

# Dirty Money Is Infiltrating America's Multi-Billion Dollar Art Market

The Bank Secrecy Act Can Fight Back—Protecting National Security, Economic Integrity, and Legitimate Businesses and Consumers



Art collector Nazem Ahmad—a leading financier for Hezbollah, an Iran-backed terror group behind bombings, assassinations and transnational organized crime. Image: U.S. Government

## Why is the U.S. Art Market So High-Risk?

The \$25B U.S. art market is the world's largest—making it a natural target for criminals, especially given a wide range of other risk factors:

- Art's **culture of discretion** provides cover to bad actors.
- The frequent use of intermediaries, offshore accounts, shell companies, and trusts **conceals beneficial ownership**.
- Usually, art is portable, but *not* subject to customs duties or illegal on its face, making it **easy to move** across borders.
- Unlike real estate or vehicles, art lacks deeds or VIN numbers, making it nearly **impossible to trace**.
- Determining **provenance, title, and authenticity** is difficult and **financial value** is **completely subjective**.
- Yet, despite these risks, the U.S. art market is **not subject to anti-money laundering (AML) laws** like the Bank Secrecy Act (BSA).

## Who Gains from the Status Quo?



### TERRORISTS

In 2023, the U.S. indicted Nazem Ahmad, a key **Hezbollah financier**, for using art and other luxury goods to **evade terrorism-related sanctions**—a scheme that allowed him to transact **\$160M+** through the U.S. financial system.



### CARTELS

A 2021 investigative report by *OjoPúblico* exposed how **Latin American drug cartels** looted, trafficked, and laundered pre-Columbian artifacts to fund organized crime.



### SANCTIONED ADVERSARIES

A bipartisan 2020 Senate investigation exposed that key Kremlin allies, Arkady and Boris Rotenberg, used art to **launder \$18M+** through the **U.S. art market in full evasion of sanctions**.

## How Are Criminals Exploiting the Art Market's Vulnerabilities?

The art market's **high-value, low-oversight** combination makes it an ideal environment for criminal activity, including:

- Terrorist Financing
- Money Laundering
- Sanctions Evasion
- Theft and Trafficking
- Tax Evasion
- Market Manipulation
- Fraud and Forgery
- Asset Concealment
- Asset Flight
- Corruption
- Abuse of Offshore Accounts, Shell Companies, and Trusts

## What Loopholes Enable These Crimes?

**The U.S. leads the global fight against art crime—yet its own market remains a blind spot, unprotected by the BSA.**

- While Congress extended the BSA to *antiquities* in 2021, they are just one small part of the wider whole.
- Even those rules have *not* yet been implemented.
- So for now, neither art *nor* antiquities benefit from securities afforded to other high-risk sectors.

Despite its name, the **BSA does not just apply to banks**, but *many* high-risk professions and institutions.

- While the BSA specifically targets money laundering, its guardrails combat many crimes.
- Its requirements mirror good business practice and industry-authored guidelines like due diligence, know your customer (KYC), and record keeping.
- Without BSA coverage, honest businesses are punished for doing the right thing—while criminals take their money to less scrupulous competitors.

## Why Act Now?

**Congress must urgently close this gap and apply the BSA to the American art market.**

**All other major art markets**—including the United Kingdom, European Union, Switzerland, and even China—**are now taking similar action.**

- The U.S. thus risks becoming a **safe haven for criminals** barred from other jurisdictions, putting our consumers and businesses at a global disadvantage.

**Art is an asset**; it must be regulated as such. Doing so protects our national security, economic integrity, and multi-billion dollar market. **Criminals, terrorists, and cartels must not succeed at the expense of legitimate collectors, dealers, galleries, auction houses, and museums.**

## Where Can I Learn More?



**Leaders in Congress, the Treasury Department, law enforcement, and even the art market itself have all repeatedly sounded the alarm: bad actors are exploiting the art market's exclusion from the BSA.** Scan the QR code to explore findings from the Antiquities Coalition's Financial Crimes Task Force and other leading sources. Learn more at [www.theantiquitiescoalition.org](http://www.theantiquitiescoalition.org).