

Suraiyah Razzak

Gateway Academy Public Charter School Board discussed the repayment of all funds/loans owed to anyone who assisted us in developing the school. Mrs. Razzak's debt was discussed and resolutions were discussed and approved. However, the resolution presented to court by CDOJ was a simple at best error. We voted on the repayment of debt presented by Mrs. Razzak in writing as requested by the Board. I informed the Board that I would repay Mrs. Razzak based on the reaction from various EMOs viewing the location of the property not feasible for a Gateway base. The Board chose to set up headquarters in Fresno rather in the mountain. Mr. Solwazi and Mr. Al Uribe visited the property also concurred with the EMOs that the renovation and feasibility of the property was expensive and too remote. The Board chose to locate a large property in the Fresno area. However, we did conclude that the property could house our Agri-cultural Science project in the future.

In an effort to make sure all documents were done correctly we requested that our compliance officer Islah Hafeez to place our resolutions in the proper form. We voted again after reviewing each resolution. At the request of the Board, I asked Mrs. Razzak to forward a summary of what is owed to her to the Board. Heritage Development Corporation manifested as years of desiring an organization that would comprehensive care to needy individual in a rural environment. It was important for me to network with individual who believe in the same concept; that what we eat and where we live affects our development. Mrs. Razzak did loan monies outside of the Badger transaction which took place after 1997.

The Muslim families that I had worked with for years were happily residing on 120 acres of Millwood Road. When I approached Mr. John Hovannessian's foreman Mike Sykes about purchasing mobile homes for the families who lived on the ranch, the option of purchasing the property was introduced to me by him. I was told that Victory Outreach was interested also. I was overwhelmed with the beauty of the property. It was a perfect place for a one-stop shop social service center for those in need. Not only individual could be served but the entire family. After attending the Family Therapy training Program at Hunter College Post Graduate Center in New York City I was more convinced than ever that environment impact the well-being of people.

I spoke with some of the women that I know and started the quest for Heritage Development dream. Although we all had worked with the dilemma of Muslim women and children adjusting to bias and prejudice and lack of acceptance to their conversion to Islam, we were very much interested in reaching out to all. We wanted to promote a healthy outreach to all as an effort to increase to tolerance of cultural differences. Ironically the very person's involved in undermining our work claim that they support the same ideals.

I never lived on the ranch but continued to develop pilot program within the Muslim community like Fatimah Girls Academy and Banaatun-Noor, Inc. I wanted to do something very different but was warned by many Muslims about the potential 'hate crimes' that I was setting myself up to face. I knew of the possibilities of special interest groups who targeted any Islamic Relief effort or social service programs but I was not aware of the influence that they have inside of the government.

I start meeting with social activists in the Fresno area in the early 1990's. We discussed the development of programs to serve the poor in Fresno. We met often but could not agree on a platform to springboard our ideas but we stayed in touch.

So, I started the Women International Network (WIN) to create an outreach program for refugee women and children. The global complexity of the plight of women and children was growing especially in the

1 Suraiyah Razzak is a personal friend of Dr. Khadijah Ghafur. Suraiyah Razzak agreed to loan Heritage
 2 Development Corporation funds for the research and development of the GateWay Academy's project
 start-up costs with the understanding that any funds owed would be returned once funds earned.

3 Accruals were also kept in both the manual and automatic general ledger. It is important to know that
 4 GateWay Academy Public Charter School established its headquarters at 949 "F" Street I September
 1999, but did not receive any funds from the state until November 2000. The initial funds given in
 5 November 2000 were advancement towards tax funds due to GateWay of \$50,000, which was given by
 Letisha Allen, Fiscal Manager for Fresno Unified School District. This address was used by Gateway/
 6 Heritage Development Board leased with option to purchase from the Crookhams of Fresno.
 Mrs. Razzak is a known philanthropist who has a reputation of giving donations to educational and
 7 social service projects. In addition to the loan she is credited with personal donations to Dr. Khadijah
 and the schools she has sponsored. Although the GateWay Board voted to resolve the monies owed to
 8 Mrs. Razzak, Dr Khadijah chose to repay her the majority of funds owed her out of her accrued
 payments because the school was in its initial stage of operations. The act of Dr. Khadijah utilizing her
 9 personal funds for GateWay debts is common place because of her commitment to the project. There is
 no underlining motives involved because this theme is played out throughout the operation of GateWay.
 10 It is a common practice of Dr. Ghafur to redeposit portions of her paycheck to keep the financial affairs
 of GateWay in tact. These acts can be verified via the bank ledger (over \$12,000 was deposited directly
 11 into Gateway's from Khadijah Ghafur). In addition Dr. Ghafur purchased furniture, books, educational
 materials, etc. for the school, students and staff.

