

Systematic
Violations of
Property Rights by
The State in
TURKEY series – 2



As a tool of repression against dissidents in
Turkey

Appointment of Trustees to Municipalities and Companies



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BELGIUM

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Introduction

CHP Istanbul Esenyurt Mayor Ahmet Özer was arrested on October 30, 2024, as part of an investigation launched by the Istanbul Chief Public Prosecutor's Office on charges of "being a member of the PKK/KCK armed terrorist organization."¹ Following this development, Ahmet Özer was suspended from duty by the Ministry of Interior. In his place, Istanbul Deputy Governor Can Aksoy was appointed as the Deputy Mayor of Esenyurt in accordance with Articles 45 and 46 of the Municipality Law No. 5393. After the appointment of the deputy governor as a trustee by the ministry in place of CHP Mayor Ahmet Özer, the issue of trustees in Turkey has come to the fore again.

Amendments In Trustee Appointment Legislation After the July 15, 2016 State of Emergency Period

There are two main trustee appointment practices applied by the Erdoğan administration in Turkey. Due to the investigation/prosecution opened against them; the first is the assignment of local governments based on the Municipality Law No. 5393 (this assignment is referred to in the media as the appointment of trustees), and the second is the appointment of trustees to companies according to Article 133 of the Criminal Procedure Code No. 5271.

The authoritarian Erdoğan administration declared a state of emergency (OHAL) in Turkey using the coup attempt on July 15, 2016 as an excuse, and the state of emergency lasted for two years. With the Statutory Decree No. 674 issued during the State of Emergency, the way was paved for both the assignment of mayors instead of local governors (referred to as the appointment of trustees) and the appointment of TMSF (Savings and Deposits Insurance Fund) as trustee institution to companies.

The Erdoğan administration, which used the events of July 15 to declare a state of emergency in Turkey and govern the country with state of emergency powers, has gained the opportunity to silence individuals and

¹ <https://www.dw.com/tr/chpli-esenyurt-belediye-ba%C5%9Fkan%C4%B1-ahmet-%C3%B6zer-tutukland%C4%B1/a-70636875>

institutions that would oppose its rule, especially with Statutory Decree No. 674 during the state of emergency. The Erdoğan administration, which has distanced itself from democratic values and does not comply with the rule of law, uses the Municipality Law No. 5393 to seize opposition municipalities and the Criminal Procedure Law No. 5271 to seize opposition companies.

The Erdoğan administration, which has moved away from democratic values and does not comply with the rule of law, uses the Municipality Law to seize opposition municipalities and the Criminal Procedure Law to seize opposition

With the amendment made to the Municipality Law No. 5393 with the State of Emergency Decree No. 674, the practice of electing mayors from within the municipal council instead of previously dismissed mayors was ended. With the Decree No. 674, the Ministry of Interior and the Governor's Office were authorized to appoint mayors, members and deputy mayors, ignoring the municipal council. With this amendment, trustees have been appointed to local governments 160 times since 2016². The Erdoğan administration appointed the first trustees to municipalities governed by the Peoples' Democratic Party (HDP) on September 11, 2016, especially in line with its policy of oppression against the Kurdish political movement.³

According to the report prepared by Lawyers for Freedom⁴, as a result of the trustee applications paved by the State of Emergency Decree Law No. 674, 96 of the 102 co-mayors elected from the Democratic Regions Party (DBP) in 2016 were removed from office and trustees were appointed in their place. 67 co-mayors who were appointed trustees were arrested.

The trustee application continued after the 2019 elections. During the trustee process that started on August 19, 2019, 6 co-mayors and 56 municipal council members from 65 HDP municipalities were not given their

² <https://www.cumhuriyet.com.tr/turkiye/turkiyede-belediyeler-ustundeki-kayyum-sopasi-2016dan-bu-yana-160-2264984>

https://www.gazeteduvar.com.tr/2016dan-bu-yana-149-kez-kayyim-atandi-haber-1732808#google_vignette

³ https://medyascopie.tv/2024/11/04/turkiyenin-kayyum-karnesi-gecmisten-bugune-kayyumlar/?utm_source=chatgpt.com

⁴ <https://www.cumhuriyet.com.tr/turkiye/turkiyede-belediyeler-ustundeki-kayyum-sopasi-2016dan-bu-yana-160-2264984>

certificates of election. Trustees were appointed to 48 of the 65 municipalities won by the Peoples' Democratic Party (HDP). In addition, many municipal council members were arrested during this period.

The trustee appointment process that started for local governments won by the Kurdish political movement has entered a new phase with the appointment of a trustee to the CHP Esenyurt municipality in October 2024.

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The Big Truth That Is Being Ignored in The Trustee Issue: The Appointment of Trustees to Gülen Movement Companies

The issue of trustees appointed to local governments by the Erdoğan administration, which used the events of July 15, 2016 to govern the country with state of emergency powers, has been on the agenda a lot in both the political arena and the media world. The appointment of civil servants loyal to the Erdoğan government instead of local administrators elected by the people has become one of the most important indicators of how far Turkey has drifted away from democratic values.

Everyone should continue to react to the trustees appointed to local governments in Turkey in the loudest voice. Along with the issue of trustees appointed to local governments, the issue of the appointment of trustees to thousands of companies on the grounds that they are affiliated with the Gülen movement, which started in 2014 and has been increasing since 2016, should also be brought to the agenda.

The Erdoğan Administration's Appointment of Trustees to Companies as A Tool of Wealth Transfer

The Gülen movement, led by Fethullah Gülen and based in Turkey and operating with educational institutions and civil society organizations worldwide and defending universal human and democratic values, opposed the authoritarianism that began in Turkey under Erdoğan's leadership after the 2010s.

The Gülen movement was declared a "terrorist organization" by the Turkish government led by President Erdoğan due to its democratic opposition stance, and a comprehensive process of state-led oppression began against individuals and institutions alleged to be affiliated with the Gülen movement.

The appointment of trustees to company management and the management of assets was first regulated in the Turkish legal system in the Code of Criminal Procedure No. 5271, which was adopted in 2004. The practice of appointing trustees to company management, which was almost never seen until 2015, suddenly became a hot topic in the country with the appointment of trustees to the management of Koza-İpek Holding allegedly linked to Gülen movement and the companies under this holding (Bugun TV, Bugun Newspaper) in October 2015, in accordance with Article 133 of the Code of Criminal Procedure.

Especially within the scope of the investigations conducted against the Gülen movement, which was targeted after the corruption operations of December 17/25, 2013 and the coup attempt on July 15, 2016, trustees were appointed to many companies in accordance with Article 133 of the Code of Criminal Procedure (CCP). Due to the appointment of trustees, the operational activities, financial status and commercial reputation of these companies were seriously adversely affected due to the trustee decisions.

