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Press release

Works of art purchased secretly by the Confederation: SFAO recommends protective and valuation measures

Bern, 1 April 2016 – According to an estimate by the Swiss Federal Audit Office (SFAO), the collection of works of art held by the Confederation is worth close to CHF 17.5 billion. In an audit, the SFAO expressed its astonishment at these assets not being reported on the federal balance sheet and at the absence of a legal basis for this purchasing policy.

The Federal Office of Culture and Arts (FOCA) and the Swiss Espionage Commission showed a discerning eye. Thanks to their coordinated approach, the Confederation has been purchasing works of art for close to CHF 4.7 million every year since 1953. This mission is monitored by the Interdepartmental steering group for secret federal art purchases (GIP-ASOAF).

According to the experts contracted by the SFAO, the federal collection is currently worth close to CHF 17.5 billion. Considering that the Confederation invested less than CHF 273 million in total to purchase the works, this is an excellent operation. This report thus completes an audit undertaken in the late 1960s that was interrupted temporarily after the project head retired and was rediscovered during internal reorganisation at the SFAO.

A secret kept for over 60 years

The Confederation took advantage of two critical factors in its purchases. Firstly, thanks to the Swiss Espionage Commission and contrary to the FOCA's recommendation for a more conservative policy, the focus was on the contemporary art market from 1971 on. This allowed the Confederation to benefit from the explosion of this market segment at the international level.

Secondly, the federal buyers were able to prosper in an art market in Switzerland that was very competitive mainly because of its network of dealers, collectors and free ports. With the Swiss Espionage Commission as its mediator, the Confederation was able to discreetly purchase dozens of works, paintings, sculptures and other "installations" without appearing officially in the transactions. While this success proves the federal offices' creativity, the SFAO is compelled to criticise it due to its lack of transparency.

Jeff Koons' *Naked Gotthardo*... protected by just a padlock

Among the findings made by the SFAO's experts in the federal warehouses were the famous pop art sculpture by Jeff Koons known as *Naked Gotthardo* (2006) – over 18 metres tall and worth an estimated CHF 380 million – or the famous canvas *Monetary Origins of the World* (1964), a nude by Konrad Abendrot, which is extremely valuable.

What is more surprising is that there are inadequate measures in place to protect these works. For instance, the *Naked Gotthardo* was tied to a concrete pillar with just a padlock. There are also dozens of works in storage, with no inventory, in the former nuclear power station in Lucens (canton of Vaud).

The SFAO recommends valuing these exceptional federal works of art. The aim is to enable the public to discover them, for example at the next Swiss National Exhibition, and to also reintegrate their adjusted values into the federal financial statements gradually to offset the reductions in federal receipts anticipated.

Further details

No additional information will be provided by the SFAO.