12
 13 Mrs. Razzak is still owed a balance that Dr. plans to pay out of her accrual. Only funds borrowed from
 14 Mrs. Razzak that was used exclusively for Gateway was paid via the direct Gateway account against Dr.
 Khadijah's accrual account. Otherwise payments were made via Dr. Khadijah's account.

15
 16 Please note that I have attached a copy of Heritage Development Corporation's financial statement to
 show the amount paid into this project.

17 **THESE ARE WITHDRAWALS FROM DEFENDANT'S BANK ACCOUNT TO PAY FOR DEBTS/SERVICES FOR GATEWAY**

18	CBT 100074801	\$10,000.00	9-1-00	1440	FROM ACCRUAL
19	CBT100074801	\$ 5,000.00	2-9-01	2084	FROM ACCRUAL
20	CBT100074801	\$5,000.00	4-6-01	2268	FROM ACCRUAL
21	CBT100074801	\$5,000.00	4-6-01	2269	FROM ACCRUAL
22	CBT100074801	\$5,000.00	3-11-01	2375	INSUFFICIENT FUNDS
23	CBT100074801	\$20,000.00	5-14-01	2403	FROM ACCRUAL
24	CBT100074801	\$5,000.00	6-15-01	2518	FROM ACCRUAL
25	CBT100074801	\$5,000.00	9-28-01	2899	FROM ACCRUAL
26	CBT100074801	\$5,000.00	9-11-01	2842	FROM ACCRUAL

27 Further support could be found during the interviews by CDOJ of the Auditors (4597-4603). Additional
 28 information and verification was lost during the CDOJ raid of Gateway and Dr. Khadijah's home.

COUNT 3 AND 4

PLEASE REVIEW THE CDOJ'S INTERVIEW OF NICK SHRIESHER. NICK VERIFIES THE TENANTS FOR THE DEWITT PROPERTY. John Shropshire SPEARHEADED THE SCHOOL WIDE TRAINING ACADEMY. UPON JOHN'S RESEARCH OF HOUSING THE OUT OF TOWN STAFF/PARTICIPANTS, THE WAS TOO EXPENSIVE. AFTER EXPLORING VARIOUS OPTIONS WITH TIME RUNNING, NICK WAS ASKED TO LOCATE AN APARTMENT COMPLEX FROM THE SUPPORTIVE BUSINESS COMMUNITY THAT COULD ECONOMICALLY HOUSE PARICIPANT BUT COULD BE LATER USED FOR HOUSING MIGRANT STUDENTS AND STAFF.

See CDOJ 4620 and 4641 (Italo)

Italo Stanizale

I never lived in this property or used it for personal reasons. All mail addressed to the tenants was from the Gateway address and telephone number (attachments DOJ002574-76). The only empty apartment was used for the two months training program in June and July. Mr. Stanziale wanted to unload the property supposedly because of the bad tenants. I Knew base on John Shropshire's research that this place would be cheaper then renting houses or hotels for Gateway. John and I had a knack for buying large amounts with good quality for cheap. Shriesher told me that Mr. Stanziale did not want the property in the school's name. He wanted someone personally responsible. I don't remember telling Mr. Stanziale that I would live in the apartment. I've only had bad experiences living in Clovis. I never planned living there. All my friends know that I don't like even visiting in Clovis. When I reported back to the Board they preferred the Clinton property if we had to choose only one. They felt that it was better to consider additional once we start receiving our ADA re-imbusement due in February. I had already procured the property when they changed their minds. I kept the transaction in place until Gateway finances stabilized even more. So during the meeting we asked people to open up their homes to house some of the employees and we would pay them. Any arrangement was better than what John reported. We leased a house that Nazim located from a friend for two months, used the apartment on DeWitt for two months, used the Clinton (newly acquired) House, and rented rooms at EconoLodge and Travelodge. We were able to save large sums.

GateWay Academy's Board is comprised of grass root people who are sensitized to the needs of our community and those of children who may have fallen thru the cracks. GateWay prides itself as being an institution that was family centered and community supported.

