

FIGHTING BOGUS INFORMATION ABOUT THE ART MARKET – 2021

It is an astonishing fact that the overwhelming volume of data used to promote the idea of the art market as a haven for international crime is bogus. Of equal concern is the fact that it is the authorities themselves – from law enforcement to law makers – who often propagate this bogus data, giving it the credence it does not deserve, and so clearing the way for it to influence policy. The result is that vital time and resources are spent on inflicting serious damage to legitimate interests while overlooking significant problems that need attention. This report provides primary source evidence to show this, as well as explaining how and why this happens.

SOME FACTS TO CONSIDER

- According to the FBI and insurance companies, the single largest cause of crime linked to artworks is domestic burglary – a misdemeanour that does not involve the art market.
- According to annual figures on illicit trade published by the World Customs Organisation, international crime involving artworks and other cultural property is by far the smallest category of risk, and it barely registers compared to other categories.
- In 2020, the UK Government’s national risk assessment concluded that the risk of terrorist financing through the art market was “low”.
- A 2020 report by the RAND Corporation, arguably the most highly respected independent research organisation in the United States, with a 75-year pedigree, found that claims regarding high levels of crime associated with the art market were groundless.
- The US Senate claim that US banking regulations don’t apply to multi-million dollar art transactions – supposedly justifying stringent new anti-money laundering legislation (AML) – ignores the fact that most high-value transactions are subject to such regulations as they pass through the banking system.

- CINOA is unaware of a single case globally where trafficked artworks have conclusively been shown to fund terrorism. This is in spite of the vast resources dedicated over decades to showing this is a problem.
- Those who have published, or continue to publish, bogus data include (but are not limited to) the European Commission, Interpol, US Immigration and Customs Enforcement, UNESCO, the United Nations Office for Drugs and Crime (UNODC) and numerous academic studies.
- In the case of UNESCO, a major campaign in 2020 attacking the wider art market and accusing it of being responsible for funding terrorism, was exposed as utterly fraudulent. Despite being shown how the headline figure accompanying the campaign was also demonstrably bogus, UNESCO continues to promote it. Those responsible remain in post.
- Bogus data has been used to justify the introduction of important legislation, including the European Union's 2019 import licensing regulations governing cultural property and AML proposals which have far-reaching implications for international trade, privacy rights and private property.

CLAIMED LINKS BETWEEN THE ART MARKET AND TERRORISM FINANCING

Over the past 20 years and more, governments, law enforcement, NGOs and others¹ have spent vast sums of money and countless hours investigating the art market. **Their ultimate objective? To prove that it is responsible for terrorism financing. The result? Nothing.** Yet, even when their own studies can find no evidence to support their claims (*See section on Deloitte² & Ecorys³ reports below*) still they persist in stating otherwise, pushing for more and more restrictions on legitimate trade while arguing that it remains a high-risk target for looters.

Why does this matter? Because it is against the public interest:

- It creates unnecessary bureaucracy, thereby stifling legitimate business interests across the art and antiques market without due cause, and does so in breach of the European Commission President's guiding principles⁴.
- It leads to the persecution of legitimate business and private individuals in breach of fundamental human rights, including property rights and privacy rights.

¹ These include: The US Government, the European Commission and Member States' national governments, UNESCO, Interpol, Europol, the World Customs Organization, Homeland Security, US Customs, the New York District Attorney's specialist Antiquities Investigations Unit, numerous academic institutions, campaign groups and NGOs.

² Deloitte for the European Commission, June 2017: DG TAXUD

Fighting illicit trafficking in cultural goods: analysis of customs issues in the EU

https://ec.europa.eu/taxation_customs/sites/taxation/files/annex_08_dg_taxud_study_fighting_illicit_trafficking_in_cultural_goods_en.pdf

See page 120: "As shown from the surveys to the Member States' administrations, hard evidence on the existence of these effects is currently often lacking". This statement annotates a bar chart showing zero evidence available of terrorism financing.

³ Ecorys for the European Commission July 2019 *Illicit trade in cultural goods in Europe – Characteristics, criminal justice responses and an analysis of the applicability of technologies in the combat against the trade: final report*

<https://op.europa.eu/en/publication-detail/-/publication/d79a105a-a6aa-11e9-9d01-01aa75ed71a1>

See page 15: "Measuring or estimating the size of the illicit trade in cultural goods proves to be a challenging task as no reliable statistics exist that can be used to provide a comprehensive picture... It was impossible to distinguish licit from illicit transactions in this exercise as there was no access to the sold objects and no way of establishing their authenticity or trading histories."

