

THE ILLICIT ECONOMY IN TURKEY

How Criminals, Terrorists, and the
Syrian Conflict Fuel Underground Markets



MAHMUT CENGIZ
AND MITCHEL P. ROTH

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List of Acronyms

AA	Acetic Anhydride
AKP	Adalet ve Kalkınma Partisi - Justice and Development Party
ANAP	Anavatan Partisi - Motherland Party
AQI	al Qaeda in Iraq
ASOD	Anti-Smuggling and Organized Crime Department
BKA	Bundeskriminalamt - Federal Criminal Police Office
CIS	Counterfeit Incident System
DHKP- C	Revolutionary People's Liberation Party Front
DYP	Doğru Yol Partisi - True Path Party
EPS	Erdogan's Pool System
EU	European Union
FARC	Revolutionary Armed Forces of Colombia
FATF	Financial Action Task Force
FP	Felicity Party - Saadet Partisi
FSA	Free Syrian Army
G20	Group of Twenty
GDP	Gross Domestic Product
HDP	Pro-Kurdish Peoples' Democratic Party
INCSR	International Narcotics Control Strategy Report
IRGC	Islamic Revolutionary Guards Corps
ISIS	Islamic State of Iraq and Syria
JN	Jabhat al Nusra
QF	Quds Force
MA	Methamphetamine
MASAK	Mali Suçları Araştırma Kurulu - Financial Investigation Crimes Investigation Board

MIT	Milli Istihbarat Teskilati - National Intelligence Agency of Turkey
MKP	Maoist Communist Party
MLKP	Marxist-Leninist Communist Party
PKK	Kurdistan Workers' Party
PYD	Democratic Union Party in Syria
STQF	Salam Tawhid Quds Force
TADOC	Turkish International Academy against Drugs and Organized Crime
TIKKO	Workers and Peasants Salvation Army
TNP	Turkish National Police
TOC	Transnational Organized Crime
TOGEMDER	Toplumsal Gelisim Merkezi Dernegi - Social Development Center Association
TPLP/C	Turkey People's Liberation Party Front
TURGEV	Turkiye Genclik ve Egitime Hizmet Vakfi - Turkey Youth and Education Foundation
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
U.S.	United States
USD	United States Dollar
UYAP	Ulusal Yargi Agi Bilisim Sistemi - National Judiciary Informatics System
VP	(Virtue Party - Fazilet Partisi)
WMD	Weapons of Mass Destruction
WP	Welfare Party - Refah Partisi
ZEJ	Zarrab's Economic Jihad

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Introduction

The outbreak of the Syrian Civil War, the enduring conflict in Iraq, the 2013 December 17 and 25 corruption scandals implicating President Recep Tayyip Erdogan and his inner circle, and the 2016 Turkish coup attempt have only added to the chaos in Turkey and on its borders, creating opportunities for criminal and terrorist organizations like never before. Turkey's strategic location between Asia and Europe and along the Balkan Route, as well as its proximity to the opium-producing areas of Afghanistan and Pakistan, has long assured the country a central role in the world narcotics trade. While Turkish organized crime can be discerned in some of the activities of criminal traditions dating back hundreds of years, modern transnational organized crime involving Turks and Kurds is of fairly recent vintage. No Turkish group is more prominent in organized crime circles as the Kurdish Workers Party (PKK); and for a brief time, the Islamic State in Iraq and Syria (ISIS).

This book offers a comprehensive overview of Turkey's illicit economy from the early years of the Turkish Republic to the present in terms of how criminals, Syrian refugees, and terrorists have participated in an illicit economy, facilitated by corruption. More importantly, it is distinguished by analysis of the relationship between the Turkish government and its various entities and the funding of ISIS. The authors examined reports by multinational bodies, states, and non-governmental organizations and have derived information from interviews with Turkish analysts and practitioners in the field, as well as experts on Syria, Iraq, and Turkey. Moreover, it is the most up-to-date examination of the illicit economy in Turkey. This book is structured and intended for a diverse audience, including scholars, students, and policy makers interested in the illicit global economy, conflict, and crime.

The book conflates field experience and theories used in the literature of the illicit economy as a result of broader backgrounds of the co-authors.

