fpid=2,7,121,122,201,401,641,1009) Joe Lauria, *Reclusive Turkish Imam Criticizes Gaza Flotilla*, Wall Street Journal (June 4, 2010), <http://on.wsj.com/1PQtHd2>.

¹³⁵ *Charter Schools Master Texas Civics Lessons*, Lobby Watch (Jan. 9, 2013), <http://bit.ly/235lvly> (showing contributions surged from \$14,375 in the 2010 cycle to \$84,440 in the 2012 cycle).

¹³⁶ <http://www.house.state.tx.us/media/pdf/interim-charges-82nd.pdf>

Ozcan	Ablak	HS of Business - Dallas	\$ 500.00
Mustafa	Karaca	HS of Business - Dallas	\$ 2,500.00
Farha	Ahmed	HS of Science - Houston	\$ 700.00
Samim	Cetinkaya	HS Academy - Dallas	\$ 2,500.00
Mustafa	Dursun	HS of Advancement - High School	\$ 250.00
Yusuf	Senlik	HS Academy - Euless	\$ 2,000.00
Seref	Yagli	HS Academy - Grand Prairie	\$ 500.00
Muberra	Yaradanakul	HS Academy - Dallas	\$ 100.00
Gulsah	Yildirim	HS Academy - Austin	\$ 150.00
Omer	Turkakin	HS of Innovation - Fort Worth	\$ 1,500.00
Ayse	Yildiz	HS of Innovation - San Antonio	\$ 100.00

Examples of Cosmos Foundation/Harmony Board Members donations to State Elected Officials

First	Last	Business	State Donations
Bilal	Akin	Cosmos	\$10,000.00
Ismayil	Ahmadov	Cosmos	\$6,500.00
Oner	Celepikay	HPS Board	\$ 2,000.00
Kamil	Sarac	HPS Board	\$ 1,900.00

Examples of Harmony Vendors donations to State Elected Officials

First	Last	Business	State Donations
Kemal	Oksuz	Target Design and Management	\$ 7,605.00
Alp	Aslandogan	Texas Gulf Foundation	\$ 1,000.00
Yusuf	Duzgun	Brighten Technologies	\$ 2,000.00
Yunus	Dogan	Atlas Construction	\$ 5,000.00
Levent	Ulusal	Solidarity Contracting	\$ 500.00

Examples of Harmony Vendors Donations to Federal Elected Officials¹³⁷

First	Last	Business/Connection To Harmony	Total Federal Donations*
Yusuf	Duzgun	Brighten Tech Harmony vendor	\$86,450

¹³⁷ See *Individual Campaign Contributors*, InsideGov, <http://bit.ly/1MNRxvd> (federal campaign contribution database searchable by name).

Kemal	Oksuz	Target Design and Management, Turquoise Council, Niagara Foundation Harmony vendor	\$52,923
Soner	Tarim	Harmony Superintendent	\$9,900
Ibrahim	Sumer	Crystal Facility Solutions (aka Crystal Cleaners) Harmony Vendor	\$35,250
Yunus	Dogan	Atlas Construction, Apple Catering Owner/Operator of multiple Harmony vendors	\$9,300
John	Topuz	Vice President of NAU Harmony vendor	\$9,750
Alp	Aslandogan	President of NAU Harmony vendor	\$6,300
Levent	Ulusal	President Solidarity Contracting Harmony vendor	\$11,000
Kamil	Sarac	Cosmos Board member	\$15,300
Oner	Celepcikay	Cosmos Board member	\$3,600
Zekeriya	Yuksel	Harmony Regional Superintendent, SKY Board member, Dove Science employee	\$5,300
Kadir	Almus	Harmony employee, NAU employee	\$6,750
Cuneyt	Dokmen	Pelican employee, Harmony employee	\$1,000
Bilal	Akin	Cosmos Board member (fascinating in light of employment as an Assistant Professor)	\$55,000
Ismayil	Ahmadov	Cosmos Board member	\$14,000
Yalcin	Akyildiz	CFO Harmony	\$11,600
Ozgur	Ozer	CAO Harmony	\$5,300
Erdal	Caglar	COO Harmony, former Harmony teacher	\$5,200
Bilgehan	Yasar	Cluster Superintendent Harmony	\$3,500
Ramazan	Coskuner	Cluster Superintendent Harmony	\$6,500

*Includes limited number of local contributions in Texas

V. [Prior Investigations of Harmony uncovered discrimination against students, legal violations, and financial misuse.](#)

Twice Harmony has been audited beyond the normal requirements of Texas annual reporting for charter schools, and twice Harmony has been found in violation of numerous laws.