See page 16-17: "The scale of looting, trafficking, and the amount of money generated from these activities as well as exact nature of involvement of terrorist groups in the illicit trade in cultural goods remain unclear."

See page 16 (regarding trafficking routes: "It is difficult to draw conclusions on specific routes because, overall, the data is scarce, seizure samples are small and observed routes vary according to local/national perspectives."

AND

"Trafficking routes involved are largely unknown to anyone except for the traffickers themselves".

See page 63: "As a result of the lack of statistics, the conclusions of this study are predominantly supported by qualitative data."

See page 81-82 regarding looted items "being put on ice" for future trafficking: "There is no evidence to support this opinion, however, and it should be treated with caution."

⁴ Ursula von der Leyen, President-Elect of the European Commission, *Mission letter*, 10th September 2019:

https://ec.europa.eu/info/sites/info/files/mission-letter-mariva-gabriel-2019_en.pdf

- These measures frequently involve official support from Western governments and law enforcement for undemocratic regimes as they pursue unjustified claims prompted by propaganda and other agendas.
- The long-term consequence will be a great fall-off in the number of people collecting, who are vital to the conservation and preservation of minor objects that underpin the whole field of cultural heritage. And it means valuable resources are directed away from where they are most needed: in protecting vulnerable heritage sites around the world and targeting the real criminals.

THE ORIGINS OF FALSE DATA AND INACCURATE CLAIMS

We have heard a great deal about “fake news” over the past few years. Essentially it comes from three sources:

- Deliberate dissemination of false information
- Inaccurate reporting of facts, and
- Failure to check information sources

All three have played a part in the misleading picture built up over the years concerning the art market.

The addition of social media to the mix has led to persistent and widespread misinformation. Frequently, inaccurate reporting and the failure to check sources properly go hand in hand. Such misinformation gains added authority and impact when it comes from trusted sources that should know better, as is often the case.

The problem with the term ‘cultural property’

Another major contributing factor is the misuse of the term ‘cultural property’. In general terms it refers to all art, antiques and collectables, as well as items like household goods, as defined by the World Customs Organisation and others. The term ‘cultural property’ is often used in this context when referring to global crime levels. However, when debating ‘cultural property’ in a political context in forums such as UNESCO or national parliaments, it is usual for the term to be taken as referring only to antiquities (*See Appendix 1*). The result is that statistics that actually refer to all art crime globally, from fraud and theft to forgery and trafficking, are often mistakenly interpreted as referring only to the narrow field of illicit trade in antiquities, thereby creating an entirely false picture.

INCENTIVES FOR EXAGGERATING THE PROBLEM

It has been argued⁵ that campaigners and others have sometimes exaggerated the size of the problem of crime linked to the art market in order to attract Government attention and better

⁵ Fiona R Greenland, *Inside Isis’ looted antiquities trade*, The Conversation, May 31, 2016. See *The allure of numbers that awe*: <https://theconversation.com/inside-isis-looted-antiquities-trade-59287>

AND

Matthew Sargent, James V. Marrone, Alexandra T. Evans, Bilyana Lilly, Erik Nemeth, Stephen Dalzell, *Tracking and disrupting the illicit antiquities trade with open source data*, The Rand Corporation, 2020. See *Issues with the Current Approach for Assessing the Antiquities Market’s Relationship to Terrorist Funding*, page 10: https://www.rand.org/pubs/research_reports/RR2706.html

funding, but UNESCO's recent bogus advertising campaign⁶ targeting various areas of the international art market shows just how far things can go to create a false picture when agendas like ideology demand it. **If the evidence isn't there, they simply make it up.**

As some of the examples we provide in this paper demonstrate, the failure to check sources properly is commonplace where a source holds considerable public standing and confirms what the audience is looking for. However, such failure can have specific far-reaching consequences, as when the European Commission used an inaccurate 2011 study by UNESCO as direct evidence to justify the imposition of restrictive new cultural property import legislation in 2017 (*see Appendix 4*).

COMMONLY MADE CLAIMS THAT ARE BOGUS

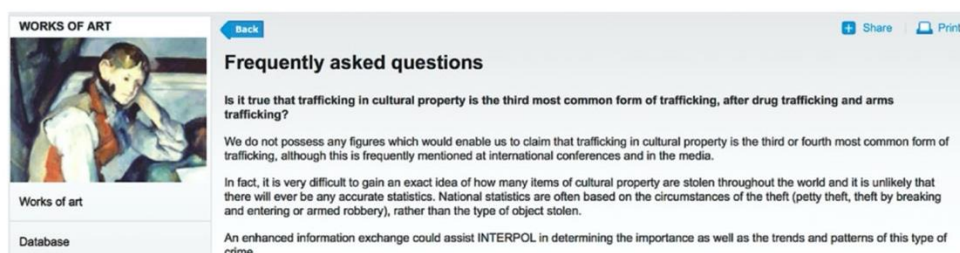
– Trafficking in cultural property is third only to that in drugs and weapons

