

How did the cryptocurrency scam boss narrowly escape an 11,196-year prison sentence?

Escaping with money, the CEO of Bitcoin exchange received an unbelievable prison sentence after 1 year of fugitives in the slums. Is this a suitable punishment for Türkiye's top cheater, or is it all just a misunderstanding?



Faruk Fatih Özer stands in front of customs officers checking passports at Istanbul airport with a long line of waiting tourists behind him. The 27-year-old man's appearance looked disheveled - his shirt was wrinkled, his backpack was hanging off his shoulder - as if he was a tourist in a hurry and 'is leaving without returning'.

Turns out, he is the founder of the cryptocurrency trading company Thodex and is also the person who fled with more than 500 million USD. After successfully escaping from Türkiye to Albania, he witnessed an angry mob terrorizing his social network account. Thodex customers could not get their money back, accusing him of embezzling their money.

Özer posted a letter on the company's website and his social accounts. 'I feel I must come forward to respond to these allegations,' he wrote. The cryptocurrency exchange founder said the accusations were untrue. Thodex - with nearly half a million investors and a daily trading volume of \$500 million - was hit by a cyberattack, causing 'unusual fluctuations in company accounts'.

'There will be no victims,' he promised.

Of course, maybe what he said was all a lie. The worst case scenario is that Özer is carrying out the biggest robbery in Turkish history.

The missing pieces in the scam that shocked Türkiye

The day after Özer posted the letter, police teams were deployed across Istanbul, Türkiye, while prosecutors opened an investigation. The country's law enforcement arrested 62 people, including Thodex employees in all positions, along with Özer's brother and sister, Güven and Serap.

Interpol has issued a red notice, requesting law enforcement agencies worldwide to search for and 'provisionally arrest' Özer pending extradition to Türkiye. But no one knows exactly where Özer is.

In Türkiye, people are reeling. For years, the cryptocurrency sector has been portrayed as a way to escape economic volatility. Now, it appears to be just another tactic to blow away their life savings. But according to *Wired*, the overall story is missing a few pieces.

The youngest of three children, Faruk Fatih Özer grew up in the port city of Kocaeli. His name means 'one who distinguishes right from wrong' (Faruk).

When Özer was born, the Turkish economy was in recession. A weak financial system, irresponsible borrowing and political corruption fueled inflation. The fluctuation of the lira threatens the savings of all people here. Many people have converted domestic assets into foreign currency deposits. By the end of the year, 50% of bank deposits in Türkiye were in foreign currency. The year before that, this number was only 1%.

But Özer had an entrepreneurial spirit from an early age. 'Since I was little, I wanted to have my own business, no matter what field it was,' he said. At the end of 11th grade, he decided to drop out of school because he thought that even if he studied extra, he still couldn't reach that dream. By 2013, BtcTurk, Türkiye's first cryptocurrency exchange (and reportedly the world's fourth), was preparing to launch.

At the same time, the Özer generation of young people is also seeing technology start-ups develop around the world. Faruk began publishing online games. 'I sell almost every product I think can make a profit on the Internet. This is how I got into the business world,' he told *Wired*.

The origin of a \$2 billion cryptocurrency scam

Becoming an early investor in the technology sector is not something the average person in Türkiye can do. At that time, Faruk Özer saw a new future: running a cryptocurrency exchange. Exchanges then collect money from users and invest that money for commissions. They lead people who don't have the time or investment skills to cryptocurrency.

'Talking with friends, I realized the shortcomings in the cryptocurrency trading sector in Türkiye. The market has opened up to new players,' said Özer. There are no regulations regarding operating a cryptocurrency exchange.

So, at the age of 23, Özer founded Thodex with 40,000 lira (\$11,000) of his own money. Using the 'playbook' from Silicon Valley, Özer began spreading cryptocurrency throughout Türkiye. At that time, a number of other exchanges also appeared, but Özer gave this field a new look and was present everywhere.

He posted billboards, installed Türkiye's first Bitcoin ATM in a luxury shopping mall, and aired TV ads promoting Thodex. That has attracted the attention of Türkiye's middle and upper classes.

Soon, Özer integrated into the upper class here. He holds a board seat on organizations such as Blockchain Turkey, a reputable cryptocurrency nonprofit in Istanbul, alongside the country's largest bankers. He attends private meetings with senior ministers and appears regularly on news channels and technology blogs.

At one point, Thodex was hacked for millions of lira (\$14 million), allegedly from an IP address in China. Özer said he compensated the customer for the damage out of his own pocket and reported the theft to the Istanbul Public Prosecutor's cybercrime unit.

When frustration with the political regime turns into arrogance

Like other CEOs, Özer wants customers to spend money on their products as easily as possible. He founded Thodex Academy, which provides an introductory guide to cryptocurrency for new investors.

They offer amazingly cheap commissions, so much so that industry experts don't know how Thodex can make a profit. The company also allows people to buy cryptocurrency via credit card. Özer also intends to take Thodex globally.

However, in April 2021, the Central Bank of Türkiye announced a ban on using cryptocurrencies to buy goods or services. This caused a stir in the global cryptocurrency market. Özer's entire empire is threatened. Collapse is inevitable.

On April 22, 2021, many Thodex users were surprised when they could not access this exchange. On the official website, Thodex announced to stop all transactions. A few days later, Özer disappeared. According to Turkish newspaper Haberturk, the losses of these exchange players could be up to 2 billion USD. A lawyer defending the victim said that the investment money of more than 390,000 players on the floor is almost impossible to get back.

It was not until one night in late August 2022, a few days before the defendants involved in Thodex in Istanbul received their sentences, that Özer was arrested. At the police station in Tirana, Özer told police that he had been "hiding on the streets of the ghetto" and traveling by bus.

For nearly a year, Özer sat in prison in Albania, appealing his extradition to Türkiye. "If I'm extradited, I have no chance of a fair trial," he told *Wired*. He called this trial "a tragedy". His appeal was unsuccessful.

In June 2023, he went to the Istanbul High Court. The once famous tech founder is now staring at a prison sentence that could carry an incredible 43,000 years. Standing in court, the judges allowed Özer to tell his story. Seizing the opportunity, he created a 60-page Powerpoint presentation filled with images and graphics.

"I did not defraud anyone, I did not smuggle money abroad, I did not establish or manage a criminal organization," he said with all frustration and sincerity. When it came to using other people's accounts to trade cryptocurrency - at the heart of the scam - he emphasized that he had no authority within the company and had no access to these accounts.

'There was no lawlessness or irregularity at all. Furthermore, I am not the first, the last or the only person to arbitrage in the cryptocurrency market,' he asserted.

Near the end of the speech, Özer's frustration turned to bitterness and arrogance. He faced the judges and said it was 'absurd to think that the IQ level of someone who planned a stupid escape' was on par with that of a criminal mastermind, fooling financial regulators. Turkey for four years. 'I'm smart enough to lead any organization on Earth,' Özer said.

In the end, the judge sentenced Özer and his accomplices to the same sentence - 11,196 years in prison - for establishing and managing a criminal organization and laundering assets. This is the longest sentence in Turkish history.

Faruk Fatih Özer became a symbol of crypto crime, but also an unfortunate product of misguided economic policies. The harsh punishment is not just to punish a criminal, but also to shine a light on Turkey's embarrassing failures over decades, *Wired* concluded.

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