

Turkey seeks arrest of crypto boss over huge fraud, detains dozens

23 April 2021, by Fulya Ozerkan



Security sources say Thodex founder Faruk Fatih Ozer is in Albania, according to Turkish television.

Turkey issued an international arrest warrant on Friday for the founder of a cryptocurrency exchange who fled with a reported \$2 billion in investors' assets, state media reported.

Police also detained 62 people in raids over their alleged links to Thodex, the company headed by the fugitive businessman Faruk Fatih Ozer.

He is being sought on charges of "fraud by using information systems, banks or credit institutions as a tool and founding a criminal organisation", the Anadolu news agency reported.

Turkish security officials on Thursday released a photo of Ozer going through passport control at Istanbul airport on his way to an undisclosed location.

Security sources later confirmed that Ozer—said to be 27 years old—has been in Albania since Tuesday.

The justice ministry has started legal proceedings to seek his arrest and extradition from the Albanian capital Tirana, Anadolu reported.

Interior Minister Suleyman Soyly spoke by phone with his Albanian counterpart about the case, the agency added.

The Thodex exchange suspended trading after posting a mysterious message on Wednesday saying it needed five days to deal with an unspecified outside investment.

Media reports said the exchange shut down while holding at least \$2 billion from 391,000 investors.

Freeze on bank accounts

The 62 suspects were apprehended in simultaneous raids carried out in eight cities including Turkey's main hub Istanbul, Anadolu reported.

Police raided the company's headquarters on the Asian side of Istanbul and seized computers and digital materials, press reports said.

Authorities also confiscated Ozer's 31 million lira (\$3.7 million) in banks, Soyly said.

He said the financial scale of the fraud remained unknown for now.

"We will see the ramifications in the coming days ... God willing, he will be captured and returned to Turkey."

Police have issued arrest warrants for 16 other people, Anadolu said, without elaborating. There was no immediate information about those being held.

A lawyer for the investors, Oguz Evren Kilic, said Friday that the investigation into Thodex "is

deepening".

It warned that cryptocurrencies "entail significant risks" because the market is volatile and lacks

"Hundreds of thousands of users cannot get access oversight. to their digital wallets. The situation will get more serious unless a concrete step is taken" by Thodex, © 2021 AFP he told AFP by phone.

Kilic said his clients have already lodged complaints at the prosecutor's office in Istanbul and other cities.

In a message posted on the company's official Twitter account on Thursday, Ozer slammed the "baseless allegations" against him.

He said he was abroad for meetings with foreign investors and would return home "in a few days and cooperate with judicial authorities so that the truth can come out".

'I'm begging you, help'

The number of complaints against Thodex has increased by more than 1,160 percent over the week to April 20 compared to the previous week, according to Turkish customer complaint website Sikayetvar.

One investor who reached Sikayetvar said: "I have been unemployed for a year. I trusted Thodex and invested everything I have... I can't sleep or eat. I am begging you, please help."

Another said: "Why is Thodex's CEO silent? Why are they victimising people? Are you making fun of us?"

Growing numbers of Turks are turning to cryptocurrencies in a bid to shield their savings in the face of a sharp decline in the value of the Turkish lira and high inflation.

The Turkish crypto market remains unregulated despite growing scepticism from President Recep Tayyip Erdogan's government about its safety.

Turkey's central bank said last week it will ban the use of cryptocurrencies in payments for goods and services starting from April 30.

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