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A sense of betrayal and suspicion grips the art world

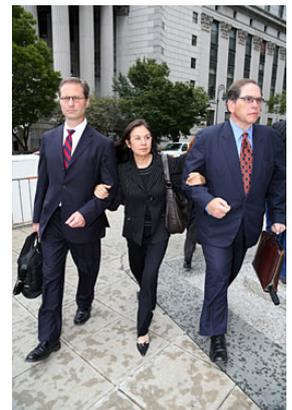
By Dalya Alberge
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Once stung, twice shy. In an art world where reputation is everything, trust will never be the same again. A trade in forgeries involving one of the world's most prestigious galleries has rocked the art community.

The now-defunct Knoedler gallery and New York associates stand accused of selling works painted by leading 20th-century artists including Willem de Kooning, Jackson Pollock and Mark Rothko that have been unmasked as worthless fakes. An illegal trade involving tens of millions of dollars over more than a decade from the mid-1990s is alleged in legal papers that paint a picture of a murky art world.

The Manhattan gallery closed in 2011 after the first lawsuit erupted. Though it was settled, police investigations continue and shockwaves from this seismic revelation are still reverberating through the art world.

The name of Knoedler was once synonymous with quality. It had been one of the world's most respected galleries, trading in European and American masterpieces for more than 165 years, and prolific collectors such as Paul Mellon were among its illustrious clients. But its fortunes came to an abrupt end with revelations as messy and impenetrable as a Pollock painting.



Admission: Glafira Rosales admitted under oath that the artworks, including the de Kooning she sold to the Knoedler gallery were fakes

Glafira Rosales, a Long Island dealer, admitted in a federal court last autumn to consigning fakes to the gallery. Claims by Knoedler's former director, Ann Freedman, and its owner, Michael Hammer, that they were unaware the works were fake and had consulted experts about their authenticity are set to be challenged in court.

Trial dates have yet to be fixed and the government has requested a delay while evidence is gathered, according to John Cahill, representing one of the claimants.

Luke Nikas, Freedman's lawyer, says she denies the accusations, and documents have been submitted showing the extent to which "dozens of experts" supported the attributions. He says that Freedman consulted "the very best and brightest" and went "way beyond what would normally be done in these circumstances to vet the works".

One legal document from a related case states: "From the moment Freedman first met Rosales, Freedman showed the works to the most authoritative in the art establishment, which repeatedly confirmed the ... authenticity of the Rosales Collection." They add: "Rosales's recent confession is irrelevant to Freedman's good faith."

While the federal criminal investigation continues, more arrests are expected, according to lawyers who say eight lawsuits are in the pipeline so far.

Claimants include New York dealer Richard Feigen. When he and fellow dealer Manny Silverman acquired a Clyfford Still painting – "Untitled", 1947 – for \$850,000, it never occurred to them it was counterfeit because the source was impeccable.

"It had this Knoedler provenance and frankly I didn't question it," he says. "It looked perfectly authentic to me ... a very skilled forgery."

Gregory Clarick, the lawyer representing Feigen and Silverman, says Knoedler was to art what Tiffany is to diamonds: "When you buy a diamond from Tiffany, you don't ask another expert to confirm the diamond is real."

Cahill is representing New York businessman John Howard in his legal claim over a de Kooning painting that has since been uncovered as a fake: "He's very upset. His father, who had always hoped to own a de Kooning, was the reason Howard purchased the [painting], as it had a sentimental value."

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Recalling the great forgers of the past, such as John Myatt and Elmyr de Hory, Cahill adds: "The brilliance of this scheme was not so much that the fakes were so good but that they were placed in the context in which no one would be inclined to give the notion they could be a fake a second thought.

Charles Schmerler, the lawyer for Knoedler and Hammer, responds: "There is nothing that shows that anyone at Knoedler knew or should have known that these works were not authentic."

The lawsuits allege that Rosales, aided by a partner, sold fakes claimed to be newly discovered works collected by a wealthy man during the 1950s when he lived in Switzerland and Mexico. The paintings were allegedly created in a garage in Queens, New York, by a forger who has since made himself scarce.

Howard's lawsuit claims Knoedler's purchases should have raised "red flags" for being "suspiciously cheap". "The price paid to Rosales [\$750,000] was less than 20 per cent of the market value Knoedler established by selling it virtually simultaneously to Howard ... for \$4m. This was more than a 'bargain basement' price it virtually announced something wrong with the painting." In what they describe as "one of the largest art frauds in US history", the Howard legal papers allege his purchase of a fake de Kooning came with a "phoney provenance".