This has been attributed to Interpol and is a frequently quoted claim in the media that has also been made by numerous other authorities including the European Commission, UNESCO and a 2018 report by Standard Chartered Bank. Where a source for it is given, it can usually be traced back to Interpol. **However, it isn't true.**

A similar claim did appear on the Works of Art Crime page on Interpol's website for a number of years, but was contradicted on the same page by Interpol's FAQs, which stated that Interpol had never had any data to justify this claim nor was ever likely to have. Interpol has now removed the claims from its site, but here they are for reference:



Above: The former Works of Art Crime home page on the Interpol website, where it makes a clear claim about the black market in works of art. This screenshot was taken on February 11, 2019. The statement was removed in March 2019. The World Customs Organisation's Illicit Trade Report 2017 demonstrates clearly that this claim is wrong.



Above: The conflicting claim under the Frequently Asked Questions on the same page of the Interpol website. This screenshot was taken on February 11, 2019. The statement was removed in March 2019.

⁶ Compare and contrast: UNESCO's fraudulent campaign against the international art market launched in October 2020: <https://documentcloud.adobe.com/link/track?uri=urn:aaid:scds:US:5091ee54-fade-4aeb-9f55-3b8dad664be2>

However, under the *Information for journalists* section on Interpol's updated website, it still notes that it does not collect crime statistics, as can be seen here:

— Does INTERPOL publish crime statistics?

No, we do not collect crime statistics and we do not have any list comparing crime rates in different countries. For individual country data, please contact the national authorities concerned.

This being the case, it can hardly be a reliable source for such statistics or comparisons.

– 80-90% of sales of antiquities involve goods with illicit origins.

Although not attributed, one of the sources for this figure is the November 24, 1990 article by Geraldine Norman in *The Independent*, entitled *Great Sale of the Centuries* (See Appendix 2). It has no source other than her opinion. She recently said that it was simply her opinion at the time.

Another source for the figure is the UNESCO 2011 report, entitled ***The fight against the illicit trafficking of cultural objects. The 1970 Convention: Past and Future.***⁷

On page two it states: “80% of Etruscan and Roman antiquities on the market today have an illegal provenance”, estimates Maurizio Fiorilli, Deputy General Advocate of the Italian State, who chaired the Ministry's Commission for the restitution of illicitly exported artifacts”.

Obviously, this does not actually refer to all antiquities. It is also possible that this statistic arises from the survey of a single Etruscan cemetery in 1962, although this needs confirming. It is also possibly the basis for the Geraldine Norman claim (see above), although this cannot be confirmed. In any case, there appears to be no basis at all for the claim that 80% of all antiquities that come onto the market are illegal. If that could be confirmed, then they would be able to give a fairly accurate value for illicit trade, something that all parties agree cannot be given.

Another source for the 80% figure is former FBI Special Agent Robert Wittman, Founder of the FBI Art Crime Team, as reported in a 2016 article by John Powers of the Association of Certified Fraud Examiners⁸. However, Wittman uses it in reference to other aspects of art crime – fraud, forgeries and fakes – which he says together constitute 80% of all art crime. The problem has arisen with Wittman's use as a source being filtered through other articles and reports, where it has been misinterpreted so that it has ended up being used as a figure referring to antiquities.

⁷ UNESCO, *The Fight against the Illicit Traffic of Cultural Objects: The 1970 Convention: Past and Future*, Information Kit, 2011 (see page 2) http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/CLT/pdf/2013_INFOKIT_1970_EN.pdf

⁸ John Powers CFE, *Fakes, forgeries and dirty deals, Global fight against amorphous art fraud*, Featured Article, Association of Certified Fraud Examiners, January/February 2016: <https://www.acfe.com/article.aspx?id=4294991131>

– Cultural property trafficking is a multi-billion dollar industry

This frequently made claim comes in various forms and applications, with values varying from as low as €2.5 billion to as high as \$45 billion⁹ annually. Sometimes the figures are applied to the entire art market, sometime just to antiquities. The one consistent factor about them is that they are wrong, but that hasn't stopped them from being used to justify new regulations, including the European Union's 2019 regulations on import licensing for cultural property.

