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Southern District of New York

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MANHATTAN U.S. ATTORNEY RETURNS TWO PAINTINGS
LINKED TO BANK FRAUD TO BRAZILIAN GOVERNMENT

PREET BHARARA, the United States Attorney for the Southern District of New York, and ALONZO R. PEÑA, the Deputy Director of the Department of Homeland Security's United States Immigration and Customs Enforcement ("ICE"), announced today that two paintings -- "Modern Painting with Yellow Interweave" by ROY LICHTENSTEIN (the "Lichtenstein") and "Figures dans une structure" by JOAQUIN TORRES-GARCIA (the "Torres-Garcia") -- were returned to Brazil at a repatriation ceremony at the United States Attorney's Office in Manhattan, New York. The paintings were smuggled into the United States in violation of U.S. customs law and were forfeited earlier this year as a result of civil forfeiture action brought by the United States.

The paintings once belonged to Brazilian banker EDEMAR CID FERREIRA. FERREIRA, the founder and former president of Banco Santos, S.A. ("Banco Santos"), was convicted in Brazil of crimes against the national financial system and money laundering. In December 2006, FERREIRA was sentenced in Brazil to 21 years in prison.

As part of the case, a Sao Paulo Court Judge also ordered the search, seizure, and confiscation of assets that FERREIRA, his associates, and members of his family had acquired with unlawfully obtained funds from Banco Santos. Those assets included the Lichtenstein, the Torres-Garcia, and other artwork valued at \$20 million to \$30 million. The artwork was kept in

several locations, including FERREIRA's home in the Morumbi neighborhood of Sao Paulo, the main offices of Banco Santos, and at a holding facility. When Brazilian authorities searched these locations, they found that several of the most valuable works of art were missing, including the painting known as "Hannibal" by the artist JEAN MICHEL BASQUIAT, the Lichtenstein, and the Torres-Garcia.

The Sao Paulo Court sought INTERPOL's assistance after searching museums and institutions in Brazil for the missing artwork. In October and November 2007, INTERPOL and the Government of Brazil sought the assistance of the United States to locate and seize the missing works on behalf of the Brazilian government. In response, ICE agents located and seized "Hannibal" and the U.S. Attorney's Office for the Southern District of New York filed a civil forfeiture Complaint alleging that "Hannibal" had been brought into the United States illegally. Since the filing of the original Complaint in February 2008, the United States seized additional works of art and filed two amended Complaints seeking the forfeiture of four additional artworks listed in the INTERPOL request for assistance, including the Lichtenstein and the Torres-Garcia.

The Southern District of New York investigation revealed that the Lichtenstein and the Torres-Garcia were shipped on December 1, 2006, from the Netherlands to a secure storage facility in New York. The invoices, however, failed to comply with U.S. customs laws in a number of respects. For example, the shipping invoices did not identify the name of the paintings or their artists. The invoices also falsely claimed that the combined value of the paintings was \$180. In fact, the combined appraisal value of the Lichtenstein and Torres-Garcia were recently assessed in excess of \$4 million.

After the shipment containing the Lichtenstein and Torres-Garcia was imported into the United States, both pieces were subsequently sold, but the purchasers later voluntarily surrendered the works to ICE. ICE and the U.S. Attorney's Office for the Southern District of New York subsequently formally seized the pieces.

In December 2009, VANIO CESAR AGUIAR, the Trustee for the Estate of Banco Santos, agreed that the paintings should be restored to the Central Authority of Brazil. The Lichtenstein and Torres-Garcia were forfeited to the United States on August 16, 2010, and July 16, 2010, respectively. "Hannibal," which was recently valued to be worth about \$8 million, and a sculpture known as the "Roman Togatus" have also been forfeited to the United States. An appeal of that decision is pending.

Manhattan U.S. Attorney PREET BHARARA stated: "As alleged, for years, important contemporary art works by Roy Lichtenstein and Joaquin Torres-Garcia were held hostage by Edemar Cid Ferreira's fraud. Today, we return these valuable paintings to their rightful place in Brazil. This case underscores the relevance and importance of customs laws in our times, sending the clear message that we will pursue individuals who steal from their country and who try to conceal their crimes in the stream of American commerce."

ICE Deputy Director ALONZO R. PEÑA stated: "We are honored to return these iconic works of art to the people of Brazil. These are precisely the types of treasures that ICE's Cultural Property Art and Antiquities unit was established to identify, investigate, and return to their rightful owners. We will continue to be vigilant about finding and prosecuting those who would rob a nation for personal gain."

Mr. BHARARA praised the investigative work of ICE in helping to locate and seize the paintings. He was grateful for the assistance of the Department of Justice's Office of International Affairs. Mr. BHARARA thanked Brazilian authorities for their assistance in the case. He also acknowledged the assistance of the U.S. Department of State and the U.S. Embassy in Brazil for its assistance in the investigation. Mr. BHARARA added that the investigation is ongoing.

The case is being handled by the Asset Forfeiture Unit of the U.S. Attorney's Office. Assistant U.S. Attorney JASON P. HERNANDEZ is in charge of the litigation.

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