

How Jeffrey Epstein made himself indispensable to billionaire Leon Black, the former president of MoMA

Disclosed files reveal close ties between the late financier and the billionaire art market fundraiser. Emails, testimonies and financial documents raise new questions about the businessman's involvement in Jeffrey Epstein's sex trafficking networks.

By Jérémie Baruch



Leon Black, President and CEO of Apollo Global Management, in Beverly Hills, California, April 27, 2015.
PATRICK T. FALLON / "LE MONDE" / BLOOMBERG / GETTY IMAGES

On May 2, 2012, the auctioneer made a final bid at a busy Sotheby's auction in New York. "Now, the world record for any work of art sold at auction is this painting, Edvard Munch's *The Scream*," he said. The iconic work by the Norwegian painter had just been sold for \$120 million to an anonymous buyer. Two months later, the press revealed the buyer was Leon Black, an American billionaire and art enthusiast, founder of the powerful asset management company Apollo Global Management and vice president of the board of directors at New York's Museum of Modern Art (MoMA).

Well before the secret was out, Jeffrey Epstein already knew the identity of the buyer. “Client buying a huge artwork (...). Need answer, monday night. (The Scream, for your info only),” he wrote to his banker 10 days after the sale. In his terse style, he questioned him about the tax arrangement that Black might use to hold the artwork.

The millions of documents from the Epstein archives released at the end of January by the United States Department of Justice, which include correspondence between the two men, financial statements, contracts and meeting minutes, as well as court documents, reveal their deep business and personal ties. The billionaire’s name appears several thousand times in these so-called “Epstein files.” These documents shed light on his involvement in complex tax schemes, but also bring to light several accusations of sexual assault against Black.

Shared pastimes, overlapping social and family circles

Epstein and Black were introduced by a mutual acquaintance in the mid-1990s. As early as 1997, the billionaire asked Epstein to become one of the first trustees of the Black Family Foundation, which was set up to facilitate the family’s philanthropic contributions. The financier held this position for about 10 years, then stepped down shortly before his first criminal conviction for a sexual offense in 2008. That conviction was, incidentally, known to the Apollo CEO.

In August 2010, once Epstein had served his prison sentence, the friendship between the two New Yorkers took precedence over any potential reputational risks. After all, as Black would explain much later, “these offenses arose out of a single instance in which Epstein had received a massage from a 17-year-old prostitute,” adding that he “believes in rehabilitation.”



Undated photo of Jeffrey Epstein and Leon Black, from the Epstein Files

The Epstein files portray a very close friendship, built on shared leisure activities and overlapping social and family circles. The two men frequently spent time relaxing together, took late afternoon walks in Manhattan, attended private screenings of Woody Allen films, enjoyed a dress rehearsal at New York's prestigious Carnegie Hall and invited each other to parties.

In December 2012, Epstein welcomed his friend for lunch at Little Saint James, his private island in the United States Virgin Islands, where young girls, some of them minors, were victims of sexual assault and even rape. According to the files, Black went there at least twice, but stated in 2020 that he had "never spent the night" there. Other documents show he also visited Epstein's Paris apartment at least once, as well as his ranch in New Mexico and his villa in Florida.

But Black relied on Epstein above all for his expertise in tax engineering. For his first test run in 2012, Epstein was tasked with examining a flawed inheritance plan that could have cost the family up to \$1 billion in gift taxes. The financier managed to avoid any taxation by advantageously restructuring the arrangement.

In 2015, history repeated itself: Thanks to a lengthy and complex operation to restructure intra-family loans, the financier managed to generate a tax advantage of nearly \$600 million. The trust between the two men was such that Black authorized Epstein to act on his behalf on his Deutsche Bank accounts.

\$2.6 billion art collection



Several pieces from Leon Black's collection, evaluated by Sotheby's in 2012.

The convicted child sex offender, who in 2017 told his friend that his “credibility with the IRS [US tax authorities] is quite unique and one of [his] most important assets,” also took an interest in Black’s extraordinary art collection. Black, a frenzied collector and major donor to the MoMA, eventually became the institution’s board chair in 2018.

As he consolidated his fortune, Black amassed a collection of paintings and sculptures that ranged from Renaissance masters, including Raphael and da Vinci, to icons of modern and contemporary art, such as Pablo Picasso, Vincent Van Gogh and Paul Cézanne. In November 2016, the entire collection was valued by the auction house Christie’s at \$2.6 billion.

Epstein set out to find the ideal arrangement to turn the collection into a source of tax deductions. To do so, he created a limited partnership registered in the American tax haven of Delaware, which would hold the Black couple’s artworks. Officially, the goal was to “facilitate the diversification” of the collection, according to a draft of the arrangement. But an email from Epstein revealed that the main objective was to secure a discount for the children at the time of the owners’ death, while also allowing the Blacks to keep the paintings hanging in their private residences without paying any rent. This was a “very elegant” solution for Epstein, but it raised fears among the billionaire’s other wealth managers of a catastrophic tax adjustment. In exchange for his services, Epstein hoped to receive a substantial percentage of the tax savings achieved. Black categorically refused. Nevertheless, Epstein was paid more than \$158 million over five years for his tax and estate planning advice. This money was paid to Southern Trust, a Virgin Islands company owned by Epstein.

But in an email sent to his friend, with whom he ultimately fell out in 2017, Epstein complained: “Each time you have chosen not to pay what we agreed.” Yet, according to Democratic lawmaker Ron Wyden, this was an amount “far exceeded those paid to other professional advisors,” as he wrote in an open letter in July 2023. As the number two of the Finance Committee, Wyden has sought since 2022 to untangle the financial ties between Epstein and Black.