According to the Code of Criminal Procedure No. 5271; Article 133 titled "Appointment of trustees for company management" regulates the conditions under which a trustee can be appointed in criminal

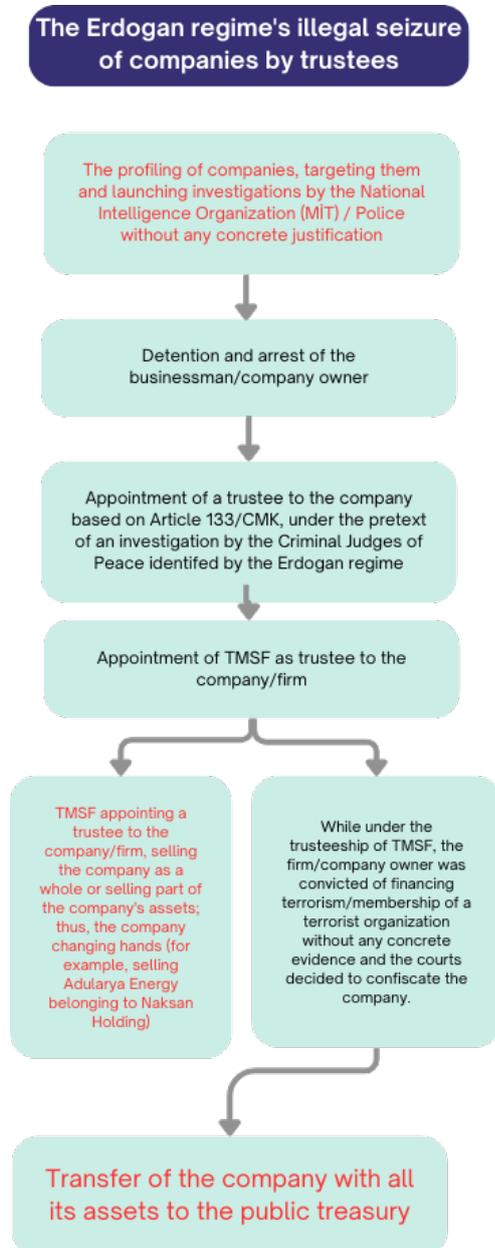
investigations and prosecutions, and the issue of the Savings Deposit Insurance Fund (SDIF) acting as a trustee in companies is regulated in the Decree Law No. 674 dated 01.09.2016 and Articles 19 and 20 of the Law No. 6758, which enacted this Decree Law.

How are trustees appointed to companies on the grounds of their links with the Gülen Movement?

1- The first step in the process of appointing a trustee to a company on the grounds of its links with the Gülen movement is the profiling of companies. Within this framework, police and intelligence units use various data to tag individuals and companies. They identify people who have committed actions that are completely legal and not criminalized by law. Some of the data used for labelling are listed below:

- Subscriptions to Bugün newspaper, Zaman newspaper, Aksiyon and Sızıntı journals, which are media organisations established and operated in accordance with the law by people close to the Gülen movement;
- Having an account in Bank Asya, which was established by individuals close to the Gülen movement with the permission granted by law and is under the supervision of state institutions;
- Sending their children to private schools, kindergartens, and tutoring centres opened by the Gülen movement within the framework of the law and affiliated to the Ministry of National Education;
- Being a member of non-governmental organizations founded by people close to the Gülen movement, such as the Aktif Eğitimciler Sendikası (Active Educators' Union), which was established with the permission of the Ministry of Interior in accordance with the trade union laws in Turkey;
- Downloading the messaging application called Bylock, which can be downloaded from Google Play, on your mobile phone;
- Donating money to a humanitarian aid organisation such as Kimse Yok Mu, which operates legally.

2- Investigations are opened by law enforcement units (police and prosecutor's offices) against persons whose legal activities are **considered criminal**, with allegations such as "membership of a terrorist organization", "aiding a terrorist organization", etc. for the actions listed above.



3- Persons against whom investigations are opened are detained and arrested by prosecutor's offices.

4- Without concrete evidence of strong suspicion of crime, the prosecutor's offices request the appointment of a trustee to the companies owned or partnered by individuals who have been investigated for activities such as depositing money in a bank, using a messaging programme, being a member of legal trade unions and associations, which are declared by the ECtHR and UN bodies to be incompatible with universal principles of law, on the grounds of "financing of terrorism", "liaison with structures that pose a threat to national security", etc. based on Article 133 of the Criminal Procedure Code.

5- There is ample evidence that the Criminal Judgeships of Peace were established to combat the Gülen movement. One of these is the answer given by the then Prime Minister Erdoğan on

22 June 2014 to the journalists' question 'Whether there will be an operation against the parallel structure (before 15 July 2016 Erdoğan had defined the Gülen Movement as Parallel State Structure -PDY- with the decision of the National Security Council)'. Erdoğan replied: 'The steps taken by the executive branch are blocked by the parallel judiciary. Some of our legislative activities are before Mr. President (Abdullah Gül). After his

approval, steps will be taken swiftly." In the same speech, referring to the operations to be launched especially against police officers, he said, 'We are making a project. We are preparing the infrastructure for this. [4]', referring to the Criminal Judgeships of Peace.

6- Within the scope of the regulations initiated during the state of emergency and subsequently made permanent by laws, the SDIF is appointed as a trustee to the companies in question, for which a decision to appoint a trustee has been taken.

7- The SDIF management appoints people close to the Erdoğan government as trustees to the companies.

8- Some of the companies under the administration of trustees are sold and liquidated by the SDIF thanks to the legal arrangements made before the final judgement is rendered against them.

9- The companies that are not sold are subject to confiscation (Article 256 of the Criminal Procedure Code) by the heavy criminal courts. The ownership of the companies subject to a confiscation decision is transferred to the state treasury upon the approval of this decision by the Court of Cassation.

Either through resale or confiscation, people's assets and the companies they own are forcibly taken away from them by the public power for actions that are not criminalized by law, and their property rights are clearly violated.

Data on Companies to which Trustees were Appointed within the Scope of Investigations Against Gülen Movement

After 15 July 2016, trustee appointment decisions continued to be made by the courts within the scope of the intensive investigations against the Gülen movement. The number of companies to which trustees were appointed both before and after 2016 on the grounds of belonging to/close to the Gülen Movement and for which the SDIF was designated as a trustee was announced as 1371⁵. Among the companies to which trustees were appointed are giant companies such as Boydak Holding (İstikbal Bellona), Koza-İpek Holding, Aydınli Ready-to-Wear Clothing Group, Uğur Cooling, which are among the biggest brands in Turkey and the world.

Approximately 40 thousand people were employed in the companies to which trustees were appointed. These companies were operating in 40 different sectors⁶. In the report prepared by the CHP on the state of emergency process, it was stated that according to 2015 data; Boydak Holding operates in 8 sectors with 41 companies and 14 thousand employees; Kaynak Holding in 16 sectors with 31 companies and 10 thousand 304 employees; Koza-İpek Holding with 18 companies; Naksan Holding with 51 companies and 3 thousand 800 employees; Aydınli Group with 3 thousand 800 employees⁷.