Also, the book uses triangulation method in most chapters, combining quantitative and qualitative data. In addition to government reports and international reports, and police statistics, the book uses ethnographic interviews with law enforcement officials and researchers with expertise on the Turkish illicit economy. Because of the current repressive atmosphere imposed by Recep Tayyip Erdogan's Justice and Development Party (AKP) governments, the respondents' identities have been kept confidential and given codes in all chapters.

The book's ten chapters are bookended by an Introduction and a Conclusion. Chapter 1 places Turkey's modern illicit economy within its historical context by chronicling various incarnations of organized criminal groups. Several case studies from the late 1990s further demonstrate the continuing intersection of politics and criminal activities. This chapter also focuses on the current crime situation, categorized as mafia-type criminal groups operating locally and criminal groups operating transnationally.

Chapter 2 focuses on factors responsible for Turkey's illicit economy, chronicling a continuum of corruption, that along with factors such as geographical location, the presence of terrorist groups, and judicial vacuums, have created a favorable environment for criminal and terrorist actors to operate within the illicit economy.

Chapters 3 through 5 survey the trafficking and smuggling activities central to Turkey's illicit economy. Chapter 3 examines drug trends in Turkey in terms of its production, use, and trafficking. Chapter 4 emphasizes the smuggling of cigarettes, oil, counterfeit pharmaceuticals, nuclear materials, and antiquities, detailing the escalation of illegal cigarette seizures, much of it taking place on the Turkish-Syrian border. What's more, this chapter presents evidence of collusion between criminal and terrorist groups. This ranges from direct involvement in the trafficking and smuggling operations to the taxation of this trade being conducted by other actors. This chapter is also distinguished by its analysis of recent data based on official statistics and research derived from semi-structured interviews with Turkish investigators by one of the authors. Moreover, Chapter 4 covers the trafficking and smuggling of antiquities by groups in Syria and Turkey. Historic sites have been plundered for centuries, but the Syrian Civil War and the rise of ISIS have brought this illicit part of the economy to global attention as a horde of valuable artifacts that has been moved through Turkey mostly destined for Western countries.

Chapter 5 focuses on the spectrum of criminal actors involved in human smuggling and trafficking operations. It examines the economic consequences of having over three million Syrian refugees sheltered in the country, as well as their potential links to the illicit economy. Moreover, it explores Turkey's strategic location as a transit country for immigrants from Asia and the Middle East attempting to get to Western Europe. This chapter is informed by the

first author's law enforcement experience and findings obtained in recently conducted police operations against human traffickers.

Chapters 6 and 7 focus on endemic corruption that facilitates the illicit economy, using an in-depth examination of the December 17 and 25, 2013 graft scandals and the unprecedented purges of law enforcement officials and the judiciary members who investigated these scandals. Chapter 6 also explains how in the wake of the purges, criminal and terrorist groups have taken advantage of new opportunities in the country's illicit economy. The combined graft scandals offer a case study for examining how political corruption contributes to the expansion of the illicit economy.

Chapter 7 takes a hard look at the retaliatory attitude of the AKP government that has led to a crackdown on investigators and investigations. The purging and reassignments of police officers following the December 2013 graft scandals have impacted the illicit economy. With around 30,000 police and 4,000 judges and prosecutors forced out of their jobs in the wake of the scandals, this government strategy has only created weaknesses in public security and left a vacuum in authority that criminals and terrorist groups were quick to exploit. In this period, Turkish law enforcement has lost its institutional capacity, knowledge, and memory, confirmed by the decreasing number of smuggling, trafficking, and anti-corruption investigations. Comparing the data between 2012 and 2016, this chapter examines the ramifications of the purges on Turkish law enforcement.

Chapter 8 delves into what some researchers describe as a "nexus" between terrorists and criminals in the illicit economy. It examines how left-wing, ethnic separatist, religious, and Iranian-sponsored terrorist groups have adopted methods and strategies long employed by traditional organized crime groups to fund their operations. Different terrorist groups rely on various streams of financing. Moreover, both crime and terrorist groups play active roles in the laundering of money as well. This chapter discloses findings from recent research coming out of the eastern and southeastern regions of Turkey and demonstrates how the PKK remains active in Turkey, Iran, Iraq, and Europe.