Accusations of sexual violence

The scale of these payments raised questions. Did they only compensate for clever financial arrangements? A few days after Epstein was arrested in July 2019 on suspicion of sex trafficking involving minors, several media outlets highlighted his ties with Black. At first, the Apollo CEO managed to contain the scandal to their business dealings alone. During a conference call with his investors, Black insisted at the time that he was “completely unaware of and (...) deeply troubled by the conduct” of the financier. But the criticism did not subside. Apollo’s management was forced to launch an internal investigation.

The report, published in 2021, states that there is “no evidence that Black [...] was involved in any way with Epstein’s criminal activities at any time.” Allegations that were later made public, as well as documents from the Epstein files, now make it possible to question that conclusion.

BLACK flew [REDACTED] to JEFFREY EPSTEIN's home in Florida. BLACK told [REDACTED] that if she talked to anyone he would tell her son that she was on drugs. [REDACTED] was also at the house and wanted [REDACTED] to have sex with EPSTEIN. It got to the point where they were yelling at [REDACTED], telling her that EPSTEIN had a sex addiction. [REDACTED] told [REDACTED] that EPSTEIN needed to have sex with multiple people and that if [REDACTED] did not have sex with him then something terrible would happen to her and it would affect her life. [REDACTED] did not have sex with EPSTEIN; she and BLACK left.

BLACK ran a sex trafficking ring. [REDACTED] constantly tried to run away. If [REDACTED] fought BLACK, he hurt [REDACTED] more. [REDACTED] thought that every sexual encounter BLACK had with her was nonconsensual. BLACK told [REDACTED] that if she stayed with him, he would let her stay in the country. BLACK told her she should not think about work. [REDACTED] earned her bachelor's degree.

Screenshot of a victim of Leon Black. She filed a lawsuit against him in June 2021, which concluded with a dismissal without the possibility of appeal.

In recent years, the press has reported testimonies and accusations from three women. One of them claimed that “Black raped her about 20 years ago [...] in Epstein’s townhouse.” Another woman, who was 16 at the time, stated that Black “violently raped” her in the financier’s New York apartment.

In 2021, a Russian model filed a complaint against Black after accusing him before the FBI, saying that “Black ran a sex trafficking ring.” She signed a confidentiality agreement with him in 2015, in exchange for several hundred thousand dollars. All three testimonies led to legal proceedings, one of which is still ongoing.

Contacted by Le Monde, Black’s lawyers said that “of the three civil lawsuits brought against Mr. Black, [two have been] dismissed with prejudice,” while the case involving the underage victim “is currently facing a case terminating motion for sanctions.”

A document dated 2021 in the Epstein files further states that “one lawyer represents ten women that [Black] sexually assaulted.” The billionaire’s lawyers categorically deny any problematic behavior or sexual violence: “There is absolutely no truth to the allegations against Mr. Black.”

Even before the publication of these damning testimonies, media and legal pressure had already

ady caught up with Black. He stepped down as head of Apollo Global Management and from his seat on the MoMA board of directors in 2021. Two years later, he reached an agreement with authorities in the Virgin Islands, agreeing to pay \$62.5 million to avoid prosecution in a case linked to Epstein. According to the agreement, “Jeffrey Epstein used the money Black paid him to partially fund his operations.” Black, now 73 years old, is due to testify before Congress on May 13 to explain his ties to the convicted child sex offender.

Jérémie Baruch

How Picasso, Van Gogh And Cézanne Helped Finance Epstein Client Leon Black's Billionaire Lifestyle

The Epstein files detail private equity tycoon Leon Black's massive, multi-billion-dollar art collection—and how he leveraged it to grow his wealth.

By John Hyatt, Forbes Staff.

For decades, Leon Black cultivated a reputation as one of the world's most formidable art collectors, scooping up truckloads of museum-worthy masterpieces. But ongoing revelations of Black's yearslong affiliation with Jeffrey Epstein—most notably, paying the convicted sex offender the vastly above-market rate sum of \$170 million for financial and tax advice over a six-year period—have tarnished his reputation. In March 2021 Black resigned as CEO of Apollo Global Management, the private equity firm he founded, and a few days later he stepped down as chair of the Museum of Modern Art's board of trustees.

Now, the latest batch of Epstein files show how Epstein helped Black turn his art collection into a sophisticated financial asset. Far from functioning solely as a personal passion, Black's trove of Picassos, Cézannes and Monets was systematically structured, valued and leveraged so that Black could borrow against them on a massive scale. Epstein helped manage and organize the collection, transforming illiquid paintings into bankable collateral that could be pledged for large loans—allowing Black to unlock hundreds of millions of dollars in cash.

Entities controlled by Black put up \$1 billion worth of art as collateral for a loan from Bank of America as of 2014, according to an Epstein files document titled "Art Partnership Inventory." The value of Black's collateralized art (works he had borrowed against) had grown to \$1.4 billion by 2017, according to a second document titled "Collateral," which contains many of the same works of art. Some of the most valuable works of art that Black collateralized for loans included Paul Cézanne's *Le Château Noir* (appraised at \$50 million in 2016), Piet Mondrian's *Composition C with Grey and Red* (\$40 million), Constantin Brâncuși's sculpture *La Muse* (\$40 million) and Claude Monet's *Nympheas* (\$45 million).

