

US indicts Turkish banker Mehmet Atilla amid mounting US-Turkish tensions

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“US vs. Atilla,” the American Justice Department’s case against Mehmet Hakan Atilla, an executive of Turkey’s Halkbank, is playing out in a New York City federal court in the broader context of bitter conflict between Washington and Ankara, fueled by the NATO-backed coup attempt in Turkey in July 2016 and amid US war threats against Iran. Atilla is accused of conspiring to violate US sanctions against Iran, bribery and money laundering.

The arrest and prosecution of Atilla came amid an accelerating collapse in relations between the two NATO allies. Ankara and Washington have mutually suspended visa services and arrested each other’s officials. The Turkish government is accusing its NATO ally of “continuously arming terrorist organizations,” by which it means Kurdish separatist forces in the wars in Syria and Iraq.

The aims of the Atilla case are primarily geopolitical, not juridical: to force the Turkish regime to realign itself with US foreign policy and to launch new accusations against Iran. Former Iranian President Mahmud Ahmadinejad and Supreme Guide Ali Khamenei are allegedly implicated in an oil-for-gold trading scheme described by Turkish-Iranian gold trader Reza Zarrab that violated the US-imposed sanctions.

The indictment of Atilla charges that: “high-ranking officials in Iran and Turkey participated in and protected this scheme. Some officials received bribes worth tens of millions of dollars paid from the proceeds of the scheme so that they would promote the scheme, protect the participants, and help to shield the scheme from the scrutiny of U.S. regulators.” The indictment is based on testimony from Zarrab, who was arrested in March 2016 and is now collaborating with US prosecutors.

The case directly threatens the Turkish regime. The seven other defendants in the trial include former Economy Minister Zafer Caglayan and the ex-general

manager of Halkbank, Suleyman Aslan. The case could directly implicate Turkish President Recep Tayyip Erdogan, who was prime minister at the time.

On November 29, Zarrab testified at the trial that he paid Caglayan between 45 and 50 million euros (over \$50 million) in bribes in 2012-2013 in return for help setting up an oil-for-gold trading scheme to bypass US sanctions against Iran. He also said that he received support from Turkey’s former EU Minister Egemen Bagis to process Iranian transactions through Turkey’s Aktif Bank.

Zarrab was also at the center of the December 2013 corruption scandal in Turkey. Four ministers, including Caglayan and Bagis, were forced to resign, despite maintaining their innocence in an affair that almost brought down Erdogan’s government. Erdogan attacked the probe, calling it a “foreign plot” and an “attempt to damage the government made by a parallel state nested within the state,” and fired prosecutors and police officers involved in the case.

The Turkish government has from the beginning closely followed the New York case, due to its possible implications for Erdogan. For now, Erdogan has not been charged. However, in preliminary court proceedings, US prosecutors reportedly said they had evidence of Zarrab’s ties with Erdogan. Erdogan has repeatedly pleaded with his US counterparts, both President Donald Trump and President Barack Obama, for Zarrab’s release.

Having called the case an “attack” on Turkey, Turkish officials have charged that the trial is a plot backed by the Islamic preacher Fethullah Gulen, a US-based CIA asset, whom they accuse of orchestrating the July 15 failed coup attempt last year. They also accused US prosecutors of building their case on old corruption charges related to the 2013 scandal.

On November 30, Turkish Deputy Prime Minister Bekir Bozdag told the state-run Anadolu Agency, “Zarrab has become a slanderer under pressure.” He repeated

Ankara's claim that Gulen was behind the case. He had formerly stated, "The Zarrab (now Atilla) case aims to damage Turkey's ties with Iran, Russia and other countries."

Ankara has responded to the "US vs. Atilla" case by moving against US officials. On December 1, the Istanbul Chief Public Prosecutor's Office issued an arrest warrant for the former senior CIA official Graham Fuller, over his alleged involvement in the July 2016 coup attempt. According to the arrest warrant, Fuller was in Turkey during the coup attempt and left the country after its failure.

Fuller is accused of "attempting to overthrow the government of the Republic of Turkey and obstructing the duties of the Republic of Turkey," "obtaining state secrets for the purpose of political and military espionage," and "attempting to overthrow the constitutional order."

On November 18, Turkish prosecutors had announced their own investigation into two US prosecutors involved in the Zarrab case, to determine if evidence was illegally obtained. In response, US State Department spokeswoman Heather Nauert said, "The old same song and dance... I would have to give you the same answer as the last time they accused us of trying to foment some sort of a coup. And I would say that is ridiculous."

On December 1, Turkey's opposition Republican People's Party (CHP) published documents purporting to show that relatives of Erdogan transferred millions of dollars to an off-shore company. CHP leader Kemal Kilicdaroglu reportedly first raised the documents in November, during a weekly CHP parliamentary group meeting.

This provoked a harsh response from the ruling Justice and Development Party (AKP). Linking Kilicdaroglu's accusations with the ongoing "US vs. Atilla" case in New York, the AKP rapidly dismissed the documents as "fake," accusing Kilicdaroglu of "lying."

On December 1, Prime Minister Binali Yildirim asked Kilicdaroglu to give "whatever you hold in your hands" to the courts, adding: "You should stop this blame game." He also accused Kilicdaroglu of "acting alongside terrorist organizations to harm Turkey's interests." Meanwhile, Erdogan and others mentioned in the documents sued Kilicdaroglu for 1.5 million Turkish Liras (\$380,000).

Having regarded the "US vs. Atilla" case as part of an international plot against the Turkish government, Erdogan and his supporters, mainly the fascistic Nationalist Movement Party (MHP), are trying to whip up

a nationalist fervor.

Lying behind the current quarrel between Washington and Ankara over the "US vs. Atilla" case is the growing conflict between the two NATO allies, notably over the Syrian war, where Turkey has developed close ties with two key targets of US imperialism: Russia and Iran.

The presidents of Turkey, Russia and Iran recently met at a summit in Sochi to discuss the future of Syria, where they restated their commitment to protecting "the national sovereignty, independence, unity and territorial integrity of the Syrian Arab Republic," as against the wishes of Washington and its regional allies, including Israel and Saudi Arabia, as well as the Kurdish nationalists, who are pursuing autonomy or an independent state.

Since 2014, Washington has officially engaged the Syrian Kurdish People's Protection Forces (YPG), an offshoot of the Kurdistan Workers' Party (PKK), as its main proxy force in the field. However, Ankara is violently opposed to the PKK, which has been waging a guerrilla war in Turkey for more than three decades, portraying it as a main threat to Turkish territorial integrity. The PKK is officially listed as a terrorist organization by both the US and the EU.

Ankara is asking Washington to collect all the weaponry it gave the YPG that could threaten Turkey: "Let's hear what they have to say about what they are doing. In Hamburg, they said they had recorded the registration numbers of all weapons given to the YPG and would be collecting them after Daesh [Arabic abbreviation of the IS] was destroyed. Did they do so?... They said Daesh is cleared. Then why and to where do they deliver these weapons? What do they want to do? Let's listen to them," Erdogan said.



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