Chapter 9 examines the impact of the Syrian Civil War in terms of how Syrian refugees in Turkey have become involved in criminal organizations and how ISIS has taken advantage of the conflict to finance its activities. It explores the creation of security vacuums that have been filled by criminals and terrorists. Particular focus is placed on the ongoing conflicts in neighboring countries, American interventions in the region, and the rise of ISIS, all of which have facilitated trafficking and smuggling operations in Turkey's southeast borderlands.

Chapter 10 explores the movement of criminal and terrorist organizations' profits through Turkey's illicit economy, explaining how both types of organizations utilize various money laundering techniques as well as the

complicity of state banks in the process. This chapter is supplemented with interviews made with officials from the Turkish Financial Investigation Board. Finally, the Conclusion offers final words on the latest developments in Turkey's illicit economy.

Chapter 1

Historical Continuities of Criminals in the Illicit Economy

INTRODUCTION

Criminal groups in Turkey have historically operated in many areas of the illicit economy, ranging from extortion, smuggling, and trafficking to money laundering. Their activities are part of a continuum that dates back centuries. While criminal groups in the past were more regional and locally oriented, primarily engaged in plundering, looting, and extortion, today local mafia-type groups have expanded their operations, making their transition to transnational criminality.

Political and social conditions throughout Turkish history have determined the various characteristics of criminal groups. Some groups can trace their origins to the social bandits who operated during the Ottoman Empire and the early years of the Turkish Republic. Transnational criminal enterprises, beginning in the 1970s, have impacted criminal groups in Turkey, primarily through links to drug-trafficking organizations. This chapter chronicles the historical evolution of organized criminality from the early years of the Turkish Republic to more recent developments.

THE PERIODIC DEVELOPMENT OF TURKISH CRIMINAL GROUPS

Any examination of the evolution of organized crime can be best understood through a chronological discussion of various developmental phases that comprise the continuum of various criminal enterprises. In terms of Turkey, it is the last two developmental phases that are most critical for gaining an understanding of how the so-called “mafia paradigm” became more

prominent in the late 1960s, as well as the subsequent gradual shift from the mafia paradigm to more organized incarnations of criminality since the 1980s.¹

The activities of organized crime groups usually include three primary categories: the provision of illicit services, the provision of illicit goods, and the infiltration of legitimate business government.² Turkish criminal groups have traditionally been involved in all three categories. This can be best understood in their association with Turkish social, political, and economic developments. Social bandits provided services and goods during the early Republican period before morphing into more organized crime groups capable of infiltrating legitimate businesses and the national government during the era of military coups. As illustrated in Figure 1.1, the periodical development of Turkish criminal groups included their transformation from social bandits into mafia type and transnational criminal groups.