Black had over half a billion dollars in loans taken out against his art collection as of 2016, the Epstein files show. One document detailing Black's personal portfolio (dated Dec. 31 2015), shows that entities controlled by Black had borrowed \$631 million in total, and that one entity called Narrows LLC accounted for \$565 million of those loans. Narrows is listed as the owner of Black's collateralized art in additional Epstein documents dated July 2016 and March 2017. Those files, titled "All Art," appear to catalogue Black's entire trove of art at that time, including each piece's acquisition cost, appraised value by auction house Christie's, and unrealized gains on investment. Black's art collection, as of 2016, was worth \$3 billion, with unrealized gains on his investments totaling \$1 billion.

A decade later, Black's art trove is surely worth even more today. New York-based fine art appraiser Sylvia Leonard Wolf estimates that his 2017 collection would have increased in va-

lue by roughly 50% since then.

“Bluechip works like his don’t lose value,” adds Bonnie Kagan, another New York-based fine art appraiser. “It’s the best of the best, every high-end collector wants them.”

It is unclear how much Black is still borrowing against his art, or which specific pieces of his collateralized collection have been sold over the last decade. A spokesperson for Black declined to comment.

By borrowing against his multi-billion-dollar art portfolio, Black was able to access enormous sums of money while at the same time avoiding any capital gains tax payments to the IRS—a common strategy among billionaires and the ultra-wealthy known as Buy, Borrow, Die. Black has also borrowed against his stake in Apollo Global Management, the private equity firm he cofounded in 1990. The company’s 2022 proxy statement shows that Black had placed roughly 20% of his Apollo shares “in one or more margin accounts subject to a standard margin loan arrangement.” The size of Black’s loans collateralized by Apollo is not disclosed.

Black, 74, is worth an estimated \$13.6 billion. His net worth includes an estimated \$6.6 billion of art, cash and other investments; the remaining \$7 billion is his stake in Apollo. In 2021, prior to Black stepping down as CEO Apollo Global Management released a report by multinational law firm Dechert LLP, which found that Black paid Epstein \$158 million between 2012 and 2017 for advice related to tax, estate, and asset planning. That is a vast amount of money to pay for such services, especially for a Wall Street insider with easy access to top expertise.

Black’s art holdings, their opaque structure and Epstein’s role in managing them have previously drawn scrutiny. The Dechert report (which did not find any wrongdoing by Black) noted that Epstein’s work extended beyond conventional tax matters into issues involving Black’s most valuable personal assets—including artwork—and that Epstein was involved in structuring arrangements intended to preserve, shield, or maximize the value of those holdings. The following year, U.S. Senator Ron Wyden (D-Oregon), chair of the Senate Finance Committee, opened a separate investigation, citing concerns that Epstein may have facilitated aggressive tax avoidance strategies.

Black has long used his collection to curry goodwill with major art institutions, particularly the Museum of Modern Art (MoMA). Black was chair of MoMA from 2018 until 2021 when he stepped down amid the Epstein backlash. As of 2014, Black had pledged \$23.5 million worth of art (including works in which he owned a partial interest) to MoMA as future gifts, according to another document contained in the Epstein files. In 2018, Black gave \$40 million in cash to MoMA, which then named its film center after him and his wife Debra. He remains a trustee on MoMA’s board.

Visitors to New York’s finest museums are likely to encounter Black’s influence, whether they’re aware of it or not. At MoMA, visitors to the fifth floor can view Paula Modersohn-Bec-

ker's 1907 self-portrait—a gift from Black and fellow art collecting billionaire Ron Lauder, with whom Black co-owns other works. At the Metropolitan Museum of Art's upcoming "Raphael: Sublime Poetry" exhibition, museumgoers may see Head of a Young Apostle and Head of a Muse, two drawings worth a combined \$98 million as of 2017. It's not clear whether Black still owns them; the Met thanks Black for providing "additional support" in its press release touting the upcoming exhibit.

Masterpiece Money Machine

These blue-chip artworks were among dozens that Leon Black used to unlock hundreds of millions in borrowing



Paul Cézanne

*Le Château Noir** (c. 1900)

What Black Paid: \$11,500,000

2016 Appraised Value: \$50,000,000

*Cézanne completed several paintings of the Château Noir between 1900 and 1906. Forbes could not confirm which one Black owned.

Kazimir Malevich

Extended Plane (Plan en extension) (1915)