1. Federal Title I Audit

In 2012, the TEA finalized an audit of Harmony's federal program spending. The findings included:

- Financial accounting records were not kept in compliance;

- Inadequate source documentation to support Harmony's spending according to program requirements;
- Use of Title I funds at non-Title I campuses;
- Inappropriate use of federal funds for payroll;
- Lack of documentation supporting required qualifications of Title I funded staff;
- 33.7% of Title I expenditures the Auditors examined were questionable, and over half of IDEA special education funds were questionable. As the TEA noted, this demonstrated a "material weakness in internal controls" of a "material amount and effectively illustrate the degree to which [Harmony] failed to comply with law, rules and grant requirements and to maintain internal control over federal programs..."¹³⁸

Notably, Harmony's regular annual audits during this time period did not catch any of these issues. It took a deep audit of Harmony's financials to uncover the widespread abuse of federal funds in 2012, and no such follow-up audit has been done recently to ensure that Harmony has rectified these issues.

2. Office of Civil Rights Investigation

Harmony was also investigated by the Office of Civil Rights ("OCR") at the U.S. Department of Education in 2014 for discrimination against special education students and English-language learners and compliance with the related federal programs. A limited number of Harmony schools (18) were included in the investigation. Harmony immediately settled with OCR, which prevented any further investigation into Harmony's schools, and entered into a Resolution Agreement to remove the systemic barriers to special education and English-language learner students that Harmony created in its admission and enrollment procedures.¹³⁹ TEA should ensure that Harmony is in compliance with the terms of this Resolution Agreement.

In both cases, Harmony's routine annual audits and reporting failed to indicate evidence of wrongdoing, but in both cases with a deeper review, Harmony was found in violation of federal law. Being that Harmony is expanding throughout Texas at a rapid pace, the TEA and Commissioner have a duty to ensure that such expansion is warranted.

VI. Conclusion

Notably, all of the information gathered in this complaint is in the public record or available through public record requests. While we have made several legitimate requests for open records from Harmony and its schools, we have been continuously denied access to any and all of the information we have requested. Additionally, we have experienced the following issues in the course of our research:

¹³⁸ See Harmony audit 2012 TEA, p11.

¹³⁹ The terms of the Resolution Agreement and investigation can be found at <http://www2.ed.gov/documents/press-releases/harmony-public-schools-letter.pdf> (last checked April 29, 2016).

- Harmony does not post basic documents online that should be publically available, and in some cases, retracts documents that have been previously available. For example:
 - Minutes from the Harmony Public Schools Board meetings are not available online. We know they exist because approval of Board minutes is an item on Board agendas (which are posted online).
 - Minutes from the Harmony Public Schools Committee meetings are not available online. Again, we know they exist because approval appears on Board agendas.
 - Importantly, while the agenda for meetings of the Academic and Facility and Construction Committees are available online, the agendas for the Finance Committee meetings, which were available online until early May, are no longer posted. The link for the agenda of each meeting now says “this link appears to be broken.”
 - Unlike other public organizations (TEA, AISD, etc), Harmony does not make the names or contact information of employees at the campus or district level available online or in any other document. This is an issue for parents that might want to contact a district superintendent or other Harmony official directly if facing a problem at the campus level.
 - Of the last nine Board meetings, the dates of four have been changed, making monitoring the meetings more difficult.
 - In 2014 alone, Harmony contracted with 129 entities for amounts over \$100,000 (this number is reported on IRS Form 990) but the vendor information is not publically available. Only the five largest contracts are listed in the IRS 990 tax forms.