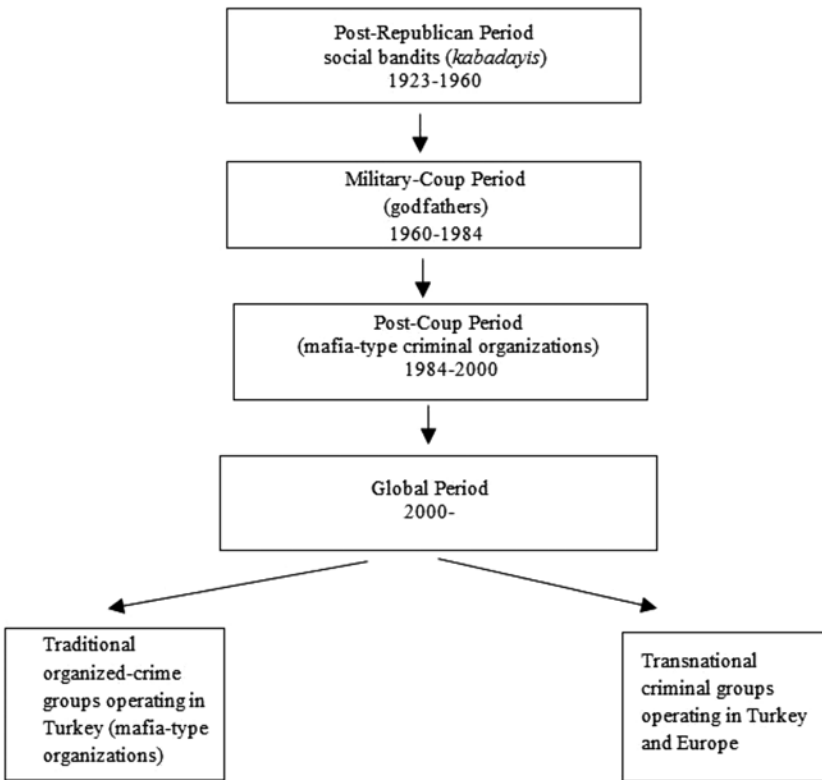


Figure 1.1 Development of Turkish criminal groups by period. *Source:* Cengiz, *Turkiye’de Organize Suc Gercegi*, 2015, 28 (Ankara: Seckin Yayınevi, 2015).

THE DEVELOPMENT OF ORGANIZED CRIME DURING THE REPUBLICAN PERIOD (1923–1960)

Banditry is one of the oldest forms of organized social protest. It is a reality that symbolizes political resistances against oppressive regimes in peasant societies.³ Social bandits⁴ are best understood as groups of individuals who committed crimes in rural areas. Local inhabitants had a complicated relationship with the plundering bandit gangs.⁵ In times of need some of the most impoverished sections of society supported these marauders who were often mythologized as the protectors of society.⁶ Turkish bandits have been categorized into different groups over the years. During the Ottoman period they were called *kulhanbeyi*, while during the Republican period they were identified as *kabadayi* (in urban areas) and *efe* (in rural areas). Though identified by different names, the bandits served similar functions during the preindustrial era.⁷

The social bandit tradition is tied to the precursors to the Sicilian mafia in the nineteenth century. The activities of Sicilian bandits were often supported by the common people who felt little allegiance to a central government that was remote and unsympathetic. Nonetheless, the social bandit might have assumed the role of benefactor during times of agrarian distress, unfair taxation, and class resentment, but remained part and parcel of a common criminal milieu that banded together mostly for protection and avaricious purposes.⁸ Similarly, bandits in the Turkish Republican period sold their protection, settled disputes, and protected the weak from repressive governments.⁹

In some situations, bandits supported the status quo because they were interconnected with power elites and the ruling class.¹⁰ As a result it became difficult to differentiate between the criminal activities of society's higher echelons and the social bandits operating in Turkey. It was in this environment that social banditry underwent a structural transformation in terms of organized criminal activities. By some accounts social bandits forcefully collected food and clothing from rich people a la "Robin Hood" and distributed them to the poor. It was in this way that they became progenitors of the social bandit tradition before making the transition to mafia-type criminal organizations.¹¹

To a certain extent, Turkish society accepted social banditry, but only to the extent that the bandit groups respected the social and religious values of the Turkish people. However, this did not prevent some bandit groups from degenerating over time into marauding groups. The legacy of the bandits was the tacit approval given their activities as long as they promoted public order. This heritage paved the way for the emergence of another form of social banditry, *kabadayis*, that came to prominence during the Republican period.

Many towns and cities welcomed *kabadayis*, who were adept at resolving disputes among local people in the early years of the Turkish Republic. By most accounts *kabadayis* refrained from committing crimes and struggled to gain the trust of people in their local environments. According to the relevant literature, *kabadayis* can be accepted as progenitors of modern organized crime groups in Turkey.¹² *Kabadayis* represented various ethnic groups and social classes and were as likely to come from the rich and impoverished classes as from the Muslim and Christian communities.¹³

Kabadayis were most active in urban areas, while social bandits known as *efes*, preferred rural and mountainous locales. At first, *efes* were individuals who had rebelled against official authority before settling in the mountainous areas, where they formed gangs and engaged in smuggling and extortion activities. It did not take long for *efes* to be regarded locally as popular heroes, considered beyond the reach of government forces. Of course, it further burnished their popular reputation when word spread that they took from the rich and distributed needed commodities to the poor. This understanding reportedly led local residents to tip off the *efes* in advance of any police operations.¹⁴