Out of 1371 companies to which the SDIF was appointed as trustee, the trusteeship decisions of 643 companies were terminated due to reasons such as the sale, bankruptcy, liquidation or return of the companies to their owners. It was decided to initiate the preparatory procedures for the liquidation and cancellation from the trade registry and the preparation of the balance sheet of 97 companies for which the Fund was appointed as

⁵ <https://www.ekonomim.com/kose-yazisi/kayyimdaki-1371-sirketin-643u-iade-edildi-tmsfnin-yonettikleri-146-milyar-lirayi-asti/754513>

⁶ <https://www.aa.com.tr/tr/ekonomi/fetonun-hain-darbe-girisimi-sonrasi-tmsfye-devredilen-sirketlerin-aktifleri-yuzde-43-artti/1909703>

⁷ CHP, OHAL Bilançosu raporu, <https://chp.org.tr/yayin/ohal-bilancosu-hak-ihlalleri-raporu/Open>

trustee, and the liquidation procedures of 34 companies were completed and they were removed from the trade registry.

Within this framework, the SDIF still continues to act as trustee in a total of 694 companies in 32 provinces in Turkey. In addition, the SDIF has been appointed as "share trustee" in 82 companies and as trustee of the assets of 93 real persons. Data on trustee appointments are shown in the table below:

Number of companies currently managed by the SDIF as trustee	694	Number of companies to which the SDIF was appointed as "share trustee" (less than 50 per cent of the shares)	82
Number of companies in the process of sale and liquidation	34	Number of real persons to whose assets the SDIF appointed a trustee under Article 128 of the Code of Criminal Procedure	93
Number of companies whose sale, liquidation and return procedures were completed	643		
Total number of companies to which the SDIF was appointed as trustee	1371		

The asset size of companies refers to the total value of assets owned by a company. This is an important indicator of a company's financial status and strength.

According to the current data announced by the SDIF⁸, the asset size of 694 companies managed by the SDIF as trustees was TL 146.5 billion in December 2023. The asset size of these companies as of the date of their transfer (the SDIF was authorized as trustee in September 2016) was calculated as TL 39.5 billion. Moreover, according to the data published on the website of the SDIF, the asset size of the 697 companies under

⁸ <https://www.ekonomim.com/kose-yazisi/kayyimdaki-1371-sirketin-643u-iade-edildi-tmsfnin-yonettikleri-146-milyar-lirayi-asti/754513>

trusteeship in October 2022 ⁹ was announced as TL 76.25 billion. Since the data announced by the SDIF is given in TL, it is presented without taking into account the depreciation of the TL in the last 10 years. Taking this into account, the values of the figures announced according to the USD/TL exchange rate of that period are shown in the table below¹⁰.

Asset size of companies transferred to the SDIF within the scope of investigations against the Gülen Movement (USD)	Date	USD/TL exchange rate	Asset size of companies
	September 2016	2.95	13 billion 380 million USD
	September 2021	8.82	8 billion 673 million USD
	December 2023	28	5 billion 210 million USD

Currently, there are 694 companies under SDIF control. In September 2016, the number of companies to which trustees were appointed was around 950. In time, this number increased to 1371. These figures include large companies such as Boydak Holding and Koza-İpek Holding, which are still under the control of the SDIF, as well as a large number of small-scale sole proprietorships and limited liability companies. In this process, it was mostly small-scale companies that were sold, closed down for economic reasons or returned to their owners. The number of companies whose sale, liquidation and return procedures have been completed is 643. Currently, large companies such as Boydak Holding, Koza-İpek Holding and Aydınli Group are managed under the control of the SDIF. Since large holdings and companies, which account for almost all of the value of their assets, remain under SDIF management, the data above for three different periods approximately reflect the actual figures.

When we evaluate this data, it is seen that the value of the companies to which trustees were appointed within the scope of the investigations against the Gülen movement was approximately \$13 billion in 2016; 5 years

⁹ <https://www.tmsf.org.tr/tr/Tmsf/Kayyim/kayyim.veri>

¹⁰ Systematic Violations of Property Rights by The State in TURKEY series - 1 : Appointment of Trustees to Companies, https://www.solidaritywithothers.com/_files/ugd/b886b2_fc6c253a67774353adf9021e86deee4c.pdf

later, the value of the companies decreased to \$8 billion; companies lost 40% of their value in 5 years.

Asset values of companies continued to deteriorate during the years of management by the trustees. By the end of 2023, the value of companies decreased to \$5 billion. **In this case, companies under trusteeship lost 62% of their value in the 8 years from 2016 to 2024. This data reveals that companies have been largely volatilized under trustee management.**

In this case, companies under trusteeship lost 62% of their value within the 8 years from 2016 to 2024. This data reveals that companies have been largely volatilized under trustee management.

According to SDIF data, while the number of employees in these companies was 37,463 in September 2021, the number of employees has decreased to 26,914 due to the downsizing and deteriorating economic data.

The SDIF continues to act as trustee in a total of 694 companies from 32 provinces in Turkey. In addition, the Fund has been appointed as "share trustee" for 82 companies and as trustee for the assets of 93 real persons.

According to SDIF data, the number of companies whose shares were sold was 16 and a total sales revenue of 341 million TL was obtained from these sales. 38 commercial and economic integrations (TIB) were offered for sale at auctions with an estimated price of 12.87 billion liras and 3.5 million dollars. As a result of the tenders, a total of 14.66 billion liras (16.27 billion liras including VAT) and 7 million dollars in sales proceeds were obtained.

Assessment Of the Practice of Appointing Trustees to Companies from Company Management and Economic Perspectives and Irregularities Experienced

In 2014, within the scope of the investigations launched against the Gülen movement, 1,371 companies were appointed as trustees by the courts and

the SDIF fulfilled its trusteeship duty within a period of approximately 10 years. The trustee appointments have led to serious changes in the corporate governance, economic values and market values of these companies. In this context, the following issues stand out:

- 1- According to the data obtained from the trade registry gazette and other sources, trustees were appointed to 116 firms between 2014-2016, the period when the SDIF was not yet authorised as a trustee. The number of trustees appointed to these companies is 29 in total. The trustee committees appointed to 116 firms consisted of these 29 people. In the period starting in 2016 with the declaration of the state of emergency, the SDIF was authorised as a trustee and the number of companies to which trustees were appointed on the grounds of links with the Gülen movement increased to 1,371 in ten years (2014-2024). These figures show that the state of emergency has been used as a tool of unlawful repression against the Gülen movement.

Trustee list and how many companies they are appointed to

According to the available data, the number of trustees appointed to 1,371 companies is 529. The majority of the 529 trustees were appointed to the trustee committees of dozens of companies at the same time.

