



NEWS RELEASE

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For Immediate Distribution

December 16, 2015

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Los Angeles Art Dealer Sentenced to Federal Prison for Smuggling Stolen Antiquities and Overseeing Charitable Deduction Tax Scam

LOS ANGELES – A Los Angeles art dealer has been sentenced to 18 months in federal prison for conspiring to smuggle looted archeological resources into the United States, and then using those antiquities as the basis of a charitable donation tax fraud scheme involving local museums.

Jonathan M. Markell, 70, a resident of the Westchester district of Los Angeles and who is the owner of Silk Roads Design Gallery (which previously was located on North La Brea Avenue and now operates in the Jefferson Park district of Los Angeles), was sentenced Monday afternoon by United States District Judge Dean D. Pregerson, who called Markell's crimes "significant."

In issuing the prison sentence, Judge Pregerson said it was "important to send a message" to art collectors, gallery owners and museums that they should avoid collecting and trading looted antiquities.

Markell previously pleaded guilty to conspiring to smuggle stolen antiquities into the United States by making false declarations to U.S. Customs authorities. In a second case, Markell pleaded guilty to conspiring to commit tax fraud. Markell admitted smuggling antiquities from Burma, Thailand, Cambodia and China into the United States for sale in his art gallery. Markell knew that many of the antiquities had been looted from the site of an ancient civilization located in Ban Chiang, Thailand – which the United Nations Educational, Scientific and Cultural Organization (UNESCO) has designated this site as a "World Heritage" site. An expert on Southeast Asian archaeology testified in court on Monday that the looting of the Ban Chiang sites – which are thousands of years old – to supply galleries like Markell's was "devastating to the archeology of Thailand."

"Mr. Markell's greed placed his art gallery's profits above the culture and heritage of the people of Thailand," said United States Attorney Eileen M. Decker. "Not only did he play a significant role in the international trade of looted artifacts, Markell also participated in a scheme designed to illegally provide tax deductions to art collectors."

Once in possession of the looted antiquities in the United States, Markell engaged in a tax fraud scheme by promoting and participating in a false charitable deduction scheme. After obtaining the Thai antiquities, most of which were from the Ban Chiang culture, Markell bundled the antiquities into “charitable donation packages” that were donated to charitable institutions such as museums and universities. Markell prepared fraudulent appraisals in order to falsely inflate the value of the antiquities, which he provided to co-conspirators, who used the fraudulent documents to claim inflated charitable donation tax deductions.

Markell’s wife, 68-year old Carolyn Markell, was also sentenced Monday afternoon for her role in the tax fraud conspiracy. In addition to being ordered to pay restitution to the Internal Revenue Service for fraudulent tax deductions, she and her husband were also ordered to repatriate 337 antiquities seized from their residence and gallery to Thailand, Burma, Cambodia and China.

“It is individuals such as Jonathan Markell – the importers, the buyers and the gallery owners who purchase and acquire such archeological resources or wildlife products for profitable resale who are primarily to blame for the underlying devastation, for these are the individuals who create the markets that create the monetary incentives that drive the poachers and looters into the field,” prosecutors wrote in a sentencing memorandum filed with the court.

This case was investigated by the National Park Service, U.S. Immigration and Customs Enforcement – Homeland Security Investigation, and IRS Criminal Investigation.

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