Efes varied regionally. In western Turkey they rebelled for individual reasons before establishing bandit gangs, while those in the southeast responded more against the general policies of the government. Both incarnations of the bandits were regarded as thugs or rebels by central authorities as they engaged in almost constant conflict with state authority. Among the push factors stimulating the development of these were government policies that inhibited traditional occupations, particularly smuggling. Their numbers proliferated in the 1960s. In the southeastern Siirt province, for example, there were at least 180 bandits.¹⁵

In the 1950s, the *kabadayis* rose in prominence across Turkey, thanks to the inability of official law enforcement units to provide a semblance of order and security. The *kabadayi* known as Oflu Hasan was credited, for example, with playing an active role in the resolution of a bloody feud between two families in the 1950s.¹⁶ Beginning in the 1950s, *kabadayis* developed close relationships with most segments of Turkish society. Their acceptance was exemplified during the 1968 funeral of the aforementioned Oflu Hasan, when famous *kabadayis* of the era, numerous politicians, artists, and VIPs attended the funeral, and hundreds of people (including the son of the president) sent wreaths to the funeral. A similar scene unfolded at the funeral of another celebrated *kabadayi*, “Inci Baba” Mehmet Nabi İnciler, who had been murdered in 1993. The extensive interest in both funerals illustrates the enduring acceptance of *kabadayis* by various segments of Turkish society during the second half of the twentieth century.¹⁷

The transformation of *kabadayis* into *babas* (godfathers) led to the diversification of activities among these groups. However, smuggling operations remained the primary activity for organized crime groups since the 1950s. To complement smuggling activities, for example, the number of illegal casinos escalated exponentially and most of the cafes in metropolitan cities were used as venues for illegal gambling. These undercover casinos, at the time, were run by the *kabadayis*.¹⁸ During this era the procurement of contraband goods also placed high on the activities of *kabadayis*.

Restrictions on the sale of tobacco products, alcoholic beverages, and gold have shaped Turkish smuggling markets since the 1950s. In fact, smuggling was not even considered a crime until the mid-1940s. Two political factors forced the government to strengthen border controls and develop strategies to prevent smuggling: First, stronger border control was necessary to prevent the possible negative impact of the Kurdish movement in Syria, Iraq, and Iran. Secondly, the government's economic policies required that all trade activities be integrated into the national economy. Thus, free trade, or border trade, was equated with smuggling.¹⁹

Not surprisingly, local citizens, who were used to traveling freely across Turkey's border to visit relatives or transfer goods, did not take kindly to the new regulations, which included presenting a passport in order to cross the border into Syria, Iraq, or Iran. Thus, it took a long time for the local citizens to adapt to the new policy, resulting in unintended consequences, including several tragic incidents related to smuggling. In 1943, for example, 33 Kurdish smugglers were killed in a fusillade of bullets following a decree by Turkish Army General Mustafa Muğlalı. He would be sentenced to 20 years in prison for this atrocity.²⁰

Dündar Kılıç, a well-known *kabadayi*, was extensively engaged in smuggling and, as was common among *kabadayis* in the 1950s, ran casinos. Kılıç also was a famous figure in the underground crime sector since the 1960s. He was investigated throughout his life for several murders and the wounding of dozens more but managed to elude serving long prison terms thanks to frequent general amnesties issued by governments.²¹ Kılıç expanded his underground network significantly after opening a coffee house and was emboldened enough to confront local *kabadayis* who dared ask him for tributes. Kılıç became the target of several assassination attempts after he was alleged to have murdered a mafia leader called Cemali. During the 1970s, Kılıç tried to extort protection money from most bars in the Beyoğlu region of Istanbul. He was arrested in an operation targeting mafia leaders but released in a short time. Similar to other *kabadayis*, Kılıç considered his social image to be extremely important. Like America's Al Capone, who attempted to burnish his image by opening soup kitchens in Chicago during the 1930s,

Kılıç went to great lengths to make a public show of helping the local poor. In 1984, Kılıç's connection with international drug trafficking groups was revealed through his relationship with heroin smugglers in Switzerland. A police investigation uncovered that Kılıç was involved in heroin smuggling in cooperation with high-level police chiefs.²²

The image of *kabadayis* began to tarnish in the 1960s for several reasons, with the proliferation of firearms playing a major role. *Kabadayis* started to use firearms rather than brute force, their traditional way of settling conflicts. Thus, the level of violence associated with their activities increased considerably.²³

