What’s a Museum to Do: Nazi-Era Provenance

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Abstract

The purpose of this paper is to identify several of the legal consequences that have surfaced at many of the leading museums in the United States that collected art from the Nazi-Era. The paper highlights the provenance review experience of the Museum of Fine Arts in Boston (MFA) that began in earnest shortly after the 1998 Washington Conference that established non-binding principles to assist museums in resolving claims related to works acquired from this era. The paper relies upon personal interviews with the Curator of Provenance at the MFA, internal provenance research on the MFA’s website, and an analysis of legal cases arising from queries about equitable and valid title to the artwork in question in reaching its conclusions. The paper concludes that some museums with support from the courts deny the claims’ of heirs regardless of their merit on time-bared reasons as a matter of law. The more equitable and appropriate solution is for museums’ to waive certain legal defenses for art with unmistakable roots in the Holocaust-era.

Key Words: Nazi-Era Art, Provenance, Curator, Holocaust-Era Art, Museum of Fine Arts in Boston, Statute of Limitations, Title, Restitution, Equity, Washington Conference of 1998

Introduction

The Museum of Fine Arts, Boston, like many other prominent museums operating in a major metropolitan city, seeks to house, preserve and showcase preeminent works of art and artifacts. It aspires to serve as a resource for a diverse community of people who may be encountering art for the first time, while simultaneously providing informative programs, research opportunities, publications and exhibitions.

In a sense the Museum holds its collections in a “public trust.” By serving as collector, curator, steward, researcher and educator it must do so responsibly. Recently, the Museum addressed a neglected area of art – paintings, sculptures, utensils, and furniture created from the Americas – by expanding its collection and adding more than 120,000 square feet of space in a new four-story elevator-style separate wing attached to the original 1909 Beau Art building. Many of the newer works spanning three millennia up to the late 20th century were acquired by private purchase, from vendors and auction houses, and courtesy of gifts and bequests.

The subject of acquisitions is one of the most controversial topics in the museum field. At the Museum before an object of art is considered for acquisition a number of conditions must be satisfied. In a recent conversation with Dr. Victoria Reed, Curator of Provenance, she referred to the pre-acquisition conditions as “risk” factors. Among the elements considered are: the authenticity of the materials or techniques; any out of the ordinary costs associated with conserving, installing or storing; its overall condition; its significance in the context of any gaps in the collection. In addition, the curator seeking to acquire the object must defend the object’s purchase price or value. The provenance of the work of art is taken into account in every acquisition decision. Following these guidelines will help to assure valid title, authenticity, and suitability to overall mission.

1 Author’s Conversation with Dr Victoria Reed, MFA Curator of Provenance.
1.1 Provenance

The Museum’s “Acquisition and Provenance Policy” states it “will not acquire any work of art known to have been stolen, exported from its country of origin (or any other country in which it was subsequently owned) in violation of such country’s laws at the time of its export, or imported into the United States in violation of U.S. law at the time of its importation.” At a minimum the policy requires looking at cultural property law, reviewing stolen art databases, and examining import and export records prior to acquisition. Further the Museum covenants to follow the provenance documentation standards recommended by the two leading organizations of museums: the American Alliance of Museums (AAM) and Association of Art Museum Directors (AAMD). Both of these prominent organizations instituted their standards to help museums to avoid acquisition of objects of art that had not been returned to their original owners or heirs after World War II, and to guide them in the restitution of ill-gotten objects of art still in their collections. In 1998, The Washington Conference established non-binding principles to assist museums in resolving claims related to Nazi-Confiscated Art. One of the major obstacles encountered in attempting to create uniform global standards in resolving disputes over ownership of art found to have been confiscated by the Nazis, and not subsequently restituted, are the differing legal systems and the fundamental notion that countries, and the museums that operated within their respective countries, act within the context of their own laws. Questions of valid title related to Nazi-era provenance of art objects changing hands between 1933 and 1945 invariably raise legal issues, inter alia, of entrustment, fiduciary duty, purchaser in good faith, equitable estoppel, statute of limitations, due diligence, demand and refusal, and due process.

In following the provenance policies of the AAM and AAMD, the Museum has embarked on a higher standard of due diligence for acquiring Nazi-era works of art. Simply stated, the Museum will not acquire art if there is evidence of illegal taking without subsequent restitution. Conversely, in the absence of evidence of illegal taking, the work is presumed to have been lawfully acquired and any pending acquisition may proceed. In those instances where the prospective seller or donor is unable to provide sufficient documentation regarding clear title, then the Museum will consult records and databases like the Nazi-Era Provenance Internet Portal, Lost Art Internet Database, Holocaust-Era Assets, U.S National Gallery of Art: World War II Resources at the Gallery, Art Loss Register, among other sources for assistance.