#	Trustee Name-Surname	Number of Companies Assigned
1	Bülent Navruz	110
2	Tahsin Yazan	107
3	Ayten Altıntaş	103
4	Mustafa Ertaş	102
5	Aytekin Karahan	101
6	Erol Aykut	101
7	Ertuğrul Erdoğan	101

8	Hüseyin Yaşar	101
9	İmran Okumuş	101
10	İsmail Gülen	101
11	Levent Küçük	101
12	Sezai Çiçek	101
13	Mehmet Rıdvan İnan	100
14	Ali Altıntaş	97
15	Ünal Bilgili	94
16	Ahmet Kadir Pürsün	93
17	Mahmut Birlik	91
18	Yaşar Atlıgan	90
19	Melek Küreemoğlu	89
20	Abdulkadir Koçak	86
21	Metin Üzümcü	84
22	Süleyman Engin	84

For example, Bülent Navruz was appointed to 110 companies, Tahsin Yazan to 107 companies, Ayten Altıntaş to 103 companies, Mustafa Ertaş to 102 companies, Aytekin Karahan to 101 companies, Erol Aykut, Ertuğrul Erdoğan, Hüseyin Yaşar, İmran Okumuş, İsmail Gülen, Levent Küçük and Sezai Çiçek to 101 companies at the same time.

According to the available data, the number of trustees appointed to 1,371 companies that were placed under trusteeship is 529. The vast majority of the 529 trustees were assigned to the trustee boards of dozens of companies at the same time. For example, Bülent Navruz was assigned to 110 companies, Tahsin Yazan to 107 companies, Ayten Altıntaş to 103 companies, Mustafa Ertaş to 102 companies, Aytekin Karahan to 101 companies, Erol Aykut, Ertuğrul Erdoğan, Hüseyin Yaşar, İmran Okumuş, İsmail Gülen, Levent Küçük and Sezai Çiçek were assigned to 101 companies at the same time as trustee board members.

After Bülent Navruz was appointed as a trustee by the SDIF, the SDIF board appointed him as a member of the board of trustees for a large number of companies at the same time. It is observed that these appointments were intensified in 2017 and 2018.

Name	Position	Company	Appointing Authority	Appointment Details
Bülent Navruz	Board Member	RESEARCH PUBLISHING PRODUCTION PRINTING FILM MUSIC DISTRIBUTION AND CONSTRUCTION TRADE LTD. CO.	TMSF Board	Appointed to Company Management by TMSF Board
Bülent Navruz	Board Member	ARCA HEALTHCARE FOREIGN TRADE LTD. CO.	TMSF Board	Appointed to Company Management by TMSF Board
Bülent Navruz	Board Member	ASA MEDICAL MUHAMMET ÇİHAT GÜNDOĞDU	TMSF Board	Appointed to Company Management by TMSF Board
Bülent Navruz	Board Member	ATLANTIS MARITIME FOREIGN TRADE AND INDUSTRY LTD. CO.	TMSF Board	Appointed to Company Management by TMSF Board
Bülent Navruz	Board Member	BABUL HAYAT HEALTH SERVICES AND TRADE LTD. CO.	TMSF Board	Appointed to Company Management by TMSF Board
Bülent Navruz	Board Member	OKYANUS INVESTMENT CONSTRUCTION CONTRACTING INDUSTRY AND TRADE INC.	TMSF Board	Appointed to Company Management by TMSF Board
Bülent Navruz	Board Member	ÇAVDIR MOBİLYA DECORATION AND FURNITURE MARKETING FOREIGN TRADE LTD. CO.	Vice President	Appointed to Company Management by TMSF Board

Bülent Navruz	Board Member	SANCARLAR FURNITURE TRANSPORTATION AND FOREIGN TRADE LTD. CO.	Vice Chairman	Appointed to Company Management by TMSF Board
Bülent Navruz	Board Member	M SÖYLEMEZ ARCHITECTURE AND CONSTRUCTION INDUSTRY AND TRADE LTD. CO.	TMSF Board	Appointed to Company Management by TMSF Board
Bülent Navruz	Board Member	CSK AUTOMOTIVE PLASTICS MANUFACTURING ORGANIZATION MARKETING AND CONSULTANCY INC.	TMSF Board	Appointed to Company Management by TMSF Board
Bülent Navruz	Board Member	DAHICE ADVERTISING PROMOTION ORGANIZATION CONSULTANCY INC.	TMSF Board	Appointed to Company Management by TMSF Board
Bülent Navruz	Board Member	DECO FERANT MARITIME CONTRACTING TOURISM INDUSTRY AND TRADE LTD. CO.	TMSF Board	Appointed to Company Management by TMSF Board
Bülent Navruz	Board Member	ECZADOLABIM PERSONAL CARE PRODUCTS INDUSTRY AND TRADE LTD. CO.	TMSF Board	Appointed to Company Management by TMSF Board

Some of the 110 companies to which Bülent Navruz was appointed trustee

Businessman İmran Okumuş, one of the 529 people appointed as a trustee, was appointed as a member of the board of trustees for 101 companies. Some of the companies, which are among the biggest companies in Turkey, where İmran Okumuş is serving as a trustee at the same time are as follows

- Kaynak Holding Inc.
- Kaynak Media Inc.

- N-T Book Stationery Office Supplies Marketing and Tourism Trade Joint Stock Company
- Sürat Cargo Logistics and Distribution Services Inc.
- Sürat Cargo Logistics and Distribution Services Inc.
- Milsoft Software Technologies Inc.

Name	Position	Company Name	Decision Maker	Decision Date	Decision No
İmran Okumuş	Trustee	AYYILDIZ ENERGY ELECTRICITY PRODUCTION INDUSTRY AND TRADE INC.	Istanbul Anatolia 9th Criminal Judgeship of Peace	27.11.2015	2015/2063
İmran Okumuş	Trustee	AZİM GAYRİMENKUL YATIRIM ANONİM ŞİRKETİ	Istanbul Anatolia 9th Criminal Judgeship of Peace	11.04.2016	2016/2122
İmran Okumuş	Trustee	BARAN FEED AND LIVESTOCK INDUSTRY AND TRADE INC.	Istanbul Anatolia 10th Criminal Judgeship of Peace	17.11.2015	2015/2903
İmran Okumuş	Trustee	BİRTEL COMMUNICATION TECHNOLOGIES TOURISM INDUSTRY AND TRADE INC.	Istanbul Anatolia 2nd Criminal Judgeship of Peace	25.12.2015	2015/4212
İmran Okumuş	Trustee	ENNEAGRAM PUBLISHING AND EDUCATION MATERIALS INC.	Istanbul Anatolia 9th Criminal Judgeship of Peace	17.11.2015	2015/2903
İmran Okumuş	Trustee	HERKÜL OUTER TRADE AND TRANSPORTATION INC.	Istanbul Anatolia 10th Criminal Judgeship of Peace	17.06.2016	2016/3120

