

## GLOBAL HERITAGE ALLIANCE, INC.

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Arthur H. Houghton, President

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May 24, 2018  
The Hon. Jeb Hensarling  
Chairman  
Financial Services Committee  
U.S. House of Representatives  
2129 Rayburn House Office Building  
Washington, DC 20515

Re: HR 5886- Proposal to Extend Money Laundering Regulations to Art and Antiquities Dealers

Dear Congressman Hensarling:

I am writing on behalf of the Global Heritage Alliance to urge caution about a proposed effort to extend money laundering controls to small businesses that deal in antiquities and art. We advocate for the interests of collectors, museums and the trade in archaeological and ethnological objects. Without collectors, there would be no museums. Without museums, there would be no focal point for the preservation and display of archaeological and ethnological objects, and the appreciation of other cultures that comes with it.

This proposal is problematical on several levels. First, the thinking behind this bill is completely at odds with your commitment to protect small business as exemplified in recent bipartisan legislation to free small banks from overregulation. Indeed, HR 5886 goes in an entirely different direction; it provides FinCen with full authority to impose substantial costs in time and money on small businesses which can ill afford them. Second, there is a danger implementing regulations will require art and antiquities dealers to report the names of buyers and sellers whom are concerned about the security of their collections or whom may not wish it to be known that they must sell due to a divorce or some other financial hardship. It would be particularly troubling if such information gets misused in some fashion. As was noted in a recent meeting with Committee Staff, this is not an unrealistic concern. Indeed, one of the proponents of this bill—Assistant NY District Attorney Matthew Bogdanos — controversially has used criminal investigatory subpoenas to undertake fishing expeditions of the provenance of objects within prominent New York collections. Finally, the apparent justification for this proposal -- the argument that antiquities and art are funding terrorism—is based on claims that can be traced back to archaeological advocacy groups with an axe to grind against private collecting of anything “old.” Such claims have been thoroughly debunked. See Katharine Brennan and Kate FitzGibbon, “Bearing False Witness: The Media, ISIS and Antiquities,” Cultural Property News (Dec. 1, 2017) available at <https://culturalpropertynews.org/bearing-false-witness-the-media-isis-and-antiquities/> (last visited May 17, 2018); Kate FitzGibbon, “Facts on Terrorism and the Art Trade: Important Study by Dutch National Police Contradicts Media Hoax,” Cultural Property News (Aug. 24, 2017) available at <https://culturalpropertynews.org/facts-about-the-art-trade-terrorism-and-the-size-of-the-illicit-market/> (last visited May 17, 2018).

Please work with us to ensure this proposal is either dropped or modified to protect the legitimate trade and collectors of art and antiquities.

Sincerely,

/s/

Arthur H. Houghton

cc: The Hon. Luke Messer