In the interest of transparency and to assist potential claimants contesting title of already acquired objects of art, the Museum now posts on its website and on databases maintained by the AAM and AAMD, images (and provenance where known) of all of its collection. The results of Nazi-era claims is also posted on gallery labels and shared in gallery talks. It is noteworthy to mention that the AAM and AAMD guidelines are strictly voluntary; and that not all museums have the inclination to either follow these guidelines or create their own provenance guidelines. In some circumstances, the museum claims to lack sufficient staff to research Nazi-era provenance questions, and, some donors may be reluctant to gift or bequest works from this era in the event chain of custody or ownership issues are raised.

2.1 Provenance Research for Suspected Nazi-Era Works of Art

The Museum contains nearly 1,600 European paintings, and more than 21,000 decorative art and sculptures, with about half of this collection acquired either after 1932 and created before 1946.

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3 Formerly known for many years as the American Association of Museums.
5 http://www.nepip.org Accessed 8/24/2012
Commencing in 1998, the Museum began a systematic review of the provenance of all continental European paintings that changed hands between the Second World War years of 1933 and 1945, and are associated with war victims who may have lost property as a result of Nazi prosecution. As emotionally and dramatically illustrated in the film, *Rape of Europa*[^11], the Nazi regime orchestrated theft, confiscation, coercive transfer, looting and destruction of objects of art and other cultural properties largely against Jewish persons. In 2004, similar provenance research began on the sculpture and decorative arts collection from this period.

Many of the Museum’s works of art from the Nazi-era have little or no provenance record. In a conversation with Dr. Victoria Reed[^12], she indicated there was time after World War II when curators and directors frequently did not want to inquire too deeply into how a work of art came into possession by a seller or donor. She made it clear, though, that just because there is a gap in provenance does not necessarily mean that the art was improperly acquired from victims of Nazi persecution[^13].

Nine years ago Dr. Reed was hired by the Museum to conduct independent research and analysis on those continental European Nazi-era works lacking adequate provenance. In some situations resolving provenance has proven to be quite challenging because of the fact records were lost or destroyed, past owners did not want a paper trail of ownership, and the original owners for the most part are deceased leaving heirs or several heirs who may retain some memory but lack physical evidence of one time possession or title. Her intensive research methodology includes communicating with heirs who contact her after recognizing a work of art on the Museum’s website, checking Nazi-era databases, looking at the back side of the object for clues, reviewing the file, investigating relevant correspondence, conversing with experts in the field including curators at other major museums, examining old family photographs that may illustrate the art in dispute, researching the detailed list the Nazis’ kept of art looted or “bought” by forced sale for the benefit of the private collections of high-ranking party officials, and even tracking down auction records, newspaper accounts and receipts from old world galleries and dealers[^14].

Dr. Reed’s lengthy research along with concurrent examinations by the Museum’s European paintings and sculpture curators have identified a number of European works of art with still unresolved questions regarding their history. The Museum’s online collections/provenance database[^15] contains an updated “list of works” under provenance review.

### 2.2 The provenance research project that began nearly 15 years earlier has led to the resolution of seven Nazi-era restitution claims. Among them:

In the matter of *Portrait of a Man and Woman in an Interior*, by Eglon van der Neer, the Museum had purchased the painting in 1941 from the E and A. Silberman Galleries, New York with no evidentiary trail documenting how it made its way from Germany to the United States. In 2011, the Museum reached a financial settlement with the heirs of Walter Westfeld, who owned the painting and was forced to close his gallery in Wuppertal, Germany by a 1935 decree from the Reich Chamber for Fine Arts because he was Jewish. Mr. Westfeld died sometime after 1942[^16].

A few years earlier, the Museum reached a partial financial settlement with and received a partial donation from the heirs of Federico Gentili di Giuseppe of the painting *Adoration of the Magi*, by Corrado Giaquinto. Mr. di Giuseppe was a Jewish businessman living in Paris who bequeathed his estate to his children upon his death from natural causes in 1940. That same year France fell to Hitler’s forces and the family fled leaving behind the painting. German law prevented the return of those who had left occupied territory so the family was unable to assert any ownership claim when the painting was auctioned off in 1941.

