

## THE ART NEWSPAPER

# Growth in internet sales forces fraud issue

## *Identifying forgeries being sold on websites is not enough to tackle the problem*

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17 January 2013

As internet sales of art reach unprecedented levels - witness Christie's sale of Edward Hopper's *October on Cape Cod, 1946*, which went for an online record of \$9.6m in November - concerns about online fraud are also on the rise. The issue is attracting increased attention after a two-week conference in Dubai in November of international government representatives who are putting the regulation of internet traffic on the agenda across multiple industries. The art market is also taking note, but it is becoming clear that tackling the problem is more complex than simply confirming a work's authenticity.



Although art organisations, including the Calder Foundation in New York and London's Portable Antiquities Scheme, monitor sites for fakes, this is not a priority for the police. "The point that is often missed is that it's not just a case of saying something is not genuine. There are legal differences between a misattribution, a copy and a fake, and the focus for the police is to establish dishonesty," says Vernon Rapley, formerly the head of New Scotland Yard's Art and Antiques Unit. Attempting to prove that the seller intended to deceive bidders is made more difficult by the fact that many online descriptions of works (including legitimate ones) are vague. More evidence would be needed in a situation where a piece was described as "signed by Picasso", for example, rather than "by Picasso".

Gathering evidence is also a challenge. Online sellers are typically anonymous and have multiple accounts. Time can be wasted on investigations that later reveal that the criminal lives abroad and is not covered by the relevant national jurisdiction. Establishing links between auction accounts and corresponding bank transactions, and tracing victims, is an arduous process, and resources are limited.

"The moment you introduce complications such as lots of victims based abroad or anonymous suspects, you just don't get these things off the ground," says Richard Mandel, a UK-based lawyer. "Subsequently, the message is going out that you're unlikely to be prosecuted, and the situation has become one of diminished trust, coupled with diminished investigation," he says.

When there are convictions, they tend to involve fraudsters who use the internet as one of many places to sell, such as William Mumford, who was sentenced to two years' imprisonment last year for faking art, which was sold by accomplices on eBay and at auction. Few convictions involve criminals solely selling fakes online, but that is not because these individuals do not exist.



One investigation that did make it to court was that of Lee Parker and Grant Champkins-Howard, who pleaded guilty to conspiracy to defraud in the UK in 2010. The pair sold fake prints by Banksy on eBay and made at least £57,000, but avoided jail with a 12-month suspended sentence and community service. "It's hard to get across the damage [caused by] these offences. Works are sold at lower prices but on a wide scale and have a ripple effect," says Mandel, who worked on the case.

Selling forgeries is not the only way in which criminals target the art market online. Criminals seek opportunities to launder assets anonymously and take payments without then sending purchased art. They are also known to practise "shill bidding", where sellers bid for their own items.

A spokeswoman for eBay says: "Criminal activity and the sale of counterfeit goods is not tolerated on eBay. We have an established programme in place to ensure that we have the right information to remove items from sale that cause concern and to ensure that we can proactively remove from sale suspicious items that cause concern. We also work closely with law enforcement [agencies] and pass on information where there is evidence of wrongdoing."