The organized crime career of *kabadayi* Hasan Heybetli offers a blueprint for examining the inner workings of a Turkish mafia family. He virtually inherited the role of *kabadayi* from his father, Hüseyin Heybetli. The elder Heybetli was a famous *kabadayi* in the 1950s and was involved in numerous violent activities, especially in the 1970s. Yet, he owes his fame to love affairs with celebrities.²⁴ It should be noted that it is not uncommon for criminals to not just be accepted into certain milieus of the upper world, but to also seek social mobility for themselves. In some cases, this might take place thanks to personal contacts with celebrities or their acceptance in popular social spaces.²⁵ Similarly, many other *kabadayis* had similar relationships with celebrities, either to achieve fame or to feed their self-indulgent attachment to exaggerated confidence in their power.

Similarly, the life story of the Kurdish *kabadayi*, Hüseyin Uğurlu, also illustrates important codes of the criminal underworld. In one interview he admitted smuggling cigarettes and whiskey to satisfy the demand among young people but eschewed the smuggling of drugs or weapons.²⁶ In other cases, *kabadayis* defended their livelihoods with the caveat that they deliberately abstain from drug dealing and prostitution because these activities ran counter to the prevailing values and norms of a *kabadayi*. Likewise, they refrained from using firearms against children or women.

The inclusion of a Turkish route for the trafficking of drugs from Afghanistan in the 1970s opened up new opportunities for *kabadayis*; however, their association with drug dealing tainted their popular image. It was in this way that *kabadayis* became more identifiable as criminals rather than "Robin Hoods."²⁷ *Kabadayis* demonstrated a pragmatic entrepreneurial acumen, whether they were engaged in racketeering with small businesses, organizing in the gambling sector, or smuggling tobacco, alcohol, and gold. Ultimately, some *kabadayis* also transitioned to the more lucrative opportunities inherent in the smuggling of narcotics.²⁸

THE DEVELOPMENT OF ORGANIZED CRIME IN THE ERA OF MILITARY COUPS (1960-1984)

The military coups between 1960 and 1980 gave rise to new incarnations of Turkish criminal groups, as well as fundamental changes in how they operated. During this era, crime increased, due to the usual impact factors of industrialization and urbanization and the concomitant economic, political, and social problems that followed. This was especially true in the surge of smuggling cases. In 1983, at the start of the post-coup period, Turkey adopted a more liberal economy, creating a favorable environment for the circulation of dirty money. During this period, smugglers became more organized. But by 2000, fueled by the globalization process, Turkish criminal groups, like most other segments of society, underwent structural changes as they became more tied into transnational crime activities.

One important heritage of Turkey's military coups was the expansion and development of organized crime activities. The upheaval caused by the military coups left Turkey unable to form a robust rule of law, a situation that crime groups exploited. Smuggling, which was the main financing source of various factions in conflicts that plagued the country, became an irresistible activity. *Kabadayis* and mafia bosses came together to form more sophisticated organized crime groups in their overlapping areas of influence. Next, they expanded into international networks, strengthening their strategic positions and gaining prominence for arms and narcotics trafficking.

A number of factors figured into the expansion of organized crime during the 1980s, including a power vacuum in state authority in the military coup era, economic problems, judicial gaps, migration issues, and the embargo after the war with Cyprus.

Vacuum in the State System

Since the 1970s, mafia-type crimes have been among the most complicated problems Turkey has faced in terms of economic and political consequences.²⁹ Some people turned to organized crime to free themselves from poverty or to breach embargoes. The vacuum that arose when the state system became dysfunctional left most government institutions filled with smuggling groups. The proliferation of organized crime in Turkey in the 1970s was a corollary of weak state authority and cumbersome bureaucracy.³⁰

Economic Problems

The era of coups impacted the Turkish economy in two ways: the absence of economic reforms and corruption. In the 1970s, sweeping changes occurred in the domain of world economics. Turkey, however, failed to keep up with these changes amid the military coups and found itself more or less relegated to the sidelines during this period of global economic advances. The weak coalition governments of the military-coup era put security matters at top of their agendas and ignored necessary economic reforms that would have integrated the country into the global economy. As a result, the gap between the poor and the rich widened. Smuggling became a lucrative alternative way of making money, increasing the number of people engaged in it. The flourishing of corruption under the military coup hurt the country economically, particularly from a global perspective, since global investors are more likely to shun unstable countries that are in the throes of military coups.