İmran Okumuş	Trustee	İTİNA BEVERAGE FOOD AND CLEANING MATERIALS INDUSTRY INC.	Istanbul Anatolia 10th Criminal Judgeship of Peace	17.11.2015	2015/2903
İmran Okumuş	Trustee	KAYNAK FOREIGN TRADE INC.	Istanbul Anatolia 10th Criminal Judgeship of Peace	17.11.2015	2015/2903
İmran Okumuş	Trustee	KAYNAK HOLDING INC.	Istanbul Anatolia 9th Criminal Judgeship of Peace	17.11.2015	2015/2903
İmran Okumuş	Trustee	KAYNAK PAPER INDUSTRY AND TRADE INC.	Istanbul Anatolia 10th Criminal Judgeship of Peace	27.11.2015	2015/2063
İmran Okumuş	Trustee	KERVANSARAY TRAVEL ACCOMMODATION TOURISM AND ORGANIZATION SERVICES INC.	Istanbul Anatolia 10th Criminal Judgeship of Peace	22.12.2015	2015/4212
İmran Okumuş	Trustee	N-T BOOKSHOP STATIONERY OFFICE SUPPLIES MARKETING AND TOURISM TRADE INC.	Istanbul Anatolia 10th Criminal Judgeship of Peace	17.11.2015	2015/2923

Some of the 101 companies to which İmran Okumuş was appointed trustee

While the difficulties of one person to manage even one company are obvious, the appointment of a trustee to a hundred companies at the same time cannot be explained neither in legal terms, nor in terms of the qualifications of the trustees, nor in terms of efficient company management in market conditions.

2- **Ümit Önal**, who was appointed as trustee to İpek Online Informatics Services Limited Company, Koza Production and Trade Inc. and Rektur Advertisement Marketing and Trade Limited Company, which are affiliated companies of Koza-İpek Holding, by the decision of Ankara 5th Criminal Judicature of Peace dated 26/10/2015, is currently the CEO-General Manager of Türk Telekom, a public-private partnership¹¹. Ümit Önal previously served as the head of the advertising group at Turkuaz Media Group, a media organisation close to the Erdoğan government.

Tahsin Kaplan, who is currently the Deputy General Manager of Law and Regulation at Türk Telekom, was appointed as a trustee to Cihan Media Distribution Inc. and Dünya Distribution Inc. by the decision of the Istanbul 2nd Criminal Judge of Peace dated 21 March 2016.

Name	Position	Company Name	Decision Maker	Decision Date	Decision No
Tahsin Kaplan	Board Member	SEYHAN PRINTING INDUSTRY AND TRADE INC.	Istanbul 2nd Criminal Judgeship of Peace	21.03.2016	2016/1850
Tahsin Kaplan	Trustee	CIHAN MEDIA DISTRIBUTION INC.	Istanbul 9th Criminal Judgeship of Peace	11.03.2016	2016/1605
Tahsin Kaplan	Trustee	DUNYA DISTRIBUTION INC.	Istanbul 9th Criminal Judgeship of Peace	11.03.2016	2016/1605
Ümit Önal	Trustee	IPEK ONLINE INFORMATICS SERVICES LTD.	Ankara 5th Criminal Judgeship of Peace	26.10.2015	2015/4104
Ümit Önal	Trustee	KOZA PRODUCTION AND TRADE INC.	Ankara 5th Criminal	26.10.2015	2015/4104

¹¹ <https://www.ttyatirimciiliskileri.com.tr/tr-tr/kurumsal-yonetim/sayfalar/ust-yonetim>

			Judgeship of Peace		
Ümit Önal	Trustee	REK-TUR ADVERTISING AND MARKETING LTD.	Ankara 5th Criminal Judgeship of Peace	26.10.2015	2015/4104

It is noteworthy that the senior executives of a semi-public, government-controlled company called Türk Telekom are also appointed as trustees of companies related to the Gülen movement. This is because the senior executives of the semi-public company Türk Telekom are appointed by the Erdoğan government. The appointment of the same people as trustees by Criminal Judgeships of Peace in different provinces to companies linked to the Gülen movement shows that trustee appointments are made based on certain lists and names.

3- Nevzat Demiröz, who was appointed as trustee to Koza-İpek Holding and its affiliated companies, is the brother of AKP Deputy Chairman and Bitlis Deputy Chairman Vedat Demiröz and also served as AKP Beylikdüzü District Chairman.

Özen Pala, who was appointed as trustee to Koza Altın İşletmeleri Inc. and Koza Anadolu Metal Mining Inc. works as a financial advisor at Demiröz Financial Consultancy, which is owned by the above-mentioned AKP MP Nevzat Demiröz.

Name	Position	Company Name	Decision Maker	Decision Date	Decision No
Özen Pala	Trustee	KOZA GOLD ENTERPRISES INC.	Ankara 5th Criminal Judgeship of Peace	26.10.2015	2015/4104
Özen Pala	Trustee	KOZA ANATOLIAN METAL MINING ENTERPRISES INC.	Ankara 5th Criminal Judgeship of Peace	26.10.2015	2015/4104

 LinkedIn
<https://tr.linkedin.com/özen-pala-a3226893>

Özen Pala - Demiröz Yeminli Mali Müşavirlik ve Bağımsız ...

Türkiye · Demiröz Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş.
Deneyim: **Demiröz Yeminli Mali Müşavirlik** ve Bağımsız Denetim A.Ş. · Konum: Türkiye · 20 bağlantı LinkedIn'de. **Özen Pala** adlı kişinin profilini 1 milyar ...

Extract from the LinkedIn profile of Özen Pala, who was appointed as a trustee

Ali Yazlı, also one of the appointed trustees, served as an AKP Ümraniye Municipality Council member and councilor. Kemal Yıldır was appointed by the Erdoğan government as the General Director of TEİAŞ under the Ministry of Energy and Natural Resources, and Hayrullah Dağıstan as the Deputy General Director of the Mineral Research and Exploration Organisation.

These data show that the appointed trustees were **specifically** selected from bureaucrats appointed by the Erdoğan government in the past, and people close to the Erdoğan government.

4- **Hüdai Bal and Ümit Önal**, two of the trustees appointed to the media companies such as Bugün TV, Bugün Newspaper and Kanaltürk TV, which are media outlets of Koza-İpek Holding, were previously employed by Turkuvaz Media Group. Ümit Önal was the head of the advertising group at Turkuaz Media Group¹². The striking point in these trustee appointments is that these individuals worked at Turkuvaz Media, which includes Sabah newspaper, ATV, A Haber and other media organisations controlled by the Erdoğan government and publicly known as "pool media"¹³.

