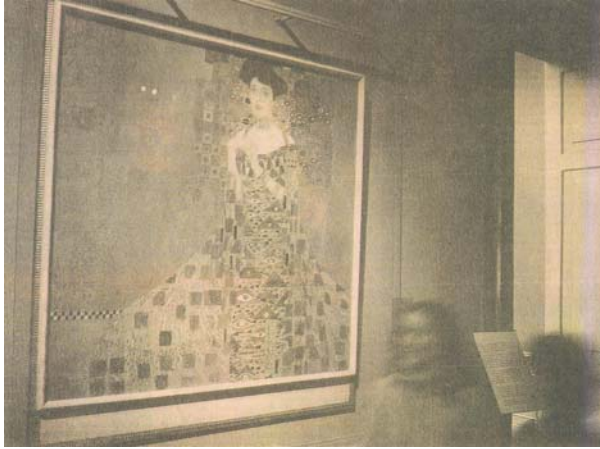


ARTS: Art's brush with the lawless

By Michael Peel, Financial Times
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The image of a tall, pale woman with jet black hair and a swirling, multicoloured dress is so striking that even the museum guide seems momentarily lost for words.

"You just can't stop looking at her," she tells the small crowd packed into a room at the Neue Galerie, on Manhattan's Upper East Side.

The painting - Gustav Klimt's "Adele Bloch-Bauer I" - is there only because of a seven-year legal battle that eventually involved the US Supreme Court. Looted during the Holocaust, the picture was recovered last year from Austria along with four other Klimts sold at Christie's in November for a total of more than \$192m.

The auction was described as "one of the most fervently awaited events in art market history" by the website of Antiques and the Arts newspaper.

The excitement is emblematic of the growing focus on stolen art and artifacts by law enforcement agents, litigation lawyers and freelance sleuths.

Their work suggests the trade in stolen art has evolved to encompass new crimes for our times, exploiting trends ranging from Middle East political chaos to the rise of Chinese manufacturing. As international gangs devise new kinds of art theft and databases expose historic crimes, it is generating more work for a community of art world investigators and advocates that remains surprisingly small - for the moment.

"People contact me all the time and say they want to be art lawyers," says Jeremy Epstein, a partner at Shearman & Sterling, the US law firm, who reports a modest rise in art-related claims. "I say: 'You can fit all the art lawyers in New York in a medium-sized conference room.'"

The Federal Bureau of Investigation's new art crime unit is perhaps the most high-profile example of the increased attention being paid to cultural theft. Formed in 2004, amid embarrassment about looting of Iraqi artifacts and concerns about where the proceeds might be going, the unit has a team of 12 special agents. It describes art and cultural property theft as a "looming criminal enterprise" causing losses of as much as \$6bn annually, which many observers say feeds other organised crimes such as the drugs trade.

Eric Ives, head of the bureau's major theft unit, points to evidence of rises in both cross-border crime and some domestic thefts, such as the pillage of cultural objects from Native American land.

Art is attractive to organised criminals because it tends not to lose its value, so it can be hidden for years until it is safe to sell or - in some countries - is no longer even considered stolen because the statute of limitations on the crime has expired.

Art theft is also sometimes seen as the kind of "victimless" offence to which the police give low priority because they receive little credit from their government paymasters for solving it.

Art world experts add that many museums are still relatively easy hits, however improved their security: artworks can be at risk from the people employed to protect them, such as staff who take objects they know may not be catalogued for years.

The increasingly creative criminality surrounding international art theft has been highlighted by London's Metropolitan Police.

A special exhibition in November at the UK capital's Victoria and Albert Museum claimed crooks are making fakes of Iraqi artifacts even though "tonnes and tonnes" of the real goods are available: the forgeries on show included a 2,100BC Sumerian tablet that outlines ration allowances for the messenger who carried it.

Also in the room was a display of counterfeit goods that police say are made in China, paid for with stolen art and imported to Britain. "£7 each in China," says Vernon Rapley, head of the Met's tiny arts and antiques unit, indicating a table covered with fake Bulgari watches.

"I won't say how much they are sold for here."

Aside from the law enforcement, art theft appears to be generating a broadening range of claims in the civil courts. Bonnie Czeglédi, a Toronto-based art lawyer, says art litigation is one of the fastest-growing areas of law today. "Ten years ago I don't think people cared about these things."

The internet has encouraged litigation by revealing much more information about where objects are held, particularly as massive state archives are brought online.

Mr Epstein of Shearman & Sterling says some legal "bounty hunters" even try to identify works of questionable provenance and then see if they can identify a claimant to act for.

In addition, some countries known for the richness of their historic sites, such as Greece and Italy, have become more aggressive in launching lawsuits for the return of allegedly stolen objects.

In other cases, resourceful litigants are testing out the boundaries of international law on cultural property by pursuing works of art as part of damages claims.

The University of Chicago is defending a lawsuit in which five US victims of a 1997 suicide bombing in Jerusalem are trying to seize some 2,500 year old cuneiform tablets loaned to the university by Iran.

The US courts had ordered Iran to pay \$250m of damages to the five after they successfully argued that the attack was carried out by Hamas, whose members Iran had helped train and support. Iran argues it has sovereign immunity against the claim.

Away from the courts, private entrepreneurs and freelance investigators have further broadened and deepened the search for stolen art. Julian Radcliffe, chairman of the Art Loss Register, a London-based database whose clients include museums, the art trade and police, says it has a list of 180,000 items and has recovered almost £100m worth of works since it started in 1991.

He says auction houses are much better at checking for stolen goods these days, although the behaviour of dealers outside the top bracket is still patchy: the day before, he had collected a stolen Old Master that had been through the hands of six London dealers even though there was a court injunction on it.

Whether or not international art theft is growing, it seems to have become more closely scrutinised, more varied and, perhaps most strikingly, more mainstream.

One indicator of that, says the Met's Mr Rapley, is the increasing use of paintings as bait in the classic swindle popularised by fraudsters who offered targets a cut of money allegedly looted by a dead African dictator. "It used to be done with money from west Africa," says Mr Rapley. "Now it's work of art."