ICE returns masterpiece linked to bank fraud to Brazilian government

NEW YORK — U.S. Immigration and Customs Enforcement’s (ICE) Homeland Security Investigations (HSI) returned a painting linked to a bank fraud investigation to the government of Brazil at a repatriation ceremony Friday in New York. The painting was smuggled into the United States in violation of U.S. customs laws and forfeited earlier this year as a result of a civil forfeiture action.

The painting, entitled "Composition abstraite [Abstract composition]" by Serge Poliakoff, once belonged to Brazilian banker Edemar Cid Ferreira. He was the founder and former president of Banco Santos, and 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.

HSI Special Agent In Charge Bruce Foucart stated: "During this seven-year investigation, HSI along with our international law enforcement partners have located, detained and seized approximately 1,000 works of art in Switzerland, France, the United Kingdom and the United States, all belonging to Edemar Cid Ferreira. We hope this most recent painting being returned by HSI and the Manhattan U.S. Attorney's Office to the government of Brazil assists in the recovery of financial losses. HSI remains committed to investigating the illicit importation of cultural property into the United States and the laundering of proceeds derived from illicit activities."

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."

In a related repatriation ceremony held on Sept. 21, 2010, the U.S. Attorney's Office for the Southern District of New York returned to Brazil two paintings — "Modern Painting with Yellow Interweave" by Roy Lichtenstein (the "Lichtenstein") and "Figures dans une structure" by Joaquin Torres-Garcia (the "Torres-Garcia") — that were smuggled into the United States.

As part of the case, a Sao Paulo Court Judge 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 Poliakoff, 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 Poliakoff.

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, HSI special agents in New Haven, Conn., located and seized a painting by Jean-Michel Basquiat called "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.

The Southern District of New York and HSI investigation revealed that the Poliakoff, 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 names of the paintings or their artists. The invoices also falsely claimed that the combined value of the paintings was $230. In fact, the combined appraisal value of the paintings was recently assessed in excess of $4 million, with the Poliakoff appraised at $500,000.

After the shipment containing the paintings was imported into the United States, the Lichtenstein and the Torres-Garcia were subsequently sold, but the purchasers later voluntarily surrendered the works to HSI. The Poliakoff was shipped to Switzerland, where it was seized by Swiss authorities in July 2008 at the request of the U.S. Attorney's Office and HSI.

On Oct. 15, 2010, the Poliakoff was forfeited to the United States. "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.

HSI plays a leading role in criminal investigations that involve the illegal importation and distribution of cultural property, including the illicit trafficking of cultural property, especially objects that have been reported lost or stolen. The HSI Office of International Affairs, through its 67 attaché offices in 48 countries, works closely with foreign governments to conduct joint investigations.

HSI specially trained investigators, assigned to both domestic and international offices, partner with governments, agencies and experts to protect cultural antiquities. They also provide cultural property investigative training to law enforcement partners for crimes involving stolen property and art, and how to best enforce the law to recover these items when they emerge in the marketplace.

Since 2007, more than 7,150 artifacts have been returned to 27 countries, including paintings from France, Germany, Poland and Austria, 15th to 18th century manuscripts from Italy and Peru, as well as cultural artifacts from China, Cambodia and Iraq.

Learn more about HSI cultural property, art and antiquities investigations (http://www.ice.gov/cultural-heritage-investigations/). Members of the public who have information about suspected stolen cultural property are urged to call the toll-free HSI tip line at 1-866-DHS-2-ICE, or to complete its online tip form (http://www.ice.gov/exec/forms/hsi-tips/tips.asp).

U.S. Immigration and Customs Enforcement (ICE) is the largest investigative arm of the Department of Homeland Security.

ICE is a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities. For more information, visit www.ICE.gov. To report suspicious activity, call 1-866-347-2423 or complete our tip form (http://www.ice.gov/tips).