What Black Paid: \$15,500,000

2016 Appraised Value: \$50,000,000

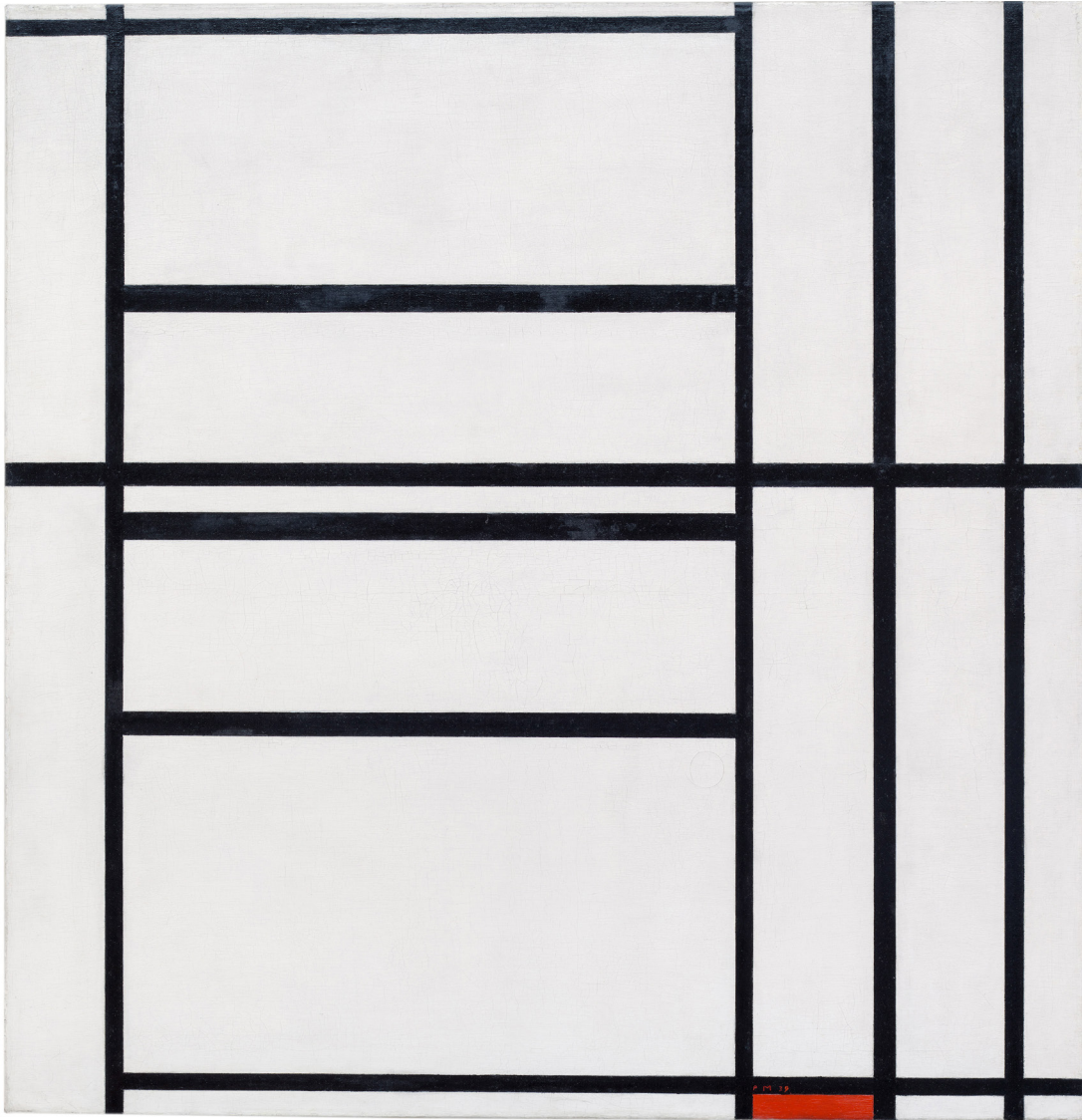


Claude Monet

Nymphaeas (1908)

What Black Paid: \$22,500,000

2016 Appraised Value: \$45,000,000



Piet Mondrian

Composition C with Grey and Red (1938)

What Black Paid: \$2,700,000

2016 Appraised Value: \$40,000,000

Constantin Brâncuși

La Muse (c. 1917)

What Black Paid: \$10,500,000

2016 Appraised Value: \$40,000,000

Fernand Léger

Femme courant (c.1913)

What Black Paid: \$16,000,000

2016 Appraised Value: \$40,000,000



Paul Cézanne

La carrière de Bibernus (c.1895)

