

News:

Museum Told to Surrender Schiele Drawing to Heirs of Man Killed by Nazis

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By Graham Bowley and Tom Mashberg

A judge in New York ruled on Wednesday that the Art Institute of Chicago must surrender a 1916 drawing by Egon Schiele to investigators who plan to return it to the heirs of a Jewish cabaret entertainer from Vienna who was murdered in a Nazi concentration camp in 1941.



According to the court, the drawing “Russian Prisoner of War” from 1916 must be returned to the heirs of collector Fritz Grünbaum.

The drawing “Russian War Prisoner” was purchased by the Art Institute in 1966, but investigators for the Manhattan district attorney’s office had asserted that it and other works once owned by the entertainer and art collector Fritz Grünbaum had been looted by the Nazis during the Holocaust.

Many of the works created by Schiele, the Austrian Expressionist, that Mr. Grünbaum owned ended up in the hands of museums and collectors around the world. Mr. Grünbaum’s heirs have spent years working to reclaim them.

In her ruling, New York Supreme Court Judge Althea Drysdale said she agreed that the work had been stolen from Mr. Grünbaum by the Nazis. “Russian War Prisoner” has been stolen property for the last 86 years,” she said in a 25-minute reading of her order from the bench.

Over the past two years, other museums and private collectors had returned Schiele works to the heirs after being presented evidence by the investigators that they had been seized by the Nazis. But the Art Institute disputed that evidence and challenged the jurisdiction of the Manhattan district attorney to bring what in fact was a criminal proceeding that treated the museum’s Schiele as stolen property.

In hearings last year, the district attorney’s office accused the Chicago museum of ignoring evidence of an elaborate fraud undertaken to conceal that the artwork had been stolen from Mr. Grünbaum by the Nazis on the eve of World War II.

For its part, the museum insisted there was no evidence to suggest the work had been stolen, and it challenged the authority of the investigators to lay claim to a painting that had been located beyond New York for 60 years, arguing that disputes like this are civil matters and that New York criminal law has no place in the discussion. Instead, it said, the drawing had legitimately passed from Mr. Grünbaum to his sister-in-law, who had sold it to a Swiss dealer after the war.

Its refusal of the art unit’s claims represented a sustained and very public battle threatening to undercut the trafficking unit’s authority in this case — and by extension, many others. But in her 79-page ruling, Judge Drysdale agreed with the investigators on all points.

She found that the work could still be considered stolen property under New York law, that the criminal laws applied and that New York investigators had jurisdiction over the matter. The Manhattan investigators had argued they had jurisdiction because the Schiele works were owned by a New York gallery before being sold on to other owners.

She also found that the Art Institute had failed to make reasonable inquiries about the work’s provenance when it acquired the work and did not live up to its own standards for provenance research.

“We are disappointed with the ruling,” Megan Michienzi, a spokeswoman for the museum, said in a statement. “We are reviewing the court’s decision and will look at all available options for appeal.” These options include applying for a stay on the handover of the work to investigators.

Raymond Dowd, the lawyer for the Grünbaum heirs, welcomed the decision. “This judge wrote a clear warning call to any people in the world who are hiding Nazi looted art that you had better not bring it anywhere near New York. Ever,” he said.

The Art Institute routinely displayed the work during its many years at the museum until it was seized in place by investigators in 2023 on the basis of a warrant signed by Judge Drysdale.

In her decision, she not only discussed the law but also the history of the work, of Mr. Grünbaum and of the artist who created the drawing.

“Throughout his storied career, Grünbaum was an outspoken critic of the treatment of Jews in Austria,” she wrote. “This advocacy, coupled with his Jewish heritage and his fame within Vienna’s performing arts industry, would lead to his capture, imprisonment at Dachau Concentration Camp, and murder at the hands of the Nazis during World War II.”

At the center of the dispute was the question of what happened to the drawing and other Schiele works when they were deposited by Mr. Grünbaum’s family at a storage facility in Vienna in 1938. Investigators in the Manhattan district attorney’s art trafficking unit maintained that this was tantamount to surrendering them to the Nazis, who they say controlled the warehouse.

The museum said that while the storage company had been “affiliated” with the Nazi regime, it “also provided lawful storage and moving services to Jewish families” including to Mr. Grünbaum’s sister-in-law, Mathilde Lukacs, who the museum argued had inherited the drawing and others from the entertainer’s collection.

The dealer who brought “Russian War Prisoner” and other Schieles once owned by Grünbaum to the New York art market in the 1950s, Eberhard Kornfeld, said he had bought them from Ms. Lukacs. The museum said it believed his account to be credible.

But the New York investigators worked to compile evidence that the judge embraced as a convincing rebuttal of Mr. Kornfeld’s account. She noted that investigators dismissed as forgeries the several invoices that Mr. Kornfeld produced as evidence of his transactions with Ms. Lukacs. On some the signature for her name was misspelled, for example.

“It’s highly improbable that Mathilde Lukacs ever obtained proper title to ‘Russian War Prisoner,’” Judge Drysdale said, and she suggested the museum needed to have done more to investigate the work’s ownership trail.

“They instead relied upon the assurances of a discredited art dealer with an obvious self-serving agenda,” she wrote in her ruling.

Before Manhattan investigators entered the debate, the Grünbaum artworks had already been the subject of considerable civil litigation in which other courts have come to varying conclusions.



Fritz Grünbaum was an Austrian entertainer and art collector who was an outspoken critic of the treatment of Jews before he was imprisoned and killed in a Nazi concentration camp

In 2018, a New York Supreme Court judge ruled in the case of two other Schiele drawings that Mr. Grünbaum never sold or surrendered any works before his death, and that they were indeed looted by the Nazis, making his heirs their true owners.

In another civil case, a federal court ruled on procedural grounds that the Grünbaum heirs came forward too late to lay claim to the works and described Mr. Kornfeld's account as credible. "Russian War Prisoner" is also the subject of a separate civil case in federal court in New York in which the Art Institute is arguing it has good title to the drawing.

Mr. Dowd, who represents the Grünbaum heirs, said that he did not think "the federal procedure survives" Judge Drysdale's decision.