

# BLOUIN ARTINFO

## Prosecutor Says "More Arrests" Possible in Glafira Rosales Fraud Case

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NEW YORK — During this Monday morning's arraignment of Long Island dealer Glafira Rosales on charges connected to an \$80-million art fraud, in which dozens of unsuspecting buyers spent millions on what were purported to be paintings by Abstract Expressionist masters, Jason Hernandez, a lawyer representing the Manhattan U.S. Attorney's office, confirmed that his office is "contemplating additional arrests." When asked by U.S. District Court judge Katherine Polk Failla whether more arrests were possible, Hernandez, after a brief pause, responded "yes."



Knoedler Gallery

To date, Rosales, who was arrested in May and considered at the heart of the scandal, is the only person charged in the fraud. The dealer entered a Not Guilty plea at today's arraignment in a downtown Manhattan federal court; her attorney declined to comment. After having been detained in jail for several months and denied bail, Rosales was released last week on \$2.5-million bail with travel restricted to the Southern District of New York, and a further requirement to surrender her travel documents and agree to electronic monitoring.

Given the recent bail release as well as new information that emerged in the case, Rosales has likely begun cooperating with investigators.

Last week the U.S. attorney's office handed down a revised indictment known as a "superseding indictment" identifying a "co-conspirator, not named as a defendant herein," but known to be Jose Carlos Bergantiños Diaz, Rosales' (possibly former) boyfriend, and a citizen of Spain. Subsequent references to Diaz referred to him as "CC-1." The charges further confirmed that a painter based in Queens, New York, was the creator of the fake works. While not named in the charges, a New York Times article on Saturday identified the painter as Pei-Shen Qian of Woodhaven. Qian is currently believed to be in China and has not been charged, though FBI officials searched his home and studio last week, according to neighbors interviewed for the Times story.

According to the revised indictment, "from in or about the early 1990s through in or about 2009 [Rosales]...and CC-1 together with others known and unknown, conspired to sell dozens of fake works of art. The fake works of art were created by the Painter in Queens, New York, at the specific request of CC-1." The indictment also states that Rosales and Diaz "conspired to launder the proceeds of the scheme by transferring the proceeds through foreign bank accounts," and that, despite Rosales and Diaz taking in more than \$14 million from two Manhattan galleries in the scheme, "the Painter" was paid a total of just over \$50,000.

The U.S. Attorney's confirmation of a known forger cements what had already been indicated by forensic testing by respected expert James Martin of Orion Analytical. Martin found in all of the related cases, albeit with some variation, "inconsistencies" between the supposed dates the paintings were created and the materials used to create them.



In a discussion between Judge Failla and Hernandez about assets owned by Rosales that could be subject to forfeiture since they are paintings “purchased with the proceeds from the fraud alleged,” the judge asked Hernandez about the particular works of art. To which Hernandez emphasized “not the fake works.” Said Judge Failla: “I was going to call them ‘decorative’ works rather than ‘fakes’,” but okay.”

Surely the buyers of these works, many of whom have filed multi-million dollar lawsuits against Rosales, the now-shuttered Knoedler gallery, and Julian Weissman Fine Art, would disagree with the “decorative” designation.

The next court date for Rosales is a pretrial conference hearing scheduled for October 1.