

United States Department of Justice

For Immediate Release

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Central District of California

Third Defendant in \$20 Million Scam That Sold Fake Art Nationwide Via TV Auctions Sentenced to Federal Prison

LOS ANGELES—A Woodland Hills man who sold fake art—including works purported to be by Picasso, Dali, and Chagall—through a rigged televised art auction has been sentenced to five years in federal prison.

James Mobley, 63, was sentenced yesterday afternoon to 60 months in prison by United States District Judge Gary A. Feess.

Mobley, who was an on-air auctioneer for sales conducted through Fine Art Treasures Gallery, previously pleaded guilty to two felony counts—conspiracy (to commit wire fraud, mail fraud, and interstate transportation of stolen property) and willful failure to file a tax return.

Fine Art Treasures Gallery operated an art auction television show, which aired on Friday and Saturday nights on DirecTV and The Dish Network. The company sold art to more than 10,000 customers around the United States, bringing in more than \$20 million.

Earlier this year, the husband-and-wife team at the center of the Fine Art Treasures Gallery scam were sentenced to prison. Gerald Sullivan, 54, of La Cañada Flintridge, who pled guilty to conspiracy to commit wire fraud and interstate transportation of stolen property, was sentenced by Judge Feess to four years in prison. Sullivan's wife, Kristine Eubanks, 52, also of La Cañada Flintridge, who pleaded guilty to conspiracy (to commit mail fraud, wire fraud, interstate transportation of stolen property) and filing a false income tax return, was sentenced to 84 months in prison. When he sentenced Eubanks, Judge Feess said that the fraud scheme was "audacious in its scope" and "blatantly illegal." Eubanks and Sullivan ran the scheme from 2002 through 2006. Mobley participated in the scheme from 2002 through 2005.

Fine Art Treasures Gallery and its representatives, including Mobley, falsely told customers that art sold on the company's television show had been found at "estate liquidations all over the world." In reality, Fine Art Treasures Gallery sold fake and forged art that had been purchased from suppliers, as well as forgeries Eubanks and others themselves had printed and signed on behalf of the artists. Eubanks admitted that she obtained fake art from various suppliers, printed other art works in her own printing shop, and sold that bogus art on the auction as genuine. Eubanks and others forged signatures on some of the works, including purported lithographs from Picasso, Chagall, and Dali. To support the scam, Eubanks also forged Certificates of Authenticity for certain pieces and provided falsified appraisals for some of the jewelry that was

sold to customers. Eubanks and Mobley also rigged the bidding for the auction process by arranging for fake bids to be announced on the program to falsely drive up prices for the art they sold to the public.

As part of the investigation into Fine Arts, federal authorities seized approximately \$3.8 million from bank accounts controlled by Eubanks and Sullivan. Those funds have been forfeited to the government, which is in the process of notifying thousands of potential victims that they may have purchased bogus artworks.

This case was investigated by the national Art Crime Team at the Federal Bureau of Investigation, IRS - Criminal Investigation, and the Los Angeles Police Department's Art Theft Detail.