Judicial Gaps

Gaps in the judicial system in the 1970s also paved the way for the proliferation of criminal groups in Turkey. These gaps can be analyzed in three categories: ineffective punishments, weak law enforcement institutions, and general amnesty laws.

- *Ineffective punishments.* The judicial system especially felt the negative and chaotic consequences of the 1960 and 1971 coups and failed to make effective criminal laws. The punishments for smuggling, for example, were so meaningless that smugglers were often released soon after being sentenced by a court. Thus, laws enacted after the coups failed to deter criminals—including members of organized crime groups.
- *Weak law enforcement institutions.* Law enforcement in Turkey was weak in terms of criminal investigations. For example, primitive methods were used to collect and retain evidence of crimes. In the absence of professional law enforcement investigations, prosecutors had to depend on the statements of suspects and witnesses rather than physical evidence. Thus, paid runners often took the blame for crimes that had been committed by their bosses. This was especially true for *kabadayis* engaged in smuggling activities. In several murder cases, for example, *kabadayis* pegged their runner as the murderer.
- *General amnesty laws.* Several general amnesty laws were implemented during the military-coup era, including four general amnesty decrees and one partial amnesty decree between 1960 and 1974. The frequent amnesty declarations made it almost impossible to fight crime with a justice system

that already had no deterrent effect on criminals. That vacuum led to the release of several convicted arms and cigarette smugglers since the late 1960s.³¹ This was best exemplified by the release of Abuzer Uğurlu, Bekir Çelenk, and Mehmet Cantaş, all previously convicted smugglers of arms and narcotics who were freed after the 1974 Amnesty Law was enacted.

Migration

Between the 1950s and 1980s the economic and political structure in Turkey underwent structural modifications, including large-scale migration from heavily populated rural areas to city centers. Government officials stimulated and supported the migration of villagers to urban areas because it was easier and more economic to offer services to concentrated populations in city centers rather than to those widely dispersed in rugged rural areas. The mass migration movements in the 1960s led to a rapid increase in the population of metropolitan areas. Migration had three consequences in terms of organized crime: First, *kabadayis* brought their particular culture with them, which included acting as dispensers of extralegal justice. Over time, some *kabadayis* transformed into godfathers and engaged in smuggling activities. Second, ghetto zones emerged illegally on treasury (i.e., public) lands controlled by mafia members. Those who migrated to city centers built their homes (*gecekondu*, meaning “built in night”) on treasury lands in one night without regard to the law because, at the time, it was very difficult for the government to destroy such homes even though they had been built illegally. Criminal activity in the ghettos was low through the 1970s. In the years that followed, the ghettos became centers of criminal activity. The prevalence of poverty, low education levels, and the existing kinship relationships among the residents in the ghettos led to the emergence of criminal groups. As a result, those who lived in the ghettos were pushed into crimes by the circumstances. The final consequence of migration was the emergence of the land mafia, which is discussed later in this chapter.

Embargo after the Cyprus War

After the military took over the country on March 12, 1971, the entire state system was embroiled in turmoil. In addition, the embargo imposed after the 1974 Cyprus War generated considerable opportunities for criminal groups. At the behest of the United States, the United Nations imposed sanctions on Turkey after Turkish troops invaded Cyprus.

The embargo on Turkey was also imposed in response to the country's cultivation of opium. Opium is an agricultural crop, grown largely for use in the medical sector, and had a long history in Turkey. The plant, for example, was

one of the country's primary export materials for many years. In the 1960s, however, the United States and European countries implemented a new strategy to curb the prevalent use of heroin by putting pressure on opium-producing countries, including Turkey.³² The agriculture production of opium in Turkey was prohibited in 1971 by Prime Minister Nihat Erim, but that did not end the discussion.³³ The issue of opium as an agricultural crop became a central topic of debate among the political parties vying for the prime minister post, with most of the candidates promising to end the ban if elected. Finally, Bulent Ecevit ended the ban on opium cultivation as soon as he took office as prime minister in 1974. This move, however, made Turkey the target of the international community. Ecevit's repeal of the opium ban is believed to be another reason behind the UN embargo decision after the Cyprus War.³⁴