What Black Paid: \$7,500,000

2016 Appraised Value: \$35,000,000

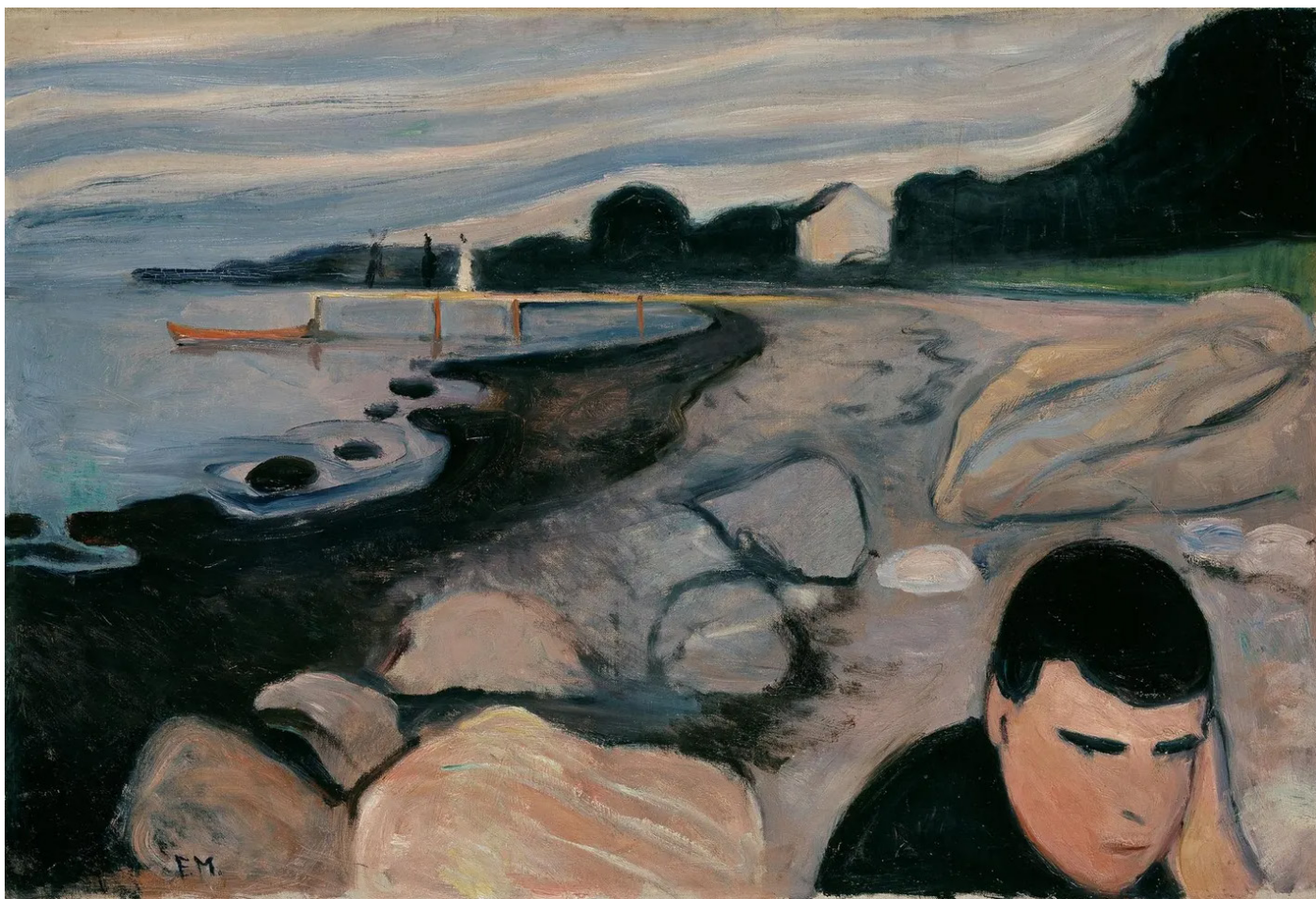


Pablo Picasso

Buste de femme (1907)

What Black Paid: \$9,500,000

2016 Appraised Value: \$30,000,000



Edvard Munch

Melancholy (1892)

What Black Paid: \$11,000,000

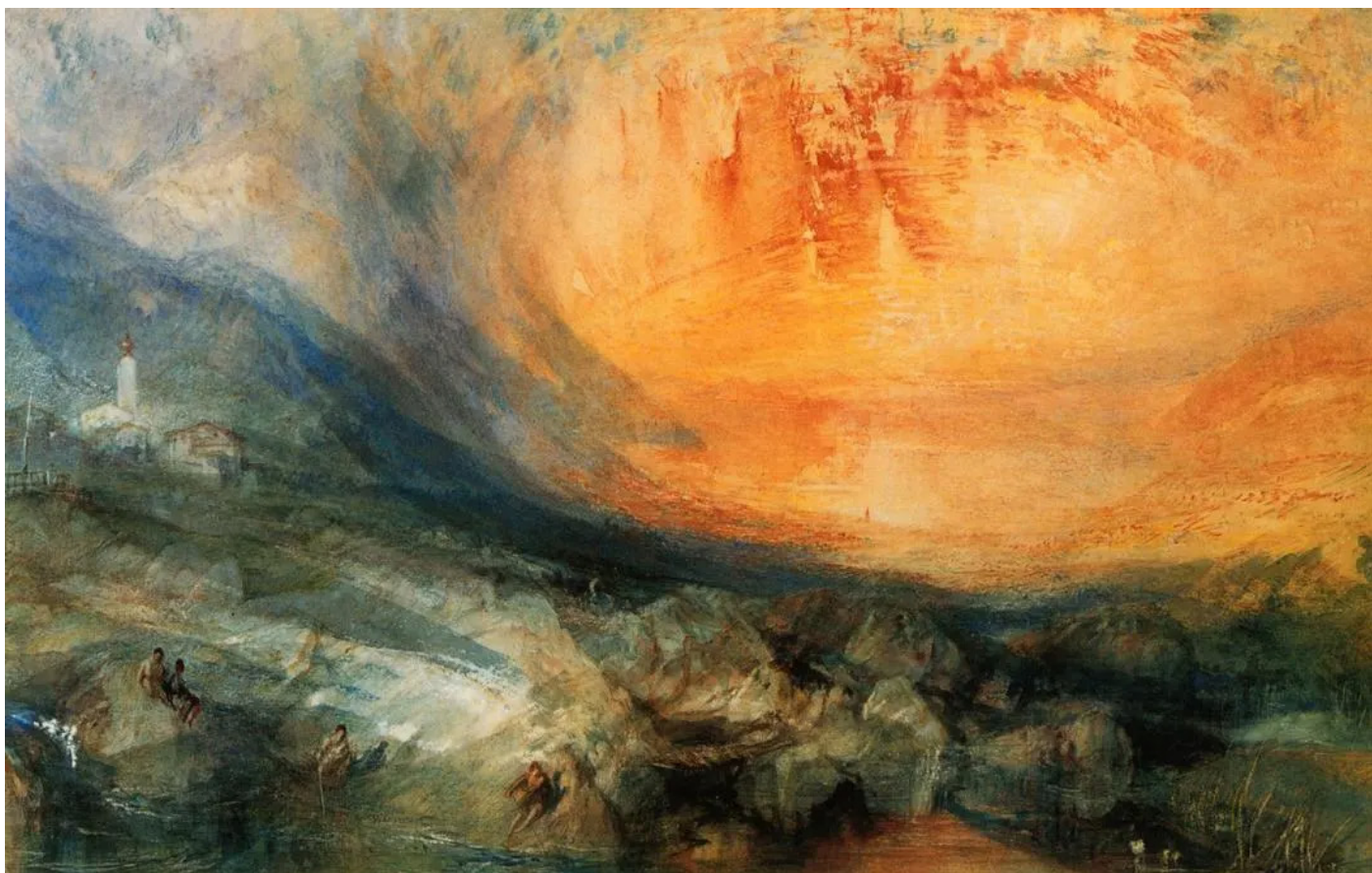
2016 Appraised Value: \$30,000,000

Henri Matisse

Marocaine en jaune (Zorah en jaune) (1912)