Legally, trustees are required **to be selected from meritorious, independent and impartial individuals** in order to protect the

¹² <https://www.ilerihaber.org/icerik/koza39nin-basina-sabah39in-reklam-muduru-getirildi-24226.html>

¹³ <https://www.hurriyet.com.tr/gundem/kozaya-kayyum-havuz-medyasindan-hudai-bal-ve-umit-onal-40006419>

economic values of the companies temporarily placed under their management. However, this legal requirement was not fulfilled in the appointment of trustees for the İpek Media group. Turkuvaz Media group media outlets are the biggest supporters of the judicial operations against the Gülen movement and are among the most prominent advocates of the "FETÖ (Fethullahist terrorist organisation)" hate speech. The fact that people working in media organisations with such a hostile attitude towards the Gülen movement have been appointed as administrative trustees to media organisations close to the Gülen movement with an unlawful court decision show that the trustee appointments are not carried out within the framework of the law, but under the control and influence of the Erdoğan government.

- 5- On 17 November 2015, Istanbul Anatolian 10th Criminal Judge of Peace Ali Arslan Giritli appointed 7 trustees to 19 companies, 1 foundation and 1 association affiliated to Kaynak Holding. The name of **Aytekin Karahan**, one of the trustees appointed to Kaynak Holding and its affiliated companies, was included as a suspect in the 2012 Ankara Police operation on the Public Procurement Authority. Following the operation, a lawsuit was filed against the suspects, including Karahan and bureaucrats of the Public Procurement Authority, on charges of *bid rigging and forming a gang to commit a criminal offence*. It was revealed that the trials of the suspects at Ankara 8th High Criminal Court were continuing and that Aytekin Karahan was charged with being a member of an organisation, bid rigging and bribery¹⁴.

The appointment of a person who is accused of bid rigging, bribery and establishing a criminal organisation as a trustee for Kaynak Holding and 19 affiliated companies worth billions of dollars shows that the appointment of trustees is not based on merit, and that they are chosen from the profile of people who can act in the direction desired by the Erdoğan government, who are under legal pressure due to the allegations and lawsuits against them, and who can therefore fulfil the unlawful demands of the government.

¹⁴ <https://t24.com.tr/haber/kayyum-atanan-aytekin-karahan-kamu-ihalelerine-fesat-suphelisi,317153>

6- The main duty of the trustees appointed to the companies is to manage the companies as "prudent merchants" until the final decisions of the courts and to protect their assets. It is observed that the trustees appointed within the scope of the investigations against the Gülen movement do not fulfil these qualifications. **Numerous irregularities involving trustees appointed to companies have even been reported in the media.**

- For example, it was revealed that Ertunç Laçinel, the CEO appointed to Boydak Holding, which was transferred to the SDIF in 2016 and renamed Erciyes Anadolu Holding in 2019, purchased warehouse services by using another company he established in Slovakia as an intermediary, thereby causing a loss of €1 million 200 thousand to Boydak Holding¹⁵.
- It was revealed that Alpaslan Baki Ertekin, who was appointed CEO of Boydak Holding after Ertuğrul Laçinel was dismissed following the news about him, transferred approximately 66 million liras from Boydak Holding funds to foundations and organisations supported by the Erdoğan government, including TÜGVA, TÜRGEV and İlim Yayma Cemiyeti in 2021¹⁶.
- Another example of irregularities committed by the SDIF trustees occurred in Aydınli Group, one of Turkey's largest clothing companies. It was revealed that the number of workers, which was 3,800 before the trustee administration, suddenly increased from 3,800 to over 5,000 despite the fact that there was no growth to cover these expenses, that the company, which had no debt to the state, had a tax debt of 45 million TL to the state in 2.5 years after the appointment of the trustees, and that the salaries of the workers in the company were paid with 'bank loans'¹⁷. The owners of Aydınli Group applied to the Constitutional Court on the grounds

¹⁵ <https://www.patronlardunyasi.com/milyon-avroluk-zarar-boydak-holdingten-kotu-kokular-geliyor>

¹⁶ <https://www.sozcu.com.tr/akp-vakiflarina-66-milyon-tl-aktaran-alpaslan-baki-ertekin-iktidar-degisirse-gorevi-birakirim-wp7658953>

¹⁷ <https://www.tr724.com/isadami-kavurmacinin-sirketine-atanan-kayyim-25-yilda-devlete-45-milyon-tl-borc-takmis/>

that their company had been deliberately damaged by the trustees, but did not receive a positive result.

- It was revealed that the AKP member appointed as trustee to Aynes Gıda sold products at low prices to the company he founded. Former AKP Denizli Deputy Provincial Vice Chairman Yusuf İzzet Ayhan, who was appointed as a trustee to Aynes, and Aynes' Foreign Trade Manager Mehmet Özdemir established a joint company called Global Geo in Georgia in 2017 with fifty per cent shares each. AKP member Ayhan transferred his fifty per cent share in the company to former AKP Denizli Youth Branch Chairman and Aynes Trustee Board Member Melih Serim in May 2018. The company was sold in July 2018 with two separate invoices totalling \$23,750. It was revealed that the total amount of the two separate sales transactions was 47 thousand 500 dollars¹⁸.
- Abdullah Güzeldülger, one of the founders of the Future Party, who was appointed as the chairman of the board of directors of Boydak Holding after serving as the head of the Collections and Financing Department of the Savings Deposit Insurance Fund, gave striking information about the trustees appointed to companies on the grounds that they were linked to the Gülen movement¹⁹. Güzeldülger stated that Sezgin Baran Korkmaz, who was arrested in Austria for money laundering, came to his room and asked him for a bargain company, that the Anatolian Chief Public Prosecutor's Office appointed 7 people as trustees to 99 companies in Istanbul at that time, that a monthly salary budget of 3-3 and a half million was created by giving each of them a salary of 5 thousand liras, that when calculated with the exchange rate of that day, a monthly salary of 200-250 thousand dollars entered their pockets, and that the Erdoğan government and those close to it saw the companies allegedly linked to the Gülen movement as **spoils (as in war spoils)**. Furthermore, Güzeldülger described the "robbery" attempt on BOYDAK Holding by name,

¹⁸ <https://t24.com.tr/haber/aynes-gida-ya-kayyim-atanan-akp-li-isim-kendi-kurdugu-sirkete-urunleri-dusuk-fiyattan-satmis,836848>

¹⁹ <https://t24.com.tr/haber/eski-tmsf-yoneticisi-guzeldulger-100-150-sirketten-ayda-5-bin-lira-maas-alan-kayyumlar-vardi,961867>

stating that the minister to whom the SDIF reports (Nurettin Canikli) interfered with the signature circular and that a deal was made without the signature of the Chairman of the Board of Directors.

- 7- Some of the companies managed by the SDIF were intended to be sold. It was observed that the tender prices of the sold companies were well below the market values of the companies.

After the appointment of trustees to Kaynak Holding in November 2015, the company named Sürat Cargo, which was managed by the trustees, was decided to be sold by the SDIF in July 2021 on the grounds that it was "not sustainable due to its financial situation, shareholding structure, other problems or market conditions". The tender price of Sürat Cargo was determined as 325 million liras and was sold for 335 million liras after the tender.

