



UNITED STATES ATTORNEY'S OFFICE

Southern District of New York

U.S. ATTORNEY PREET BHARARA

FOR IMMEDIATE RELEASE
Thursday, June 18, 2015
<http://www.justice.gov/usao/nys>

CONTACT: U.S. ATTORNEY'S OFFICE
Jim Margolin, Dawn Deaden,
Christian Saint-Vil, Daniel
Brovman
(212) 637-2600

ICE HIS
Lou Martinez
(646) 313-2716

MANHATTAN U.S. ATTORNEY ANNOUNCES RETURN TO BRAZIL OF TWO MASTERPIECES LINKED TO BANK FRAUD

Preet Bharara, the United States Attorney for the Southern District of New York, and Deputy Special Agent in Charge Michael Shea of U.S. Immigration and Customs Enforcement's ("ICE") Homeland Security Investigations New England, announced today that a painting by Jean-Michel Basquiat called "Hannibal" (the "Basquiat"), as well as a Roman *Togatus* statue, were returned to Brazil at a repatriation ceremony at the United States Attorney's Office in Manhattan, New York. The painting and the statue were smuggled into the United States in violation of customs law and were forfeited to the government as a result of civil forfeiture action brought by the United States.

Manhattan U.S. Attorney Preet Bharara stated: "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."

HSI Deputy Special Agent in Charge Michael Shea stated: "It is always a pleasure to return cultural artifacts to the people of another nation. I would like to thank our special agents and partners at INTERPOL for their diligence in this investigation. ICE will do everything in its power to help preserve and safeguard a nation's history by identifying, locating, and recovering stolen antiquities."

In related repatriation ceremonies held on September 21, 2010, and May 9, 2014, the U.S. Attorney's Office for the Southern District of New York returned to Brazil three paintings – "Modern Painting with Yellow Interweave" by Roy Lichtenstein (the "Lichtenstein"), "Figures dans une structure" by Joaquin Torres-Garcia (the "Torres-Garcia"), and "Composition abstraite" by Serge Poliakoff (the "Poliakoff") – that were smuggled into the United States.

The Basquiat and the *Togatus* 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 Basquiat, the *Togatus*, the Lichtenstein, the Torres-Garcia, the Poliakoff, 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 Basquiat and the *Togatus*.

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. The ensuing Southern District of New York and HSI investigation revealed that the Basquiat and the *Togatus* were shipped from the Netherlands to a secure storage facility in New York on August 21, 2007, and September 11, 2007, respectively. 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 pieces and falsely claimed that their value was \$100 each. In fact, the Basquiat alone was recently appraised at \$8 million.

HSI special agents based in New Haven, Connecticut, located and seized the Basquiat in November 2007, and the U.S. Attorney's Office for the Southern District of New York filed a civil forfeiture Complaint alleging that the Basquiat 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 the Lichtenstein, the Torres-Garcia, the Poliakoff, and the *Togatus*.

After extensive litigation, United States District Court Judge Richard J. Sullivan granted the government's motion for summary judgment and entered an order forfeiting the Basquiat and the *Togatus* on May 10, 2013. The Second Circuit Court of Appeals affirmed Judge Sullivan's order on September 9, 2014.

* * *

Mr. Bharara praised the investigative work of HSI in helping to locate and seize the painting. 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.

The case is being handled by the Money Laundering and Asset Forfeiture Unit of the U.S. Attorney's Office. Assistant U.S. Attorney Alexander Wilson is in charge of the litigation.

15-147

###