What Black Paid: \$10,000,000

2016 Appraised Value: \$25,000,000



J. M. W. Turner

Goldau (c. 1841)

What Black Paid: \$1,300,000

2016 Appraised Value: \$20,000,000



Rembrandt van Rijn
An old bearded man, seated (1630)
What Black Paid: \$2,450,000
2016 Appraised Value: \$18,000,000

Jeffrey Epstein's Connections in the Art World, Explained

From former MoMA chairman Leon Black to artist Andres Serrano—Epstein has been linked to major art world figures.

By Eileen Kinsella

Amid the ongoing, often erratic, release of documents and photos related to disgraced sex offender Jeffrey Epstein, it's clear that the once high-flying billionaire, who was found dead in a Brooklyn jail cell five years ago, had extensive ties to a number of high-profile art world figures. From former MoMA chairman Leon Black, who is known to have paid tens of millions of dollars to Epstein for art-related tax advice, to retail mogul and top art collector Leslie Wexner and artist Andres Serrano, who discussed the potential impact of Trump's vulgar comments about women on the 2016 election—a range of art world names keep emerging in the slow release of information.

In the December 19 release of documents by the Department of Justice, more startling details have emerged about the story of Maria Farmer, an artist and former New York Academy of Art student who worked for Epstein. She was assaulted by both him and Maxwell, and threatened with violence when she sought to report and expose them as early as the mid-1990s—at least a decade before Epstein came under scrutiny from authorities. Farmer went directly to the FBI to report her allegations of abuse, including charges of child pornography, but her complaint was ignored. In a related complaint that Farmer filed against the Epstein estate several months following his death, she said she also received threats from Maxwell, who told her: “We’re going to burn all your art. And I just want you to know that anything you ever make will be burned. Your career is burned.”

Below is what we know so far about Epstein's entanglement with various art-world individuals and companies. Being named or depicted in the files does not imply wrongdoing, and many of those identified have denied any misconduct.

Leon Black

Black is still being investigated by the U.S. Senate Finance Committee over more than \$150 million that he paid to Epstein for tax-related work between 2012 and 2017. For example, in 2016, the billionaire collector and former chairman of the Museum of Modern Art sold an Alberto Giacometti sculpture, *Figure Moyenne II* (1947), for \$25 million to a trust controlled by Epstein, according to a report in the *New York Times*.

That same day, a Black-affiliated company used the proceeds from the Giacometti sale to buy a Paul Cézanne watercolor, *Portrait de Vallier de Profil* (1904–06), for \$30 million, the *Times* reported. In order to avoid capital gains taxes, which are normally applied to art when an owner sells for a profit, Black, with Epstein's assistance, took advantage of a 1031, or “like-kind” exchange. The tax strategy is no longer available to art collectors.

Related art transactions by Epstein and a holding company associated with Black's art acquisitions were also the subject of U.S. Virgin Island subpoenas in 2020 linked to two works by Paul Cézanne and one by Pablo Picasso.

The now notorious 50th birthday book compiled for Epstein in 2003 by his former partner Ghislaine Maxwell, who is currently serving a 20-year prison sentence for sex trafficking, also reportedly contained a 16-line poem, said to be handwritten by Black. Titled "On the Occasion of Jeffrey Epstein's 50th Birthday," it referenced "Green eyeshades, schemes and plans, a unique tax strategy." It was signed "Love and kisses, Leon."

Asked for comment, Susan Estrich, an attorney for Leon Black, said via email: "Mr. Black asked for an independent investigation of his relationship with Jeffrey Epstein, and Dechert investigated and reviewed more than 60,000 documents and concluded that Mr. Black paid Epstein for estate planning and tax advice, no more, no less, and all vetted and approved by well-regarded law and accounting firms.

"At the same time, Epstein's emails, to which Mr. Black never responded, make it clear that Epstein was a braggart who embellished and exaggerated his role and responsibilities in many ways.

"The emails were also abusive and disrupted the family office, and at a certain point, Epstein's harassment and his relentless pursuit of more money crossed the line so Mr. Black ended the relationship. The latest release of emails further confirms the findings made in the independent Dechert Report."



Leon Black at The Museum Of Modern Art Film Benefit Presented By CHANEL: A Tribute To Martin Scorsese, on November 19, 2018 in New York City. (Photo by Dimitrios Kambouris/Getty Images for Museum of Modern Art)

Leah Kleman

Art dealer Leah Kleman was included in a “little black book” contact list that Epstein kept. In one report, she described negotiating prices with Epstein as “something like a scene out of the movie *Mad Max: Beyond Thunderdome*.” Over the course of 25 years, he sought deals on works he hoped would make an impression on others, including for “shock value.”



