

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.