



The largest business misappropriated during the previous government, which the current government is refusing to return

The case of Tbilisi Aviation Factory is a clear example of whether or not justice has been restored. For six years the current government has been fighting to keep property misappropriated by the previous government through illegal and violent means. Instead of restoring justice, the **unlawfulness is legitimized**. Different bodies of the government – the judiciary, the prosecution, the Ministry of Economy are acting in concert in order to prevent return of misappropriated property to rightful owners. One of the latest manifestations of

such action is postponement of the October 29, 2018 trial (due to the leave of absence of the judge-rapporteur, Otar Sichinava).

In consideration of its value and importance, Tbilisi Aviation Factory is the largest property misappropriated by the State during the previous government through “night notaries.”

It is important to note that in 2005, during purchase of the property from the State, the plaintiffs paid USD 67 million in the budget. In addition, in 2010, when the aviation factory was given to the state as a “gift”, it had:

1. 55 hectares of land plot (where the factory is located);
2. An aerodrome with an area of 217 hectares;
3. Over 1,000 pieces of machinery;
4. GEL 84, 484, 755 worth of assets;
5. USD 150 million worth of ongoing contract.

In 2010, as a result of pressure from concerted actions of State bodies, with involvement of the Ministry of Defense, the Financial Police and the Ministry of Justice, owners of Tbilisi Aviation Factory were forced to give up the factory, free of charge, in favor of the State.

The factory was given away as a [REDACTED] A as a result of psychological pressure on shareholders in the building of the Financial Police. This took place on a Sunday, in the office of a high-level official of the Ministry of Economy – Karlo Laperadze, under the direct instructions of the MOD representatives; other shareholders gave up their property at night, at the office of Liana Bukhrikidze, a notary pre-selected by the Ministry of Economy, under the supervision of the Military Police representatives.

Individuals that are also involved in other cases of misappropriation of property by the State, including the case of Imedi TV, were actively participating in the process of coercion.

The fact of misappropriation of the Aviation Factory by the state has been publicly confirmed by high-level officials of the previous government, including President Mikheil Saakashvili.

Notably, after the factory was given up forcefully by its shareholders:

- the industrial infrastructure was ruined;
- international quality management certificates (ISO, EN) and hundreds of millions of laris paid in the State budget were lost;
- exports deteriorated and important foreign markets were lost;
- the burden of remunerating the factory employees fell entirely on the State budget;
- brain drain occurred.

In 2012, after change of government in Georgia, rightful owners started a legal fight to restore justice and take back their property. However, due to lack of political will of executive bodies of the government and as a result of selective justice by the judicial authorities, the misappropriated property has not been returned to its rightful owners.

The case has been pending before two instances of court for over 70 months now, while under the civil procedure legislation the maximum time a case can be considered by a single instance is 5 months. 11 judges participated in consideration of the case in two instances. Some of them were involved and removed from the case in an absolute illegal manner. Moreover:

- **In the first instance court, a newly involved judge, who was not familiar with materials of the case and had only held a single hearing about the case, made the final decision;**
- **The first instance court made a decision about the case that entails 10 books and audio recordings of sessions with a total runtime of 40 hours, in a single day;**
- **Unlike the established practice, in the case in question the court found that the State is not obligated to prove that it was acting in good faith, including in unusual transactions like this. In the decision the court has stated that the State may act in bad faith in a transaction, which is a very**

საქართველოს ახალგაზრდა იურისტთა ასოციაცია GEORGIAN YOUNG LAWYERS' ASSOCIATION



dangerous precedent and a message for the society and business.

Rightful owners of Tbilisi Aviation Factory will use all legitimate ways to inform the diplomatic corps, international organizations and media representatives.