The art and antiques dealer Leah Kleman in 2010. Photo: Max Rapp / Patrick McMullan via Getty Images.

Andres Serrano

The first tranche of the Epstein documents, released in mid-November, include at least two direct email exchanges between artist Andres Serrano and Epstein.

In an October 10, 2016, email, Serrano discussed the 2016 U.S. presidential election and his feelings about the “outrage” at Trump’s sexist, misogynistic comments that at one point, threatened to derail his campaign. According to the files, Serrano, whose email address is redacted in the published correspondence, wrote: “Jeffrey, I was prepared to vote against Trump for all the right reasons but I’m so disgusted by the outrage over ‘grab them by the pussy’ that I may give him my sympathy vote. I’m sure Bill C said things, too. Andres.”

Asked for comment, Serrano told me over email: “Frankly, I had forgotten the exchange with Jeffrey Epstein but apparently I said it. I saw Donald Trump’s comment as locker room talk and it’s hypocritical to pretend that men and women don’t do it.”



Andres Serrano in Paris in 2024. Photo: Joel Saget / AFP via Getty Images.

Leslie Wexner

Retail magnate and top art collector Leslie Wexner has been described as “the most important contributor to the staggering growth in Epstein’s fortune,” according to a recent deep dive New York Times report. The long running “unsolved mystery” is what exactly Wexner got out of the relationship. “Epstein’s modus operandi with other wealthy men—including the private-equity billionaire Leon Black—was to instill fear that their finances were a mess, that their advisers and even family members were inept or exploiting them and that only one man had the wherewithal to save them,” the newspaper reported. Wexner was also a contributor of an explicit note to the 50th birthday book.

Wexner who created the Wexner Center for the Arts, in Columbus Ohio, is known for his love of artists from the New York School, such as Franz Kline and Mark Rothko, as well as for blue-chip master Pablo Picasso.



Leslie Wexner at the 2016 Fragrance Foundation Awards in New York City. Photo: Nicholas Hunt/Getty Images for Fragrance Foundation.

Dmitry Rybolovlev

Billionaire Russian businessman and art collector Dmitry Rybolovlev's name comes up in at least two topics in the tranche of emails released in mid-November.

One is for his previous ownership of Leonardo da Vinci's *Salvator Mundi* (1500). In a May 2019 email to journalist Michael Wolff, Epstein wrote, quoting a Vox article: "*Salvator Mundi*, the last known da Vinci painting in private hands, has an incredible provenance. Rybolovlev purchased it for \$127 million in 2013 through his art dealer, the Swiss businessman Yves Bouvier. Bouvier, the owner and operator of several freeports, bought the painting for \$80 million with the intention of selling it to Rybolovlev at a steep profit. Its owner before Bouvier, the New York City-based gallerist Robert Simon, found the painting at an estate auction in New Orleans in 2005. He paid just \$10,000."

In a separate May 2019 email, Epstein's accountant Richard Kahn discussed a by now well-known real estate transaction in Palm Beach, in which Rybolovlev paid around \$96 million for an oceanfront property owned by Trump, which he purchased for just \$41.4 million four years earlier.

According to Kahn: The property “was purchased for \$96 million by Dmitry Rybolovlev, a Kremlin-linked industrialist—which meant Trump made \$55 million on the deal despite risking none of his own money. Wolff offers two possible theories for the deal. The author suspects that Trump may have earned a fee for hiding a shadow owner who possibly was funneled cash by Rybolovlev for reasons beyond the property’s value. Or, Wolff theorizes, Rybolovlev essentially bought the house from himself, with Trump as an intermediary, to launder ill-gotten money. ‘This,’ Wolff wrote, ‘was Donald Trump’s world of real estate.’”



Dmitry Rybolovlev. Photo: Valery Hache/AFP via Getty Images.

Jeff Koons

Koons, who is the most expensive living artist at auction, gets a passing mention in a May 2023 Wall Street Journal report, indicating that director Woody Allen and Epstein had at one point planned a visit to Koons's studio. The artist did not respond to the Journal's request for comment.



Jeff Koons during the press preview of his exhibition “Lost in America” on November 20, 2021, at Qatar Museums. Photo: Cindy Ord/Getty Images for Qatar Museums.

Christie's and Sotheby's

As far back as five years ago, in December 2020, a few months after Epstein's death, auction giants Sotheby's and Christie's were hit with subpoenas by authorities in the U.S. Virgin Islands as part of their ongoing investigation into Epstein. The subpoenas demanded that the auction houses turn over documents relating to Epstein's art purchases. A third subpoena, sent to a firm called the Chicago Deferred Exchange Company, also focused on his art trades. The news was first reported by Chris Spargo in OK! magazine.



From left to right: Christie's New York headquarter. Photo: Beata Zawrzet / NurPhoto via Getty Images; Sotheby's New York headquarters. Photo: Alexi Rosenfeld / Getty Images.

Epstein files show art market financialisation in full flow

A Black mark on 'Château Noir'

By Josh Spero

If you happen to be near Basel in Switzerland, you could do worse than go and visit the Beyeler Foundation's exhibition of late works by Cézanne. It's "eloquent", according to the FT's art critic, with paintings which "opened the door to modern art".

One of the works on show is "Château Noir" (c1904), which depicts faint umber buildings disappearing behind blue-green trees rendered in Cézanne's idiosyncratic tache broad brushstrokes.



Château Noir (detail) by Paul Cézanne. © Webmuseum, Paris

What does this proto-abstract piece have to do with child sex offender Jeffrey Epstein, you might wonder.