[^12]: Conversation, supra, note 1.
[^13]: Id.
[^14]: Id.
The family did receive proceeds from the sale. In 1999, the heirs of di Giuseppe argued successfully before the French Court of Appeals of Paris to declare the sale of other family works of art sold by auction in 1941 as null and void because the heirs were barred from attending the administration of the estate auction. This decision led to the Musée du Louvre and the State of France subsequently returning five paintings. Here the plot grows legally thicker. The Museum had purchased the painting from a reputable London gallery in 1992. The gallery had purchased the painting from Christie’s, Monaco two years earlier. The family heirs contacted the Museum in 1999 seeking its return. At the time the Museum acquired the painting it was a good faith purchaser without knowledge that the 1941 sale was tainted, which was before any claims of ownership were registered with the French government. In the parties' final settlement agreement the heirs acknowledged this fact. The painting is on display at the Museum with the clouded title now clear.17

Objects of art looted or “abandoned” forcefully during the Holocaust era invariably found their way to the buyers’ art markets of Paris or Switzerland before landing in New York City or London, where museums and galleries then acquired them. Depending on when the work was acquired a new owner may claim it has valid and clean title because it was bought in good faith. The answer to the issue of whether the purchaser of art stolen during the Nazi-era acquires good title depends on whose law is applied to the facts. For instance, continental European countries that follow the civil law system treat the transfer of title by a “thief” differently than common law countries. In many European countries the good faith buyer of stolen art can acquire valid title immediately, and, in other cases after passage of a certain amount of time.19 However, Switzerland changed its law in 2005 by requiring “due diligence” by the purchaser of art from this period to make sure the property was not stolen, not lost against the will of the owner and not illicitly imported.20 In essence, the presumption of good faith by a purchaser has changed.

In those conflict of law instances when English law applies, the leading case of Winkworth v. Christie, Manson & Woods Ltd.21 represents the standard for upholding traditional private international sales law. The court held that any person claiming an interest in stolen property as against a good faith purchaser must look to the law of the country where the property is situated at the time of the transfer.22 The court, including when the court finds the particular law of the relevant situs contrary to English public policy, recognized a handful of exceptions to this rule. For instance, in the later decision of City of Gotha v. Sotheby’s23, the court held it is against English public policy to bar a claim against returning a painting when a claim to recover it requires the court to examine German law as the location of where the painting had originally been stolen, and under German law at the time it was illegal for the original owner to file a claim for recovery24.

A frequently cited United States case dealing with the same issue as in Gotha is Autocephalous Greek-Orthodox Church of Cyprus and the Republic of Cyprus v. Goldberg & Feldman Fine Arts, Inc25. Here the court undertook a dual analysis of how the case would have been decided under Swiss law (pre-2005), the site where the four Byzantine mosaics created in the sixth century were purchased26, as well as the law of Indiana, the location of the gallery possessing and claiming good title27. The court determined the state of Indiana had stronger contacts then Switzerland, which the court characterized as an insignificant relationship to the action. Nevertheless, the court pointed out in certain situations in Switzerland (pre-2005) a thief may sell and pass good title to stolen items to a good faith buyer.

19 Id.
20 Art. 16, Cultural Property Transfer Act (CPTA) SR. 444.1
21 1 Ch 496, 1 All ER 1121, 2 WLR 7 (1980)
22 Id., 1 Ch 496, 514.
23 1 WLR 114 (Q.B. 1998)
24 Id.
25 714 F. Supp. 1374 (SD IN. 1989; affd. 917 F. 2d 278 (7th Cir., 1990)
26 Id., at 1394-95.
27 Id., at 1395-1400.
Goldberg, a merchant, however, did not act in good faith even under Swiss standards because there were sufficient suspicious circumstances surrounding the sale, which should have caused someone in her position to doubt the legitimacy of the seller to convey valid property rights. The court remarked that she failed to conduct a reasonable inquiry to resolve any doubt. Applying the substantive law of Indiana, the court concluded a thief obtains no valid title or right to possess stolen items; therefore, subsequent purchasers cannot acquire any right of ownership. Further, the court discussed the uniqueness of the stolen mosaics and how their existence was a part of the “religious, artistic and cultural heritage” of the government of Cyprus and the Church.

