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The New York Times

Up for Auction: Real Art, Owned by a Seller of Forgeries

By GRAHAM BOWLEYJAN. 8, 2016



"Red Hat Portrait of Glafira 2010," a depiction of Glafira Rosales, who pleaded guilty in 2013 to selling more than 60 forged works of art. This portrait sold for \$680 at auction.

For years, the Gaston & Sheehan auction house, family-owned and located in Pflugerville, a small city in central Texas, has been a trusted place used by federal marshals to sell the many things seized in criminal cases.

Jewelry. Some impounded vehicles. Occasionally fine wine and sometimes paintings or antiques.

But Gaston & Sheehan has rarely tried to compete with large art auction houses. So it was a bit unusual when it took in nearly \$5 million from the sale last year of 236 works of art, including a few by the likes of Warhol and Motherwell.

What made the works distinctive was their lineage: All had been seized from the Long Island home of a dealer who orchestrated one of the largest counterfeit schemes in the history of the art world.

By her own admission, between 1994 and 2009, the dealer, <u>Glafira Rosales</u>, had sold more than 60 fakes that she put forward as the work of Modernist masters like Rothko and Pollock. In reality, they were all created by a single forger in Queens.

Sold through two dealers who said that they, too, were hoodwinked, the fake paintings brought in \$80 million, with \$33 million pocketed, the government said, by Ms. Rosales and her confederates.

Despite Ms. Rosales's penchant for fakery, though, federal authorities say they are confident that the art they seized from her home is all genuine, based on their own analysis, reviews of sale records and the assessment of a Houston art appraiser.

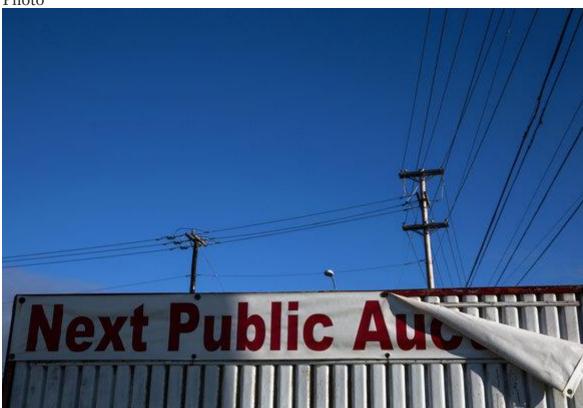
"During the appraisal, no issues arose that indicated the need for detailed authentication," said Lynzey Donahue, a spokeswoman for the United States Marshals Service. "If any art work had been found to be counterfeit, the U.S.M.S. would not have sold it but rather would have destroyed it."

Indeed, federal officials were confident enough in the legitimacy of the art that they did not think it necessary to advertise that the works had once belonged to Ms. Rosales. They rarely make such identifications, officials said, except in cases, like the sale several years ago of Bernard L. Madoff's possessions (jewelry, furniture, even his socks and slippers), where they thought notoriety would increase interest.

In the case of Ms. Rosales's private collection, Ms. Donahue said a Marshals employee spent weeks researching documents from her original purchases provided by her lawyer. All of the works had been bought at established houses, including Sotheby's and Christie's. This information was then passed to the appraiser for further verification.

The appraiser, Stephanie Reeves, said in an interview that she did not so much authenticate the paintings, drawings and other works as put a value on them. The authenticity had largely been established, and thoroughly, she said, by the federal authorities by the time she had come on board.

Photo



Gaston & Sheehan auction house in Pflugerville, Tex. CreditTamir Kalifa for The New York Times

"They had a sale history," she said. "There was a lot of paper work backing them up."

Ms. Reeves, an appraiser since 1999, said she worked with the auction houses to clear up any gaps she found in the sale histories.

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"If I had a lot number but not the sale, or the title, but I didn't have it right, we sorted it out," she added.

As additional evidence of their typical due diligence, the Marshals Service has described how exacting it had been before selling some fine wine last year at Gaston & Sheehan. The bottles had all belonged to Rudy Kurniawan, a well-known wine dealer convicted of fraud in the sale of purportedly rare wine that was actually old wines mixed together. The auction of the genuine vintage wines proceeded only

after the service smashed hundreds of other bottles that it determined were fake.

