

**SFGate.com****Calif. couple charged in art scam that bilked buyers out of \$20M**

Tuesday, March 6, 2007

(03-06) 04:19 PST Los Angeles (AP) --

A couple who ran televised auctions admitted selling bogus artworks and forging signatures of painters including Picasso, Chagall and Dali in a scam that bilked buyers out of more than \$20 million, prosecutors said.

In court documents filed Monday, Kristine Eubanks, 49, and her husband, Gerald Sullivan, 51, each were charged with one count of conspiracy to commit mail fraud, wire fraud and interstate transportation of stolen property.

Eubanks also was charged with tax evasion, and Sullivan was charged with one count of failure to file a tax return, according to the documents.

Prosecutors said the La Canada couple have agreed to cooperate with investigators in an ongoing criminal probe to capture other scam artists.

"The defendants in this case have admitted to profiting by preying on the vulnerabilities of producers and consumers of art through an elaborate criminal enterprise," said J. Stephen Tidwell, assistant director in charge of the FBI in Los Angeles.

The operation involved the couple's television show "Fine Arts Treasures Gallery," shown Friday and Saturday nights on channels broadcast by Direct TV and the Dish Network. The couple told investigators they rigged the auctions by creating false and inflated bids for art and jewelry sold during live auctions.

The couple also admitted they purchased fake art, forged art at a print shop and later sold the bogus works on their show, according to court documents. To further the scam, prosecutors said the couple also created and mailed to consumers documents such as false certificates of authenticity and false appraisals.

The government estimated the show defrauded more than 10,000 people who paid more than \$20 million for bogus art products.

Investigators seized nearly \$4 million and various pieces of artwork when Eubanks and Sullivan were arrested during a raid last September.

Sullivan will be summoned to appear in court later this month, prosecutors said.

Eubanks has been in custody since the arrest in September. At the time, she was on probation after

**pleading no contest to using the credit cards of a dead business partner to pile up \$144,000 in bills. She was immediately sent to jail because of a judge's stipulation that her record remain spotless.**

**Eubanks faces up to 10 years in federal prison; Sullivan faces up to six.**

<http://sfgate.com/cgi-bin/article.cgi?f=/n/a/2007/03/06/state/n041936S71.DTL>