In 2006, the Museum received a bequest that included a statue curators immediately recognized as coming from the Porcelain Collection of Dresden. During the Nazi-era works of art from the Dresden museums were put in storage. This particular statue, an eighteen century Meissen figure of Augustus III, went missing. The Museum elected to take possession of the statue, but never formally made it part of its collection (accession). The statue was returned to its rightful owner the same year it received the bequest.

Two other claims were also resolved in favor of the rightful owners. In March of 2011, a settlement was reached with the heirs of Jakob and Rosa Oppenheimer, who ran the highly successful Margaf art gallery in Berlin. The Oppenheimers, who were Jewish, were forced to flee Germany. Subsequently, the Germans closed the gallery and sold off the inventory. The family never received proceeds from the forced sale. Between 1950 and 1952 a victim of Nazi persecution, Eugene Garbaty, donated four seventeenth century tapestries to the Museum. He had purchased them in 1939 without knowing anything about their prior ownership or the forced sale. Research by the curatorial staff confirmed these four tapestries were sold to an unknown buyer at auction in 1935. The Museum reached out to the family to inform the heirs of the location of the tapestries at the Museum. Final resolution led to the Museum being allowed to retain the tapestries.

A year before the Oppenheimers’ claim resolution, the Museum returned to the Diocesan Museum of Trent, Italy a work of embroidery known as the Entombment of Saint Vigilius dated from 1390-91. In 1946 the Museum purchased the embroidery panel from an Italian art dealer without knowing anything about its provenance. In 2008, Dr. Evelin Wetter, curator of 13-16th century textiles of the world-renowned Abegg-Stiftung textile museum in Switzerland, contacted the Museum about the embroidery panel indicating it was once part of the larger Saint Vigilius series at the Diocesan Museum of Trent. The Museum’s curatorial staff confirmed Dr. Wetter’s research before restoring it to its rightful owner.

In what is by far the most controversial Nazi-era claims case emanating from the Museum’s provenance research, in 2007 a restitution claim for Austrian visionary artist Oskar Kokoschka’s Two Nudes (Lovers) painting was received from the sole and unrelated heir of the former owner of the painting, Dr. Oskar Reichel. It is undisputed that Dr. Reichel, a successful Jewish physician and art collector in Vienna, was a patron of Kokoschka’s work. He purchased the painting in question sometime around 1914 or 1915. Dr. Reichel was forced to file a declaration with the Third Reich in 1938 listing all the valuable property he owned. This was merely a prelude to formal Nazi confiscation of his property. Dr. Reichel stated he owned the Two Nudes (Lovers) painting. Here the record becomes “sketchy” in the language of the First Circuit Court of Appeals. In 1939 Dr. Reichel consigned the Painting to Otto Kallir, a Jewish dealer with a gallery in Vienna who later transferred ownership of the gallery to his non-Jewish secretary who then moved the gallery to Paris. Mr. Kallir then emigrated to New York City, where he established a branch of the Paris gallery. The Painting was exhibited at both the Paris and New York galleries between 1940 and 1945.

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28 Id., at 1401-1402.
29 See http://www.mfa.org/collections/provenance “Meissen Figure of Augustus III.”
Meanwhile Dr. Reichel and his wife, Malvine, suffered at the hands of the Nazis. They were forced to give up their home and other property. He died of natural causes in 1943. Malvine survived the Theresienstadt concentration camp and eventually reunited with one of her sons in the United States. Their oldest son was killed in Poland. Their third son moved to South America.

A review of correspondence between Dr. Reichel and Mr. Kallir indicated that the parties agreed to a sale of the *Two Nudes (Lovers)* painting in Swiss francs. It is unclear whether Dr. Reichel ever received financial remuneration for the sale. Consideration for the Painting in dollars was sent to his two children living in the United States and Argentina, respectively, sometime around 1940 or 1941 apparently because Mr. Kallir was instructed to do so by Dr. Reichel.

*Two Nudes (Lovers)* was sold by Mr. Kallir to the Nierendorf Gallery in 1945, which in turn sold it to the E. and A. Silberman Galleries, New York. Silberman sold it so Sarah Reed Blodgett in either 1947 or 1948. The Museum received the Painting by bequest in 1973, where it has been on nearly continuous display since then subject to loan for exhibitions throughout the world.