Just before the appointment of the trustee for the sale of Sürat Cargo (before November 2015), negotiations were made with a foreign company, and the price of the company was determined as **\$350-500 million**. Sürat Cargo, which was **worth 2 billion 975 million TL** according to the USD/TL exchange rate in July 2021, was sold for 335.5 million TL at a price of approximately 1 in 10²⁰.

The fact that Sürat Cargo was sold far below its market value reveals that the SDIF did not fulfil its duty to protect the value of the company.

- 8- Another problematic area regarding the companies under SDIF management is the system introduced by the Erdoğan government through laws regarding the sale of these companies. During and after the state of emergency in 2016, the Erdoğan government authorised the SDIF to sell the companies to which it had been appointed as trustee through decrees and laws.

Provisions of Article 19, paragraphs 3 and 10 of Law No. 6758;

"(3) ***In the event that it is determined that*** the current situation ***is not sustainable due to the financial situation, shareholding structure, market conditions or other problems of these companies, the sale or dissolution and***

²⁰ <https://www.tr724.com/gasp-edilen-surat-kargo-10da-bir-fiyatina-peskes-cekiliyor/>

liquidation of the company or its assets or the asset values specified in the tenth paragraph of Article 128 of Law No. 5271 **may be decided by the Minister** to whom the Savings Deposit Insurance Fund is associated.

(10) The Minister to whom the Savings Deposit Insurance Fund is associated may partially or wholly delegate his/her powers under this article to the Chairman of the Savings Deposit Insurance Fund or the Fund Board."

And provisions of Article 7 of the Procedures and Principles for the Implementation of Article 19 of the Law No. 6758 dated 10/11/2016 state;

"A financial status report is prepared by the independent auditor or sworn financial advisors to be determined by the company's management body, which includes the value of the company's assets and whether this value is sufficient to meet the debts and obligations, the financial status of the company, the shareholding structure, market conditions and other problems of the company. This report may also be prepared by the company's management body. The prepared report, together with its opinion, is submitted to the Minister by the company management. In the event that the current state of the company is not sustainable due to the financial situation, shareholding structure, market conditions or other reasons, the Minister may decide to sell the company, company assets or asset values or to liquidate the company by dissolution. "

Based on the aforementioned laws and regulations, the SDIF has decided to sell Sürat Cargo Logistics and Distribution Services Inc. In this context, the SDIF agreed with Özgün Audit Independent Accounting and Financial Consultancy Inc. to determine the financial status of Sürat Cargo Logistics and Distribution Services Inc. and decided to sell the company based on the report prepared by Özgün Audit Independent Accounting and Financial Consultancy Inc. dated 02.09.2019²¹.

There are several important points here. First, based on these authorisations, the SDIF is actually selling a company temporarily entrusted to its management. The transaction taking place here is actually the transfer of the company from the ownership of its owners to the ownership of someone else. In the normal legal order, the

²¹ <https://www.tmsf.org.tr/Basin/List/surat-kargo-hakkinda-duyuru>

ownership of a company, i.e. its confiscation, can only be enforced by a judicial decision and when the judicial decision for confiscation is finalised by the appellate authorities. Here, however, the Erdoğan government has used its power in the legislature to authorise the SDIF to sell the company and its executives while the criminal case against them is pending. **In this way, the SDIF can decide to sell companies on the basis of a "financial status report" prepared by a simple financial consultancy firm without waiting for judicial decisions.** Thanks to these legal arrangements, which lead to the severe consequence of transferring ownership in terms of the property rights of the companies and their owners, companies allegedly linked to the Gülen movement were sold unlawfully.

Sürat Cargo, whose value was 2 billion 975 million TL according to the dollar/TL exchange rate in July 2021, was sold for 335.5 million TL, approximately 1/10th the price.

The second important issue in the sale of Sürat Cargo is that a transaction equivalent to confiscation can be easily carried out with a report that can be obtained from any financial consultancy firm. In the financial status report of Özgün Auditing Independent Accounting and Financial Consultancy Inc., which was taken as the basis for the sale of Sürat Cargo, it is stated in the report that "... In the event that the Company's equity account is reconstructed by subtracting the assets that have become impossible to collect (a total of 32 264 671,71 TL) from the total assets, and with **the application of this in the previous years, the Company was insolvent in the periods 2015, 2016, 2017 and 2018, and the technical bankruptcy** (being insolvent) **was in question since the Company lost its equity to a great extent despite the fact that it is currently operating; the Company** has been continuously generating losses; the Company has not been able to obtain new business and the ongoing competitive environment does not allow the Company to continue its activities in the long term; the Company **may be able to generate economic value if** the necessary capital and **cash flow is provided** by realising the sale of the Company; otherwise,

the Company, which continues to generate losses, may face liquidation...".

Based on these issues in the report, the Company decided to sell Sürat Cargo Logistics and Distribution Services Inc. with a market value of approximately \$335 million.

Another important issue is how the audit firm (Özgün Audit Independent Accounting and Financial Consultancy Inc.), which prepared the report approving the sale of Sürat Cargo Logistics and Distribution Services Inc. was determined and its approach to the data used in the preparation of the report.

In the report of Özgün Audit Independent Accounting and Financial Consultancy Inc. it is stated that Sürat Cargo was in a state of insolvency in 2015, 2016, 2017 and 2018, and that although it is still in operation, it is in a state of technical bankruptcy (insolvency) since it has lost its equity to a great extent. However, the years 2015, 2016, 2017 and 2018, which were taken as the basis for the report, were the years when the Erdoğan government put pressure on the Gülen movement by using all the institutions and power of the state, and a state of emergency was declared to combat the Gülen movement. *It is already impossible for Sürat Cargo, which was a highly profitable company in its balance sheets before 2015, before it was seized, to survive in this pressure environment.* Even Bank Asya, the largest participation bank in the country, could not stand up to the pressure of the Erdoğan government and was forced into bankruptcy. **For this reason, the economic data of Sürat Cargo deteriorated as a result of the pressures of the Erdoğan government, and then, based on these deteriorating data, a report was prepared by a financial consultancy firm, which is not clear how it was determined, to sell it, and it was sold by the SDIF at a price of one tenth of its market value.**

9- Within the scope of investigations against the Gülen movement, trustees were appointed to 1371 companies. The appointment of trustees to Turkey's leading large companies caused a great public outcry. The fact that the trustees appointed to more than one

company received separate remuneration from each company caused controversy. In fact, hundreds of thousands of searches were made on search engines at that time as "how to become a trustee". Messages titled "if I were a trustee" attracted great interest on social media²². This situation showed that the institution of appointing trustees was abused by the Erdoğan government and that it served politics rather than law.

²² <http://www.hurriyet.com.tr/yaniti-aranan-soru-nasil-kayyum-olurum-40016003>

Conclusion: Appointment of Trustees to Companies Linked to The Gülen Movement and the Threat to The Rule of Law

The appointment of trustees to companies on the grounds that they are affiliated with the Gülen movement is not only a legal practice, but also a systematic pressure tool that has economic, social and political consequences. This process can be evaluated as a concrete example of Turkey's departure from the principles of the rule of law, the erosion of judicial independence and the redistribution of economic resources for political interests.