As Harmony's authorizer, the TEA has the power to gather records sufficient to conduct a comprehensive investigation. To date, Harmony has managed to evade such a comprehensive investigation. However, the TEA and the Commissioner of Education have the opportunity and the obligation to investigate the irregular practices and operations of Harmony Public Schools across the state that are exhaustively documented in this complaint. The TEA has the authority to address this organization's questionable operations by reconstituting the Cosmos Foundation and applying sanctions, thereby preventing further mismanagement of state and federal tax dollars that makes victims of families, teachers, and taxpayers in Texas. We urge you to investigate Harmony's discriminatory treatment of its employees and students, abuse of the H-1B visa program, and questionable business practices, and to reconstitute the Cosmos Foundation governing board, to prevent further misconduct as is TEA's prerogative, and indeed, duty.

As we are currently requesting additional records through public information requests with both Harmony and other state and federal agencies, we reserve the right to add information to the Complaint as it becomes available.

Exhibit 1
Number and Percent of Teachers with Turkish Surnames by Harmony Campus

Campus	Turkish Surname	Percent*
Harmony Schools with >20% Turkish Surnames*		
Harmony School of –Excellence- Austin	10	20%
Harmony Academy of Science- North Austin	11	19.6%
Harmony Science Academy - Odessa	7	29.17%
Harmony School of Ingenuity- Houston	14	33.33%
Harmony School of Innovation- Houston	9	26.47%
Harmony Science Academy- High School (Houston)	11	26.83%
Harmony School of –Innovation- Garland	10	27.78%
Harmony Science Academy – San Antonio	10	20.41%
Harmony –Science Academy- Brownsville	8	19.51%
Harmony Science Academy- Laredo	10	22.22%
<i>*rounded up</i>		
All Campuses by District		
Austin Science Academy District (227816)		
Harmony Science Academy- Austin	5	11.11%
Harmony School of Excellence- Austin	10	20.00%
– Harmony Academy of Science- North Austin	11	19.60%
Harmony School of Political Science and Communication	9	14.29%
– Harmony School of Science- Austin	0	0%
– Harmony School of Innovation- Austin	1	4%
– Houston School of Science District (101862)		
Harmony School of Science- Houston	5	12.82%
Harmony School of Science- Houston High	13	23%
Harmony Science Academy- West Houston	9	16.98%
Harmony Science Academy- Beaumont	7	18.42%
El Paso Science Academy District (071806)		
Harmony Science Academy - El Paso	14	19.18%
Harmony School of Innovation - El Paso	9	15%
Harmony Science Academy - Odessa	7	29.17%
Harmony Science Academy- Lubbock	3	12.50%
Houston Science Academy District (101846)		
Harmony School of Exploration - Houston	2	5.26%
Harmony School of Fine Arts and Technology	6	14.29%

Harmony School of Ingenuity	14	33.33%
Harmony School of Innovation - Houston	9	26.47%
Harmony Science Academy - High School	11	26.83%
Harmony Science Academy - Houston	3	10.34%
Houston School of Excellence District (101858)		
Harmony School of Excellence - Houston	6	11.54%
Harmony School of Excellence - Endeavor	5	13.51%
Harmony Science Academy - Bryan/College Station	5	16.13%
Harmony School of Advancement - High School	7	16.28%
Harmony School of Discovery - Houston	9	18.75%
Harmony Science Academy - Houston NW	5	12.50%
Harmony School of Achievement - Houston	3	9.09%
Waco Science Academy District (161807)		
Harmony Science Academy - Waco	8	14.04%
Harmony Science Academy - Garland	1	2.78%
Harmony Science Academy - Dallas	8	10.39%
Harmony School of Innovation - Carrollton	0	0%
Harmony School of Business - Dallas	8	14.55%
Harmony School of Innovation - Garland	10	27.78%
Harmony Science Academy - Fort Worth	0	0%
Harmony Science Academy - Grand Prairie	3	7.5%
Harmony Science Academy - Euless	8	19.05%
Harmony School of Nature and Athletics	9	13.64%
Harmony School of Innovation - Fort Worth	11	17.46%
Harmony School of Innovation - Euless	0	0%
Harmony Science Academy - Carrollton	5	14.29%
San Antonio Science Academy District (015828)		
Harmony School of Excellence - San Antonio	0	0%
Harmony School of Innovation - Laredo	0	0%
Harmony School of Innovation - San Antonio	4	9.76%
Harmony Science Academy - San Antonio	10	20.41%
Harmony Science Academy - Brownsville	8	19.51%
Harmony Science Academy - Laredo	10	22.22%