In 1998 Austria implemented a national restitution of art law\(^{34}\). A year later Vienna passed a similar local law\(^{35}\) leading the Museums of Vienna in 2003 to contact the sole heir of Dr. Reichel, a non-blood relative about returning certain works of art (not *Two Nudes (Lovers)*) because Dr. Reichel “had to sell (them) due to his persecution as a Jew.”\(^{36}\) The Vienna works had been sold or transferred about the same time as the *Two Nudes (Lovers)*. The heir thought all the works lost to Nazi-era persecution had been returned or resolved until he received a “colloquy” from an American attorney at law who alerted him to the *Two Nudes (Lovers)* painting at the Museum. This occurred in 2006, and a year later formal demand for the return of the painting was made\(^ {37}\).

According to court records the Museum undertook an “exhaustive effort to research and document the provenance of the Painting in order to ascertain whether the claim appeared valid or not.”\(^ {38}\) After eighteen months researching the Painting’s history, which included visiting ten museums and archives, the Museum concluded that the original transfer of title from Dr. Reichel to Mr. Kallir was valid, and refused to return the Painting.

In a somewhat surprising, controversial, and unusual legal tactic, in January 2008 the Museum commenced a Declaratory Judgment in the U.S. District Court of Massachusetts seeking confirmation of “its rightful ownership of the painting.”\(^ {39}\) The heir then countersued for unlawful taking of property while demanding immediate return of the Painting (replevin) and illegally holding possession of property owned by another (tort of conversion). Shortly thereafter, the Museum filed a Motion for Summary Judgment arguing all the counterclaims were barred by the Massachusetts Statute of Limitations. In a decision upheld by the First Circuit Court of Appeals in 2010,\(^ {40}\) the lower court determined that the heir’s counter-claims regardless of their merit are time-barred as a matter of law. The court based its decision on the following findings: 1) the law of Massachusetts not New York or Austria governs this case; 2) the heir’s counterclaims in tort and replevin are governed by Massachusetts’ three year statute of limitations; 3) the date the cause of action accrued from which the statute of limitation began to run was 2003, the year she was noticed the Nazis had confiscated art works from Dr. Reichel by the Museums of Vienna; 4) the heir demanded return of the Painting more than three years after “discovering” the unlawful taking of other paintings (lack of due diligence); 5) Dr. Reichel’s wife and two living sons had ample notice decades before this lawsuit that the Painting might have sold under duress and did nothing to pursue a claim (lack of due diligence); 6) there was no evidence of unlawful concealment of the transaction between Dr. Reichel and Mr. Kallir; 7) and the Museum listed *Two Nudes (Lovers)* in its provenance online database in 2000\(^ {41}\).

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\(^{35}\) Municipal Council Decision of the Capital City of Vienna dated April 29, 1999 (Official Gazette of the City of Vienna No. 30/1999) regarding the Restitution of Works of Art and Cultural Objects from Museums, Libraries, Archives, Collections and Other Collections of the City of Vienna.

\(^{36}\) 623 F. 3d 1, 4.

\(^{37}\) Id. at 5.

\(^{38}\) Id. “An MFA curator and an independent provenance researcher spent eighteen months researching the Painting's history, during which time they visited approximately ten museums and governmental archives around the world and corresponded with numerous other museums and archives.”

\(^{39}\) Id.

\(^{40}\) 2009 WL 6506658 (D. Mass)

\(^{41}\) Id.
The appeals court failed to set aside the application of the Massachusetts’ statute of limitations because, as the heir unsuccessfully argued, of express federal policy disfavoring strict application of limitations periods for Nazi-era looted art. The court reviewed four sources of Holocaust law including the Washington Conference Principles on Nazi-Confiscated Art and the Holocaust Victims Redress Act of 1998. In all instances, the court determined these documents were not prescriptive requirements, merely laudatory declarations that good faith efforts to facilitate the return of Nazi-confiscated property should be undertaken

Interestingly, near the conclusion of its opinion the court indicated it was not passing judgment on the conduct of the Museum in invoking the statute of limitations as its shield and sword nor the legality of the Museum’s acquisition of the Two Nudes (Lovers) painting in light of the conduct of all the parties (equitable defense of laches)

In its final words the court admonishes all museums to follow the guidelines of the AAM and AMA for “art with unmistakable roots in the Holocaust era.” Ironically, had the court more forcefully considered or asked the Museum to consider Paragraph 4 (f) of the AAM’s Guidelines on how museums should respond to Nazi-era claims for restitution, where it states “in order to achieve an equitable and appropriate resolution of claims, museums may elect to waive certain available defenses,” perhaps a different result might have ensued.

References


42 623 F. 3d. 1, passim
43 Id., at 15.
44 Id.
45 Id.