Erosion of Legal Foundations

The appointment of trustees to companies within the framework of Article 133 of the Code of Criminal Procedure No. 5271 is essentially a judicial measure of criminal investigations. However, the steps taken against the Gülen movement have gone beyond the legal framework and turned into a mechanism serving political purposes. A large part of the evidence presented as justification for the appointment of trustees to companies is based on the criminalization of individual freedoms in violation of international law. For example, activities such as depositing money in Bank Asya, a legal bank, being a member of a legal union or using a mobile application have been transformed into charges of terrorism and have become legitimate grounds for appointing trustees to companies.

Economic Impacts and Wealth Transfer

The most striking results of this process are the loss of value of the companies to which trustees were appointed, the damage to their economic sustainability and the violation of their property rights. The economic size of the companies, which were worth approximately \$13 billion in 2016, has decreased to \$5 billion by 2023. This process shows that trustee management has seriously damaged the financial structures and operational activities of the companies. In addition, the sale of most of these companies with the appointment of the Savings Deposit Insurance Fund

(TMSF) as trustee has allowed the transfer of economic assets to individuals and organizations affiliated with the government. For example, the disposal of large companies such as Boydak Holding and Koza-İpek Holding at prices well below their market values supports the claims of wealth transfer.

Political Connections and Incompetence

It is seen that the principle of merit is disregarded in the appointment of trustees and that the appointments are based on political loyalty. The fact that a large portion of the appointed trustees are chosen from people close to the government shows that this process is not an impartial judicial practice. Practices such as the appointment of a single person as a trustee to hundreds of companies at the same time question the effectiveness of the management processes. In addition, it has been reported that trustees are involved in public corruption in the companies they manage. For example, the transfer of millions of liras of funds from the Boydak Holding coffers to foundations close to the Erdoğan government proves that the legal framework overlaps with political interests.

Violations of International Human Rights and Property Rights

Trustee practices also include serious violations in the context of international human rights norms. The violation of the right to property began with the seizure of the assets of companies and their owners before the completion of the judicial processes and continued with the transfer of the property to individuals or institutions close to the government. The European Court of Human Rights (ECtHR) has stated in many decisions that these practices are unlawful. However, Turkey has continued its practices, ignoring these criticisms.

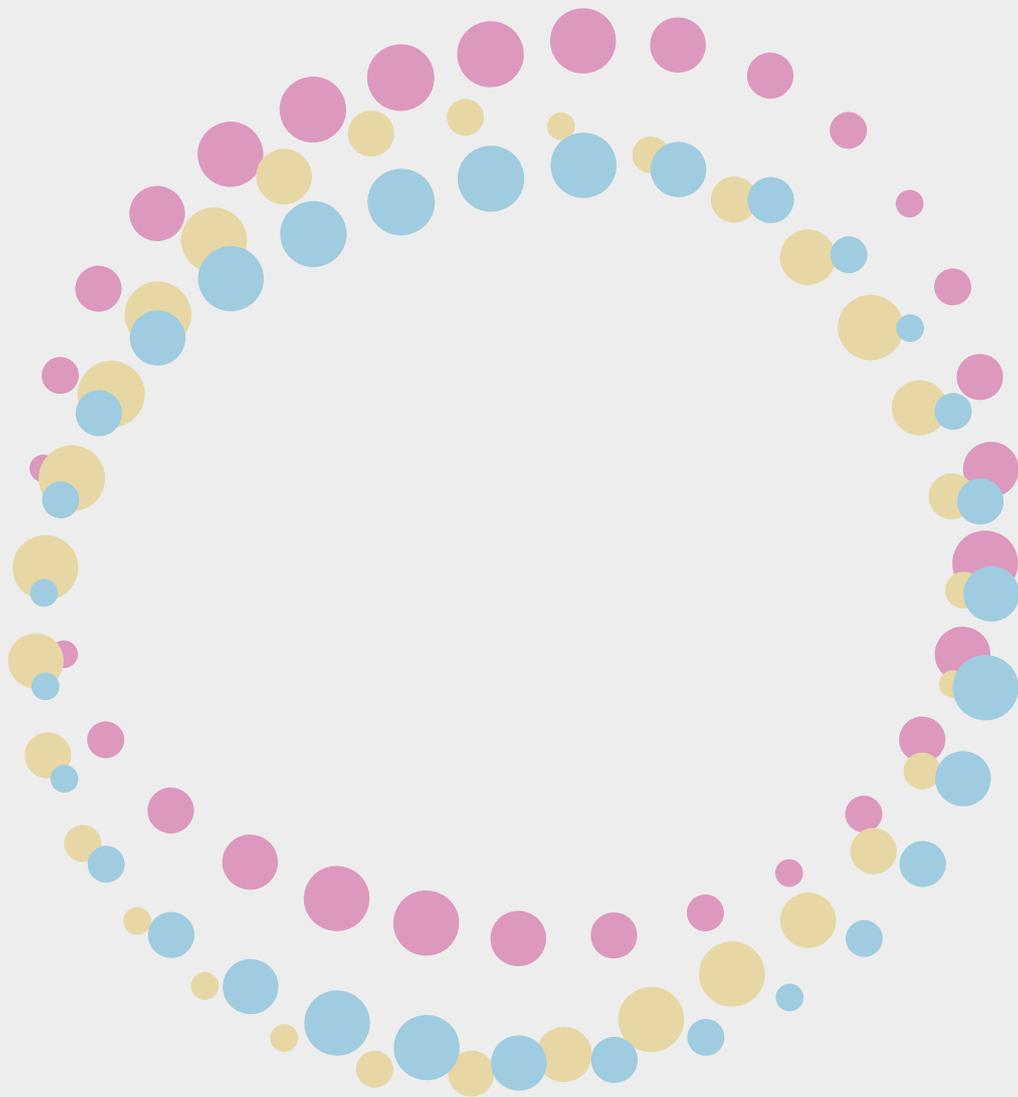
Erosion of Democratic Values

Trustee practices are not only an economic issue, but also a threat to democratic values. This process has turned into a systematic tool of political oppression by ensuring that the opposition is excluded from economic resources and public activity. The appointment of trustees to companies is

a tool of oppression parallel to local government interventions against the will of the voters and is damaging Turkey's democratization process.

General Assessment

The appointment of trustees to companies, which is part of the oppression policies against the Gülen movement, shows that Turkey has entered a process of authoritarianism that is incompatible with the rule of law and democratic values. The redistribution of economic assets through political means, arbitrary practices that cast a shadow over judicial independence, and human rights violations are the fundamental results of this process. Ending these practices is a necessity not only to ensure a return to the principles of the rule of law and democracy, but also to rebuild Turkey's international reputation.



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