For the Rosales trove, Gaston & Sheehan put the art on pre-sale display last March at Pfluger Hall, an events center downtown directly behind a fire station and about two miles from the auction house's office.

"At least 20 to 30 major dealers came in from different parts of the U.S., and a smattering of people came in from this area, from Dallas, Houston, San Antonio" — more than 50 people in all, said Jason Rzepniewski, an auctioneer at Gaston & Sheehan.

Though the auction house did not mention Ms. Rosales as the prior owner in advertisements or in descriptions of the works provided to prospective buyers, Mr. Rzepniewski said it did disclose that fact "if people asked at the preview or if people phoned in."

Photo



"Le Bijou," a work from 1957 by Richard Pousette-Dart that was auctioned.Creditvia Gaston & Sheehan

Bob Sheehan, Mr. Rzepniewski's colleague, said he thought many of the prospective buyers knew where the artworks had come from, especially because one of the items on sale was a portrait of Ms. Rosales herself wearing a red hat — "Red Hat Portrait of Glafira 2010." (It sold for \$680.)

"The people who came down here from New York, they knew what it was," Mr. Sheehan said.

Citing privacy concerns, the Marshals Service declined to make available any of the buyers.

Most of the art purchased at the Texas sale, which was <u>first reported</u> <u>by The Art Newspaper</u>, was not wildly expensive, and none secured the millions paid for some of Ms. Rosales's faux masterpieces. But there were a few noteworthy works, and when the bidding — which was conducted online — concluded on the first day of the sale in early March last year, 178 of Ms. Rosales's artworks had been sold for \$4.3 million.

The remaining 58 works were included in three sales over the following few months and brought in another \$532,000.

The highest price paid was for an oil on canvas, "Le Bijou" by Richard Pousette-Dart, which had been purchased at Sotheby's in 2009, according to the lot description. It sold for \$325,100.

An abstract work by Ad Reinhardt, purchased at Phillips auction house in 2008, sold for \$300,100, and a couple of Warhols, titled "Heaven and Hell Are Just One Breath Away!," from 1985, which were bought at Sotheby's in 2007, together fetched \$170,100.

Photo



"Heaven and Hell Are Just One Breath Away!" by Andy Warhol, sold together for \$170,100. Creditvia Gaston & Sheehan Some works bore the mark of Knoedler & Co., the very dealership that had sold most of the now-documented fakes. Knoedler, then New York's oldest gallery, closed in response to the burgeoning scandal in 2011, and 10 buyers subsequently sued to get their money back.

Five of those cases have been settled out of court.

One case, a \$25 million lawsuit brought by the family of Domenico De Sole, now the chairman of Sotheby's, against Knoedler, its director Ann Freedman and the gallery's corporate owner is scheduled for trial later this month in Manhattan.

Mr. De Sole's lawyers say in court papers that Knoedler and Ms. Freedman conspired to sell him a fake Mark Rothko painting for \$8.3 million in 2004.

Ms. Freedman has said that she believed the 43 paintings and drawings that Knoedler sold were genuine and that she had bought several herself.

It is up to the judge in Ms. Rosales's case to decide how the \$4.8 million raised in the Texas sale will be apportioned. Ms. Rosales, who pleaded guilty in 2013 to several charges, including tax evasion, and is now a cooperating witness, has yet to be sentenced, and any fine and restitution amounts have not been set. She is free after posting \$2.5 million bond, and the authorities, led by the United States Attorney's Office in Manhattan, are trying to extradite her boyfriend and his brother from Spain to face similar charges related to the fraud.

Bryan C. Skarlatos, Ms. Rosales's lawyer, said that buyers should have no concerns at all about the authenticity of the art seized from her Sands Point, N.Y., home, which has also been sold, records show.

The Marshals plan to sell off more of Ms. Rosales's former possessions later this month, though this time the items are not artworks, but automobiles — her Nissan and her Mercedes-Benz. The cars are to be sold at A. J. Willner Auctions in Lodi, N.J., on Jan. 21.