Many business community members were solicited to support the school. When the board decided to conduct its first teachers training summer program, it was necessary to be cost effective because of limited funds available to schools during the summer. As an act to solicit community support for the training program Nick Shriesher introduced Dr. Khadijah to Mr. Stanizale. Only to find that he had a limited budget because of a problem he was having with one of his properties. It was clear that we could not approach him potential community financial donor for our educational programs. When he explained in detail his difficulties Dr. Khadijah asked him about his triplex that he had for sale. Mr. Stanizale stated that he wanted to sale it because the property had become a headache for him. Shriesher had been instructed by the Board to look for apartment complexes because as part of our chartered requirements we needed such a setting to implement our Family Centered learning and Daily living skills projects. Although GAPCS was reviewing all chartered requirements it could not initiate a full scale residential program in Fresno until our Direct Funding was in place. He asked for \$20,000 down but Dr. Khadijah informed him that she did not have that type of money. So they agreed to an initial \$10,000 which was paid for out of her personal funds. All funds regarding this transaction were personal

All payments attached to this charge after June 30 was not part of the first year au which has not been done. Those payments would have been paid out of my accrual. incur the cost of the property until Gateway residential program/ Family Centered Pr before transferring the property to Gateway at no cost. The coast of the property was too low to ignore its potential for GAPCS.

COUNT 5 & 6

THE AUDITORS HAVE THE DETAILS AND DOCUMENTATION OF COMPLYING VERIFICATION OF PURCHASES.

Thirty Thousand Dollars (\$30,000)

I, Khadijah Ghafur took total financial responsibility for the \$30,000.00 purchases and expenses for Gateway of the difficulty in locating Federal and State funds in a timely manner. FUSD could not give us a sound schedule in which we could depend on funds needed to remain open. The Board explored creative ways to extend the use of the limited funds that we were able to borrow.

GateWay Academy agreed thru its Memorandum of Understanding (MOU) with Fresno Unified School District to pay 1% of its income for oversight responsibilities. Not only did Fresno Unified not provide adequate oversight it also did not provide GateWay a payment schedule to receive its funds to meet GateWays financial responsibilities. GateWay resorted to private funds in order to become financially sound. GateWay discussed the plan to recruit heavily in order to builds a reservoir for ADA funds for the future while depending on community donations, innovative fund raisers, and strict budgeting to survive until an adequate direct fund program under the State was in place. The board agreed to take the limited funds that it had borrowed from Delta Finances to creatively turn over profits for the schools operations, provide in house currier and transportation services for staff and students (limiting vehicles rentals) and as a means of transportation to and from contracted sites, as part of our oversight responsibilities to the contracted sites. The vehicles purchased for the transportation pool have all been accounted for and the values are properly reflected in the general ledger. The vehicles: buses, vans and automobiles, were purchased for the exclusive purpose of transporting GateWay students, parents, faculty and staff. The ratio of vehicles to the population served was disproportionate in anticipation of continued growth. Recognizing the significance of managing growth, a decision was made to auction those vehicles representing a surplus to generate additional operating funds for site administration. The auction did not take place as a result of January's activities and all vehicles have been inventoried and secured. These vehicles were purchased at an auction. When Gateway was closed all vehicles were left in place but was accounted for by the auditors.

1. The following transactions were utilized to purchase vehicles for GateWays Transportation Pool. Due to a barrage of attacks by the media and politicians Gateway was unable to complete this project. Auditors accounted for vehicles but FUSD never closed out assets of Gateway. Most of Gateway's fixed assets were purchased at auctions and discounted sales by John Shropshire and Dr. Khadijah.
 2. 1997 Ford Van – VIN: 1FBJS31S5VHCO2118 (in storage)
 3. 1996 Ford Van – VIN: 1FBJS31H8THB69729 (in storage)
 4. Bus #41 – VIN: 39003 (returned to lender)
 5. Bus #43 – VIN: 39247 (returned to lender)
- These vehicles were left at Gateway sites (see sale notices from property owner)
6. 1991 Red Ford Explorer – VIN: 1FMCUZ4X7MU63802 (left at "F" St. site)
 7. 1988 Brown Honda – VIN: JHMBA4132MCO15852 (left at "F" St. site)
 8. 1993 Grey Ford Explorer – VIN: 1FMCU22X7PUA7463 (Left a "F" site)
 9. White Chevy Truck – VIN: IGCCS14EXM8129900

COUNT 7 & 8

SISTER ISLAH HAFEEZ VERIFIES THE AUDIT REPORT DURING HER INTERVIEW BY CDOJ. See 4290, 4607-4609, and 4621. There is a deposit of \$1,336.52 made by Dr. Khadijah. On 6-15-01 the same day of payment to Cosmopolitan Finance.

