

Prepared Remarks of U.S. Attorney Preet Bharara
Poliakoff Repatriation Ceremony
May 9, 2014

Good afternoon. My name is Preet Bharara and I am the United States Attorney for the Southern District of New York.

Over three years ago, many of us gathered in this building to announce and celebrate the return of two great paintings by Roy Lichtenstein and Joaquin Torres-Garcia to Brazil. Those masterpieces – along with other valuable works of art – had been illegally smuggled into the United States by convicted Brazilian banker and fraudster, Edmar Cid Ferreira, as a way to launder and hide the proceeds of his billion-dollar bank fraud.

We seized, forfeited, and returned both those paintings to Brazil so that the proceeds from their sales could be used to help the victims of Ferreira's fraud.

It is with great pleasure that I announce today the return of a third painting, this one by Serge Poliakoff called "Composition abstraite [Abstract composition]", worth about half a million dollars.

The story begins with Ferreira, the founder and President of Banco Santos, one of the largest banks in all of Brazil. While maintaining the façade a legitimate business, Ferreira was actually orchestrating a massive fraud and converting his ill-gotten gains into one of Brazil's foremost private art collections that included the painting you see here today.

In 2006, the law finally caught up with him, and Ferreira was convicted in a Brazilian court for his massive fraud and money-laundering scheme. Ferreira received a 21-year prison sentence, and Banco Santos sank into bankruptcy, leaving more than \$1 billion in debt.

To elude the seizure and forfeiture of his ill-gotten art collection, Ferreira arranged to smuggle many pieces to other parts of the world.

The Poliakoff, for example, was shipped from Brazil to the Netherlands, then to the United States and ultimately to Switzerland. Because the Poliakoff and the other works of art had already been placed on an INTERPOL watch list and was the subject of a Brazilian seizure order – Ferreira and his cohorts took care to ship them in containers with false labels and invoices, misdescribing and grossly undervaluing their contents.

Those efforts were ultimately in vain. Through the extraordinary work of our partners at HSI and the cooperation of authorities in Brazil, Switzerland and elsewhere, this painting was identified and seized.

And then my Office successfully pursued a civil forfeiture action in a U.S. court, leading to today's result – the return of the painting to Brazil for the benefit of the victims of Ferreira's fraud.

Today's repatriation is just the latest in a long line of cases where we have been able return smuggled and stolen art and antiquities to the nations where they rightfully belong.

As I mentioned earlier, over three years ago, we seized and returned paintings by Roy Lichtenstein and Joaquin Torres-Garcia to Brazil that had been illegally smuggled out of Brazil by Ferreira.

In September 2011, we returned to Poland two oil paintings that had been stolen from the Polish National Museum by Nazis during World War II.

In May of last year, we returned to the government of Mongolia a Tyrannosaurus Bataar skeleton worth over a million dollars that had been looted from the Gobi Desert.

In July of last year, we returned to the National Library of Sweden two priceless antique books that had been stolen from the Swedish royal collection.

And just two days ago, Special Agent in Charge Hayes and I were here commemorating the return of a stolen 10th century Cambodian sandstone sculpture to the Kingdom of Cambodia.

Art and antiquities have special value and meaning that cannot readily be quantified. As a result, they have long been the subject of theft and deception, as well as a means to launder illicit proceeds.

Art should serve to inspire the mind and nourish the soul, and not be allowed to become a conduit for crime.

I want to welcome today our distinguished guests from Brazil. We are joined today here by Paulo Abrão Pires Junior, National Secretary of Justice, Ambassador Ana Lucy Gentil Cabral Petersen, Head of the Consulate of Brazil in New York along with a group of other Brazilian officials. Thank you for working with us on this case and we are honored to have you here today.

I also want to thank our partner Homeland Security Investigations in this and so many of other repatriation cases for its excellent investigative work. I am joined today by Special Agent in Charge James Hayes and would like to thank him and the HSI agents who have long worked on this case: Special Agent Brendan Lundt, former Senior Special Agent Seth Taylor, and Resident Agent in Charge in New Haven Walter Wilkowski.

I would also like to thank the Office of International Affairs of the Department of Justice, specifically the Associate Director for South America Magdalena Boynton for her assistance.

Finally, I must thank the prosecutors from this Office who worked tirelessly on this case to get the great result we celebrate today: Assistant U.S. Attorneys Jason Hernandez and Alexander Wilson, as well as Sharon Cohen Levin, the Chief of our Money Laundering and Asset Forfeiture Unit.

I would also like to thank James T. Hayes, Special Agent-in-Charge of the U.S. Immigration and Customs Enforcement, Homeland Security Investigations, Paulo Abrão Pires Junior, National Secretary of Justice, Brazil, and Eronides dos Santos, Prosecutor of Bankruptcy of São Paulo.