The legal claim states "serious doubts about works" had been expressed as had doubt on the experts consulted. It names one suggesting a presumed Pollock was "not authentic". "Defendants either ignored or, worse, suppressed information about these and other red flags."

Yet Freedman's lawyer has referred to letters from noted experts, including a public gallery and artist foundations, that reveal the lengths to which Freedman had pictures evaluated. Nikas says: "That's not a function of her thinking something's wrong ... That's what any responsible gallery owner does."

Domenico De Sole, chairman of Tom Ford International, the fashion company, has filed a lawsuit over a fake – an untitled Rothko – that he and his wife Eleanore bought from Knoedler for \$8.3m in 2004.

Their legal argument contends the gallery should have realised someone cannot buy an undiscovered masterpiece at the price Knoedler paid – \$950,000 in 2003. It states: "Hammer knew about the suspiciously massive profits Knoedler made on the sales of Rosales' works – often marked up 200 per cent or more."

Nikas defends his client, saying: "[The pictures] didn't have a substantial history or documents behind them and vetting them required a significant investment of time and resources by Knoedler and Ms Freedman ... [which] the sales prices ... reflected."

De Sole's complaint also states that Rosales has admitted, under oath, that all these works are fakes, yet the defendants are still sitting on "more than \$60m in ill-gotten gains", according to the legal papers. The De Soles are seeking "no less than \$25m in damages" plus interest, fees and costs, it adds.

The defendants have rejected the claim and deny dishonesty. Lukas says: "Ann too has been significantly harmed by this ... She believed ... in Rosales."

Rosales has been released from prison pending sentencing. The big question is what kind of sentence reduction she can secure by co-operating. Her lawyer declined to comment.

One problem – which no doubt suits illegal traders – is an increasing reluctance among experts to express opinions, for fear of being sued if wrong or embarrassed if duped. The Art Newspaper has identified two institutions among the possible victims. One is the Kemper Museum of Contemporary Art in Kansas City, Missouri, which has two fake paintings, including a Franz Kline acquired for \$475,000. A museum spokesman will say only that the museum is "conducting an internal audit of a small select group of works in its permanent collection" and that the works were gifts to the institution and are in storage.

The Howard lawsuit also names the late Anthony Masaccio – who appears as a key figure in art forger Ken Perenyi's 2012 autobiography *Caveat Emptor: The Secret Life of an American Art Forger* – as a source for Knoedler of art that was "at best dubious". On behalf of Hammer, Schmerler argues that Knoedler went to extreme lengths to review these paintings, and the opinions obtained by the gallery



from the world's leading experts supported the authenticity, which was provided to the buyers. "Not one plaintiff [contacted] those experts," he adds .

Perenyi fooled auctioneers, dealers and collectors on both sides of the Atlantic for more than four decades. He says he is not surprised by Masaccio's alleged involvement with Knoedler.

Perenyi's specialities included British sporting and marine paintings of the 18th and 19th centuries. In his memoir, he explained the tricks of his trade, from recreating natural cracks to discoloured varnish, backed up with plausible stories of how a particular picture had been discovered in a relative's attic or a car boot sale. Though investigated by the Federal Bureau of Investigation, his case was closed in 2003 and is now subject to the statute of limitations.

He recalls that, by rotating auctioneers and dealers across the UK and US, he kept under the radar. Commenting on Knoedler, he says that, with so many newly discovered paintings turning up in one place, "it was bound to go bad".

The case has made the art world more cautious than ever, he senses. "Before people make a big investment, they want to see a solid history behind the painting, whereas before you could say, 'well, I found this Pollock in a junk shop'."

He says he painted fake Pollocks about 12 years ago: "I had clients that wanted Jackson Pollocks. At first glance, you'd say, 'they have to be easy – you just drip the paint along'. To the untrained eye, it looked like a Pollock. But to someone who had been looking at his work for years, it lacked a certain energy and rhythm. I figured out exactly the way he made them and implemented the first basic important step of making a pattern of drips in black only on the canvas. Everything else is overlaid above that. After I got the sequence right, I made 'Pollocks'. Where they are in the world, I have no idea."

Sharon Flescher, executive director of the International Foundation for Art Research, says no one has data to assess the scale of the problem: "Forgery, alas, is nothing new. My own organisation was founded in the late 1960s in the wake of several forgery scandals. What may be new is the greater attention being paid to fakes now in light of astronomical art prices. The stakes are higher."

She adds: "Perhaps the best advice for purchasing art in these uncertain times is, to paraphrase the words of a former US president, 'trust, but verify'."