Cosmopolitan Finance

GateWay Board owes Dr Khadijah an accrual of one year's salary. Dr Khadijah had remitted one year of the two year's of accrued salary the board's debt for two years of salary owed to her. This payment was made advancement against her accrual although the vehicle was used for Gateway activities to offset cost of car rentals to the establishment of various sites. The files for Gateway advancement and reimbursement requests was taken during the raid by CDOJ

This car was actually repossessed at the 'F' Street office when payments could no longer be made. There were no funds coming to Gateway from any source at that time. Gateway could not afford to rent cars to recruit students and staff or complete other tasks for Gateway. Sacrifices by staff member continued as a commonplace option to make the dream of Gateway a reality. Although we committed personal items and time, the Gateway plan had taken several years to manifest; the then staff had to make donations.

Fresno Unified School District closed Gateway on the 16th of January with stipulation that all of Gateway's operations ceased the next day. FUSD and the Fresno county Office of Education were unclear according to the State's Audit report, as to who may be entitled to Gateway's funds now that it was no longer a public entity. Mr. Mehas instructed FUSD not to release property taxes or other funds to Gateway although Gateway earned the funds due.

FUSD abrupt closure of Gateway after Superintendent Santiago wood assured Gateway representatives during a meeting him and his staff on December 5, 2001 that no problems existed that we could not overcome. He added that he could no over-ride any law enforcement intervention.

COUNT 9 & 10

Fresno Business Service

Mr. Nick Abdallah is the owner of Fresno Business Service who is also the bookkeeper for GateWay Academy. When GateWay Academy experienced a financial crunch the board asked Dr. Khadijah to locate financial assistance from other private and/or community business sources. She after consulting with Nick Shriesher requested financial assistance or donation from Mr. Nick Abdallah because he is also a supportive community member. This was a donation or assistance needed until GateWay received funds from a pending loan from Delta Finances. Mr. Abdallah obliged and was repaid. Mr. Abdullah is not a Muslim.

See Attachment

COUNT 7 & 8

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June 15, 2005

Franz Criego
Deputy Public Defender
Office of the Public Defender, Fresno County
2220 Tulare, Suite 300
Fresno, CA 93721-2130

RE: *People v. Ghafur, et al.*
Case No. 04908315-5

Dear Mr. Criego:

In order to efficiently use time during trial, the People are asking the defense to stipulate to the authenticity of bank accounts for trial. The People seek to introduce evidence about the following accounts:

P. Armstrong	Golden 1	#66238353
Naazim Hamed	Ca Bank & Trust	#13-802560-86
Naazim Hamed	Ca Bank & Trust	#13-802549-79
Naazim Hamed	Ca Bank & Trust	#13-80264501
Hi-Desert Taxi	B of A	#00689-13521
Faruq Baqi	Golden 1	#6216018460
Faruq Baqi	B of A	#12060-06292
Heritage Development Corp.	B of A	#10836-01967
Heritage Homes	B of A	#10838-01850
Fatamah Girls Academy	B of A	#10838-03620
Salih Ghafur	Cal Fed	#985-403374-4
Khadijah Ghafur	Cal Fed	#974-401202-3
Islah Abdul Hafeez	Wells Fargo	#201-2796785
Heritage Dev. Corp.	AG Edwards	#621-084283-054
Emmanuel Church	Union Bank	#1060003285
Patricia Armstrong	B of A	#04073-60016
Dar Al Uloom	Union Bank	#1120021946
Muslim Society of Central Calif	Union Bank	#1120007684
Muslim Society of Central Calif	Union Bank	#1120007676
Muslim Society of Central Calif	Union Bank	#1120014974
Muslim Society of Central Calif	Union Bank	#1120014966

Count	Response to Allegation	Traverse	Court/Jury Informed	Witnesses	Evidence
1 and 2	False as written in Answer pages 8 and 9	<p>Petitioner was invited to Razzak home to further discussion on the development of a "one-stop" comprehensive educational and treatment plan for distressed families called Family Centered Learning Academy. The idea was great but research was as well as a proposed location. Without a contractual agreement Petitioner and Razzak out of good faith entered inot an agreement to do something for the Greater Fresno community. After researching all viable options, Petitioner submitted the ideals of the Charter school movement and the location of a property located in Miramonte with a great financial arrangement and price. Razzak approved the purchase of the property through Heritage Development Corporation because of the price and potential in hope that the Family Centered Learning Academy would off-set the cost which would be open to all families/students. I informed her that I would apply for a charter but would continue to contract w with an already established charter named One-2-One Learning. I promised Razzak once the project was financially solid I would returned her money. The Heritage Development Board (see fictious names) contracted with School Futures Reseach Founda-tion to assist them in becoming chartered after HDC efforts were stalled. In 1998 Family Centered Learning became Gateway Academy Public Charter School. Prior to that HDC had purchased the Miramonte Property because it was perfect location for the school's proposed residential learning/living environment for families, the organic farm laboratory, Sport Center and Animal raisinf Ranch set in a rural background isolating "at risk" families from urban woes and influe nce. HDC also became a 501c3 with gateway as its primary project.</p>	No, Petitioner was never interviewed or given a chance to testify in Court/Jury	<p>Mark Armstrong Gateway Secretary Chris Ferrell Financial Consultant Islah Hafeez Compliance Officer Khadijah Ghafur Superintendent</p> <p>Expert Witness: Charter School Attorney</p>	<p>Gateway Petition</p> <p>The audit</p> <p>Gateway Board Resolutions</p> <p>Gateway Board Monutes</p>