As can be seen in modern geopolitical situations in places as varied as Iran, Palestine, North Korea, and so forth, sanctions can have destructive results on a targeted country's economy (and its neighbors). Not only is the international community criminalizing the state and its populace, but at the same time having the unintended consequence of creating a favorable environment for corrupt politicians and transnational smugglers.³⁵ In like fashion, the embargo had a detrimental effect on the Turkish economy over time, forcing the country to deplete its currency reserves. As a result, citizens were unable to meet even their basic needs. The shortage of almost everything in the country presented tremendous opportunities for crime groups to fill the void. Mafia groups that began by providing basic goods for the people during the embargo era became considerably more powerful and efficient, going as far as supplying national defense equipment to the military.

The Turkish currency deficit, by some accounts, was somewhat improved through the smuggling of arms and narcotics. Organized crime groups were in effect legalized as they became accomplices of industrialists. It is also worth noting that Turkish occupation of Northern Cyprus was not recognized as legitimate by the international community, which made Northern Cyprus a hub for money launderers. In fact, the Financial Action Task Force (FATF) in 1994 gave Turkey a very critical report regarding its efforts to combat money laundering. Two years later, the FATF report was more favorable but ignored the fact that much of the Turkish laundering activities had relocated to Northern Cyprus.

Transformation from Kabadayi to Organized Crime

The era of military coups, to a certain extent, transformed the face of Turkish organized crime. The *kabadayi* institution, which was characteristically individualistic, had evolved into organized crime networks in the 1970s. *Kabadayis* who previously focused on local problem resolution in

their restricted areas, found better opportunities as organized crime groups engaged primarily in transnational smuggling activities. The 1972 academy award winning film, *The Godfather*, had significant influence on the global perceptions of organized crime. While the film depicted the activities of the Italian-American Mafia from 1945 to 1955 in the United States, following the film's release, mafia bosses in Turkey and other parts of the world either adopted the moniker of godfather or were regarded in such terms by others. In Turkey, for example, the *kabadayis* of the former era who were active in metropolitan areas were dubbed *babas* (godfathers).³⁶

Trafficking of Arms and Narcotics in the Era of Military Coups

The deterioration of the socioeconomic situation in Turkey in the 1960s and 1970s led to rampant smuggling among the country's impoverished masses. At the same time, the smuggling of narcotics and weapons skyrocketed in the era of military coups. The large amount of seized narcotics indicated the active involvement of organized crime groups since the 1970s. The increase in narcotics trafficking was mainly the result of Turkey's geographical location³⁷ and its role as an opium producer for generations. Turkey's strategic location at the crossroads of Europe, Africa, and Asia presented opportunities for narcotics traffickers.

The fact that Afghanistan became a source country for the opium trade has impacted the Turkish narcotics trade. The ban on poppy cultivation in Iran in the 1950s and political instability and a long-lasting drought in Southeast Asia's Golden Triangle made Afghanistan a leading source country in opium trade,³⁸ creating new trafficking routes. One of these new routes, the Balkan route, went through Iran, Turkey, the Balkan countries, and into Western Europe. Turkey was the most important link on this route. Because the new narcotics route rendered Turkey a substantial bridge between Afghanistan and Europe, narcotics smugglers emerged in the country in the 1970s. Connections between the drug barons and politicians and high-level bureaucrats in Turkey were revealed during this period.

According to research by the U.S. Drug Enforcement Administration, 150 tons of opium were harvested in Turkey during the early 1970s, with between 35 and 50 tons of the harvest used in the production of illegal drugs. Police uncovered heroin processing laboratories in Van province in 1979; all contained large amounts of opium. The precursor, acetic anhydride, known to originate in European countries, was seized from seven of the laboratories, suggesting that the Turkish mafia was an important link in the international narcotics trafficking network between Europe and the United States.³⁹

Turkish criminal groups enhanced their dominance in the drug trafficking sector during the era of military coups. There was little doubt of their