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Ex-Getty Curator Received 2nd Loan

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The J. Paul Getty Museum's former antiquities curator, Marion True, received a \$400,000 personal loan from two wealthy art collectors just days after the museum closed a deal to acquire their collection, records and interviews show.

True was a driving force behind the Getty's 1996 acquisition of Lawrence and Barbara Fleischman's 300-piece collection of Greek, Roman and Etruscan artifacts, considered one of the finest private antiquities holdings in the world. The Getty paid \$20 million for 32 pieces in the collection, and received the rest as a donation.

Three days after the deal was closed, records show, Lawrence Fleischman agreed to lend True \$400,000 with an interest rate of 8.25 %, market rate at the time. The loan was unsecured.

True used the loan to repay money she had borrowed to buy a Greek vacation home from an antiquities dealer with whom she was also conducting business on the Getty's behalf.

True retired abruptly last month after The Times inquired about the purchase of the Greek house. Getty officials said the loan was a breach of the museum's conflict-of-interest policy.

By repaying the first loan with money borrowed from the Fleischmans around the time of the Getty's transaction with the collectors, True created an even greater conflict, members of the Getty Trust Board of Trustees and outside ethics experts said Wednesday.

The Getty's conflict-of-interest rules bar employees from borrowing money from any "individual or firm with whom the trust does business of any kind."

"Of course we think it's a conflict," said John Biggs, chairman of the Getty board. "I think everybody's uncomfortable with it, but we're not sure where to go from here."

Biggs is also chairman of a special committee of the Getty board formed last month to look into the allegations involving True.

True, indicted by Italian authorities for allegedly trafficking in looted art, appeared Wednesday in a Rome courtroom as her trial resumed. Her attorney in Los Angeles declined to comment.

The Getty's acquisition of the Fleischman collection is expected to figure prominently in her trial. The Italians allege that True used that collection to obtain artifacts that had been recently excavated and smuggled out of Italy.

The special committee is also investigating Getty Trust Chief Executive Barry Munitz's use of tax-exempt Getty funds. Munitz is under investigation by the California attorney general's office, which launched its inquiry after The Times disclosed in June that Munitz had spent lavishly on perks and travel.

Biggs said that the circumstances surrounding the Fleischman loan to True are complex and that the special committee's internal investigation of True's two loans is nearly complete.

He added that all information about both loans would be provided to the public and to Italian authorities, who have interviewed Barbara Fleischman about her dealings with True.

Biggs, former chairman and chief executive of the TIAA-CREF investment fund and an advocate for corporate reform, said some information has not been shared with Italian authorities in the past, "but this is one that is obvious that is significant to them."

Added Ronald L. Olson, an attorney hired to assist with the Getty's internal review: "The committee and its representatives will have free rein to pursue all relevant facts and intend to do so."

Neither Fleischman nor True disclosed the loan in annual conflict-of-interest statements, according to Getty trustee Ray Cortines, who as chairman of the board's audit committee checked the disclosure forms after learning of the loan.

Regina Herzlinger, a Harvard Business School professor and expert on corporate governance, said it was "terrible" that neither disclosed the loan, and that the financial tie could have undermined True's ability to be a "dispassionate" expert for the Getty.

The fact that the Fleischman loan did not require True to secure it with the villa as collateral made it even more problematic, Herzlinger said.

"If you lend me money and just have my word that I'd repay, that's a risky loan," she said. "If it's an unsecured loan, it begins to smack of a tit for tat."

In 2000, Barbara Fleischman joined the board of the Getty Trust, the parent organization of the museum. She remains a trustee today.

Fleischman said in an interview Wednesday that it never occurred to her that she had to disclose the loan, which her late husband had arranged with her knowledge. Her husband died in 1997. She said the loan had nothing to do with the couple's business transactions with the Getty.

Fleischman said she told Munitz about the loan last month when questions arose about the curator's purchase of the summer home in Greece. Last week, Fleischman appeared before her board colleagues to explain the loan.

"In the aftermath, I realize that if it was my husband's, it was mine," she said, adding that she had been naive to think her husband's dealings "didn't attach to me."

"The reason why he didn't hide the loan was because it was an honorable loan to a friend, with interest," she said. "There's nothing sneaky about this."

Fleischman added that she has actively advocated for better management and governance at the Getty, and intends to continue to do so.

"I have no intention of leaving the board," she said.

True's two loans have raised questions about the Getty's senior leadership.

The Times reported last month that True purchased the Greek house in 1995 after being referred to an Athens attorney recommended by Christo Michailidis, a Greek antiquities dealer who together with his partner, Robin Symes, sold millions in antiquities to the Getty.

Michailidis' nephew told The Times that the attorney worked for the dealer's family, and that the money was provided by an offshore company to disguise the source.

The loan was for four years, with most of the money due at the end in a balloon payment, the board's special committee found.

Records obtained by The Times show that former museum director Deborah Gribbon and Peter Erichsen, the trust's general counsel, were told about the first loan.

Gribbon questioned True about the loan, and said Wednesday in an e-mail to The Times that Erichsen was present at the meeting. Erichsen has told the board's special committee that Munitz was informed about the loan and given a report after True was confronted about it, the board's special committee has found.

There are conflicting reports about how True responded to those questions in 2002. She did not reveal the

second loan -- from the Fleischmans -- at the time. But when The Times raised questions last month about the first loan, True was told to retire, several sources said. The Getty announced her retirement a day later.

The revelations about the Fleischman loan add a new twist to the Getty's acquisition of the couple's collection, a move that touched off a storm of public criticism when it was announced nine years ago.

Shortly before the acquisition, True and the Getty had announced a tough new policy promising to curtail its purchases of antiquities and pledging to buy in the future only from "established, well-documented" collections. The move responded to criticisms that museums, and especially the Getty, were fueling the demand for looted antiquities by snapping up items that appeared on the market with no documented ownership history, or provenance.

But critics accused the Getty of hypocrisy when it turned around and acquired the Fleischman trove, the majority of which had no documented ownership history. The first and only time the collection appeared in a publication was in a 1994 book that True and the Getty put out when the museum exhibited the couple's artifacts.

True played a key role in the Getty's securing of the renowned collection, according to several current and former officials of the trust. Several of the world's most prominent museums were interested in the antiquities.

"I don't think the Fleischman collection would have ever come to the Getty without Marion," said audit committee Chairman Cortines, describing her role as "enormous.... They trusted her."

Fleischman said True became a close friend of the couple, a relationship that contributed to the couple's decision to donate the sought-after collection to the Getty.

Fleischman said True played no role in the financial negotiations over the acquisition.

The final agreement was signed June 14, 1996. Three days later, True wrote to her Greek lender that she "had finally found an American source for a 20-year mortgage."

Lawrence Fleischman's offer came during a casual conversation with True, who expressed frustration over trying to obtain a replacement loan with better terms, according to his widow, who said her husband told her of the exchange soon afterward.

According to Fleischman, True told her husband, "I've struck a snag. Apparently there's some law in Greece; there's a problem borrowing the money."

As Fleischman related: "My husband said, 'I'll loan you the money.' 'No, no,' she said, 'I'll exhaust my other resources.'"

"He said, 'Look, Marion, this will be a straight loan. I'll charge you interest. I'll be delighted to help.'"

Descriptors: J PAUL GETTY MUSEUM; ART COLLECTIONS AND COLLECTORS; LOANS; EXECUTIVES; STOLEN PROPERTY; ART; TRUE, MARION



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