

## [Press release: Trustees failed to protect charity from abuse for terrorist purposes, regulator finds](#)

A Charity Commission [inquiry](#) into an unregistered charity, Fazal Ellahi Charitable Trust, has found that the charity's trustees failed to properly manage, administer and protect the charity, and its resources, resulting in it being used to facilitate terrorism offences. As a result of the investigation the trustees were removed and are consequently disqualified. The charity has also been dissolved.

The Commission opened a statutory inquiry into the charity which ran a mosque in April 2018, following serious concerns including the conviction of the Imam for six counts of encouragement of terrorism and two counts of encouraging support for a proscribed organisation in relation to a series of sermons and classes for children given at the charity's premises.

In investigating these serious concerns the Commission carried out a number of checks, including an unannounced visit to the charity's premises, scrutiny of evidence seized by police and analysis of the charity's bank statements, finding serious mismanagement and misconduct by the charity's trustees including a failure to manage the charity's resources appropriately which allowed the charity's premises to be misused to encourage terrorism and support for the Islamic State, a proscribed organisation.

In their roles at the charity the Imam and one of the charity's trustees came into contact with children regularly. The Commission therefore requested evidence of DBS checks and safeguarding policies and procedures but none were provided. The Commission exercised its power, prohibiting the trustees from providing educational classes and recreational activities to children.

The Commission's analysis of the charity's bank statements and other records seized by the police found that financial records were incomplete and that the trustees failed to maintain and preserve records relating to the charity's income and expenditure as they are required to. The Commission took the protective measure of freezing over £160,000 in the charity's bank account.

Due to this series of failings, both of the charity's trustees were removed from their positions, and are now disqualified from acting as a trustee or holding a senior management position in any charity in England and Wales. The inquiry also took the protective step of appointing an interim manager to manage and administer the charity and make a determination on its future viability.

**Michelle Russell, Director of Investigations, Monitoring and**

## **Enforcement at the Charity Commission said:**

What has happened at this charity is unacceptable and a clear failing on the part of the charity's trustees as custodians for their charity. Our actions will reassure the public that abuse of this kind will not be tolerated.

Whilst instances of abuse of charities for terrorism are rare, such links undermine public trust and confidence in charities, and the vital work that charities do. It is right that those responsible have been held to account for their actions.

The interim manager determined that ultimately, the charity did not have a viable future and dissolved the charity, redistributing over £132,000 of charitable funds to 5 registered charities in the Stoke-on-Trent area.

The full report of the inquiry is available on [GOV.UK](https://www.gov.uk).

**Ends**

### **Notes to Editors**

- The Charity Commission is the independent regulator of charities in England and Wales
- The Commission's inquiry into Fazal Ellahi Charitable Trust closed on 3 May 2019
- The interim manager was discharged on 24 February 2019 following the charity's dissolution
- The Commission previously considered that the charity had ceased to operate after trustees failed to submit its annual financial accounts or respond to repeated correspondence from the Commission. However, despite its removal from the register in 2009, the charity continued to operate including running a mosque and religious classes for children.
- Section 84A of the Charities Act allows the Commission to direct trustees not to take or continue certain actions.
- Section 79(4) of the Charities Act allows the Commission to remove individuals from acting as trustees, employees, agents or officers of a charity. As a consequence of this they are then disqualified from being a trustee or holding a senior management position in any charity in England and Wales, regardless of whether it is registered with the Commission. It is an offence to act as a trustee whilst disqualified.
- Section 79(3)(d) allows the Commission to 'freeze' charitable funds or property or otherwise not to part with property without the Commission's prior consent.