At the back of the catalogue, the painting is described as coming from a private collection — and thanks to the Epstein files, we can identify whose collection that probably is (or certainly once was).

Spoiler: it's Leon Black, co-founder of private capital firm Apollo and a big client of Epstein's.

But how we found this out, and what it tells us about the art market, is the interesting part. Some background. The market for art-backed loans — where paintings and sculptures are used as collateral — is surprisingly big.

A report from Deloitte Private and ArtTactic Art estimated it at \$33.9bn-\$40bn in 2025, up

almost 12 per cent on its previous estimate. It projected that the total loan portfolio would rise to \$42bn-\$50.1bn in 2027.

Billionaires don't like to have their paintings just hanging on the wall, doing nothing for them. Much better to make them sweat by using them as collateral.

Private banks will consider lending sums from \$5mn into the hundreds of millions, or even more, and tend to use a 50 per cent loan-to-value. That means you need to pledge art worth double the money you need.

Lenders want pieces worth more than \$200,000-\$250,000 and by more than one artist to avoid concentration risk. They prefer Impressionist and Modern works, spanning Monet to Warhol, over those of emerging artists without a proven auction record.

Because the art market has been bad for a few years, art lenders have asked borrowers for more pictures as security for their loans after the value of their collateral has fallen. Default rates among non-bank lenders are high.

Back to Black.

While trawling through the Epstein files for art-related interest, I came across a \$470mn art-backed loan he was involved with on Black's behalf. Epstein's wide-ranging work for Black, including around art, has been covered, but the details of this loan do not appear to have been reported before.

The loan appears clearly in the paperwork. "Black Asset Summary" from September 30 2014 lists, under Liabilities, \$470mn for "Loan payable — BofA (Art)":

LIABILITIES		
THIRD PARTY LIABILITIES		
LOAN PAYABLE-BOFA (ART)	NOTE 7	(470,000,000)
LOAN PAYABLE-BOFA (AVIONETA)	NOTE 7	(21,475,000)
LOAN PAYABLE-BOFA (BJAV)	NOTE 7	(17,517,500)
ACCOUNTS PAYABLE		(3,906,589)
BALANCE PAYABLE - FL CONDO		-
		(512,899,089)

Other emails to Epstein show he was being kept up to date on the loan.

We can dive into what's behind — or, rather, inside — that loan, thanks to more of the Epstein files.

In July 2014, in a document titled "Collateral for BofA loan", Sotheby's valued dozens of items from Black's collection at a total of \$1bn. (BofA will be Bank of America, which is being sued

by one of Epstein's victims.)

An undated file, but presumably after the valuation, is called “Pledged — BofA loan” and details the actual collateral given. Price-wise, it ranges from a \$55mn Cezanne (not our work but also referenced in the Beyeler's catalogue) to a \$2mn Matisse drawing.

The pledged items total \$891.7mn, of which the loan amount, \$470mn, would be 52.7 per cent — the LTV sweet spot for art-backed loans.

Among the items is a line for “Le Château Noir” (c1904), oil on canvas, 27¼ x 32½ inches. Sotheby's had appraised the value at \$25mn and it had been pledged to BofA at same:

PLEGGED - BOFA LOAN		Sotheby's Appraised Value (July 2013)	Pledged Value BoFA	PLEGGED AS COLLATERAL
Artist	Item Description			
CEZANNE, PAUL	Le Château Noir* Circa 1904 Oil on canvas 27 ¼ x 32 ½ inches	25,000,000	25,000,000	Y

So how do we know this is the work at the Beyeler? After all, as the Beyeler catalogue says, “Cezanne left many of his works untitled.” And there are six works with “Château Noir” in their titles being exhibited.

First, most of the others are called things like “Sous-bois (Chemin du Mas Jolie au Château Noir)”, aka “Undergrowth (Path from Mas Jolie to the Château Noir)”.

The only other unadorned “Château Noir” comes from 1903-04, the wrong date, and is owned by the Museum of Modern Art in New York, “gift of Mrs David M Levy”. Levy gave it to MoMA in 1957, which means it's out of the running.

The clincher is the size. In the catalogue, it's given as 69.2cm x 82.5cm. Converted into imperial — the format from the pledge document — you get 27.24in x 32.5in, almost the exact size listed in the file (“27¼ x 32½ inches”).

As an aside, the Château Noir featured in the artworks was so named, according to a MoMA catalogue, “not because of its color but because local rumor labeled its builder an alchemist in alliance with the devil”. Apt.

I asked the Beyeler whether the private collection was Black's and it said:

Of course, Black could easily have sold this work privately (it doesn't seem to have gone through recent public auctions at Sotheby's or Christie's), so it may not be his now. But it sure once was.

Why does this matter? The art market, despite its turmoil, is still valued at \$57.5bn and the art-backed loans market is not much smaller. The art market itself is poorly regulated and

thrives on privacy/discretion/confidentiality/secrecy/mystery/obfuscation.

Had Leon Black's adviser been anyone other than Jeffrey Epstein, we would probably have never known any of these details, and there is no suggestion that Black did anything wrong in this transaction or with this loan to the Beyeler (if indeed it is still his).

But the art market contains as much market as art, and the Epstein files show how a painting produced by a genius can be involved in a transaction overseen by a sex offender. From an expression of the soul to a line on a balance sheet.

The next time you go to an exhibition and the label by an artwork says "private collection", these may be some of the complexities, and perhaps some of the people, behind it.

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