3 and 4	False as written in Answer Page 9 Lines 8-18	<p>In a desperate quest to house over one hundred out of town staffers the Board asked Nick Shiesher as the Community and Business Liaison to locate affordable apartments for sale. He located two complexes, the Gateway Board opt for the cheaper one on Clinton Avenue because it was also empty. It was for Gateway's first State-wide Summer Staff Training and a more urgent need to house our Family parenting classes, boarding schools, out-of town staffers/teachers due to be implemented by the 2004 renewal of our licensing. Petitioner chose to maintain the excellent price in her rather risk a higher asking price for a school. After consulting with Shriesher, I agreed to pay all the expenses until Gateway was ready. We desperately needed the property for the upcoming renewal of licensing and the demands of compliance to the Gateway petition. We decided to use the property for any needed Gateway activities such as the housing of staff for July and August, 2001 Summer Training. The Gateway minutes clearly stated the Board voted to pay for any rooms offered. John shropshire had researched fresno motel and college dorms for housing and learned the cost for housing 200 for two months was astronomical.</p>	No	<p>Petitioner Nick Shriesher</p> <p>Expert witness: Charter School Attorney</p>	<p>Gateway Petition</p> <p>The audit</p> <p>The auditor's interviews</p> <p>Gateway board Minutes</p>
5 and 6	False as written in Answer Page 9	<p>The Auditor's records show the receipts for the purchase made a Ernst Auction of Modesto, CA. since Heritage Development Corporation was sponsoring Gateway's Open Organic Farm Laboratory second location and the sport's center and boarding school open for all. Petitioner paid for all purchases out of her earned salary as deducted from her accrual account.</p>	No	<p>Islah Hafeez</p> <p>Petitioner</p> <p>Expert witness: Charter School Attorney</p>	<p>The audit</p> <p>Auditors Nagel and hong</p> <p>Gateway borad Minutes</p> <p>Board Members</p>
7 and 8	False as written in Answer Pages 9 and 10	<p>When Cosmopolitan contacted Gateway's Compliance Officer Islah Hafeez about a overlooked debt because of the firestorm of media and political pressure. I requested an advancement to pay the</p>	Yes, Islah Hafeez said in Court	Islah Hafeez	Gateway Board Minutes

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<p>9 & 10 False as written in Answer Page 10</p>	<p>debt and was granted it. <u>Heritage Development Corporation</u> is the 501c3 Public Benefit Corporation that sponsors Gateway (see Fictitious names and its Corporation Papers) It is important to know that the Jury was not shown Gateway's petition that illustrated HDC and Gateway relationship. On the Miramonte property the Board planned to locate the farm as an open classroom, the Sport Center and Animal raising Ranch set in a rural background isolating 'at risk' families from urban woes and influences. In addition, the needed Boarding School needed this site. After consulting with the compliance officer we needed to preserve the property but we had no funds. As always Petitioner sought various sources for financial assistance.</p>	<p>No</p>	<p>Islah Hafeez Expert Witness: Charter School Attorney</p>	<p><u>Ernst Auction Receipts</u> The audit HDC corporation papers Gateway Petition</p>
<p>11 False as written in answer Pages 10 & 11</p>	<p>Delta finance assisted Gateway with financial help even after September 11, understanding the tremendous pressure the School was under with false allegations of being associated with terrorism. No one expected the school to be revoked. (see the ADL demand for the school to be closed and funds stopped. Parents continued to support the school, Gateway maintained an ADA (average daily attendance of 702 students enough to pay all debts. gateway was closed two weeks before disbursement. A resulting audit via Gateway filed Chapter 7 Bankruptcy revealed that the California Department of Education confirmed its debt to Gateway (see attached Bankruptcy cover sheet.).</p>	<p>No</p>	<p>Expert witness: Charter School Attorney Petitioner Larry Powell</p>	<p>Expert witness: Charter School Attorney Karl Yoder Petitioner Intercept Papers Bankruptcy Chapter 7 on Gateway Academy</p>