In 2013, the FBI art crime unit estimated all art crime globally concerning everything from Contemporary art to stamps, at around \$4 billion to \$6 billion¹⁰. That includes crimes such as domestic burglary (the largest single contributor to the figures), vandalism, fraud and so on. This figure has sometimes been expanded to \$6 billion to \$8 billion but is really from the same source, as the John Powers article quoted above shows.

UNODC

The United Nations Office for Drugs and Crime (UNODC) made the following bold claims at the bottom of page 8 of one of the most important reports influencing policy on antiquities crime. Titled *PRACTICAL ASSISTANCE TOOL to assist in the implementation of the International Guidelines for Crime Prevention and Criminal Justice Responses with Respect to Trafficking in Cultural Property and Other Related Offences*¹¹, it was published in 2016.

- The Museums Association has estimated that profits from the illicit antiquities trade range from \$225 million and \$3 billion per year.²⁸
- The Organized Crime Group of the United Kingdom Metropolitan Police and INTERPOL has calculated that profits from the illicit antiquities trade amounted to between \$300 million and \$6 billion per year.²⁹

²⁷ See Neil Brodie, Jenny Doole and Peter Watson, *Stealing History: The Illicit Trade in Cultural Material* (Cambridge, McDonald Institute for Archaeological Research, 2000); and Simon Mackenzie, "Trafficking antiquities" in *International Crime and Justice*, Mangai Natarajan, ed. (Cambridge, Cambridge University Press, 2011).

²⁸ United Kingdom, House of Commons, Culture, Media and Sport Select Committee, *Cultural Property: Return and Illicit Trade*, seventh report, vols. 1, 2 and 3 (London, 2000).

²⁹ Ibid.

As can be seen, UNODC gives as its direct source the same Hansard record used by the 2011 UNESCO report that influenced the European Commission's FACT Sheet, used as justification for introducing

⁹ Brooks Tigner, *Europe moves to curb ISIS antiquity trafficking*, New Atlanticist, September 13, 2019:

<https://www.atlanticcouncil.org/blogs/new-atlanticist/europe-moves-to-curb-isis-antiquity-trafficking/> It is noteworthy that although, in the Editor's note at the end of article, the publishers acknowledge the fact that the figure is wrong, they do not correct the article itself. In fact the correction in the footnote is, itself, wrong. The global antiquities trade is not worth \$45 billion a year. It is worth an estimated \$300-400 million. The \$45 billion quoted in this context was actually used to estimate the value of the entire legal global art market and was repeated in the wider media.

¹⁰ FBI Art Theft Program video & transcript, 2013: <https://www.fbi.gov/video-repository/newss-fbi-art-theft-program/view>

¹¹ See https://www.unodc.org/documents/organized-crime/Publications/16-05585_eBook_English_UPDATED.pdf

its 2019 import licensing regulations. However, as Hansard itself reveals (*see Appendix 5*), these figures do not relate to antiquities at all, but to the wider art market and luxury goods. One of the resulting issues about this gross exaggeration of the problem with antiquities is that it has unjustly led to them being used as the excuse for extending much more restrictive AML regulations to the wider art market. This can be seen in the US Senate's focus on antiquities as the next priority for AML under the Bank Secrecy Act, even though the evidence they use to justify this does not relate to antiquities at all¹². It also appears that UNODC has not checked the primary source for its claims.

Other influential bodies repeating the multi-billion dollar claim as to the value of illicit trade in antiquities are equally influential, sometimes quoting no source for them at all. Among many others, they include:

US Immigration and Customs Enforcement, who included the claim in the boilerplate of all press releases relating to cultural property and antiquities investigations up until May 2020, as this screengrab from one on May 18, 2020 shows:

HSI's International Operations, through its 80 offices in 53 countries, works closely with foreign governments to conduct joint investigations, and is committed to pursuing a strategy to combat transnational organized crime related to the illicit trafficking of cultural artifacts by targeting high-priority organizations and strengthening international law enforcement partnerships.

HSI has recovered and returned approximately 12,500 artifacts to more than 30 countries since 2007, including paintings from France, Germany, Poland and Austria; cultural artifacts from China and Cambodia; dinosaur fossils from Mongolia; and illuminated manuscript left from Italy; a pair of royal Korean seals, ancient Peruvian ceramics, an ancient gold coffin repatriated to Egypt, and most recently, more than 500-year-old copy of Christopher Columbus' letter describing his discoveries in the Americas to the Government of Italy.

Despite increasingly aggressive enforcement efforts to prevent the theft of cultural heritage and other antiquities, the illicit movement of such items across international borders continues to challenge global law enforcement efforts to reduce the trafficking of such property. Trafficking in antiquities is estimated to be a multi-billion-dollar transnational criminal enterprise.

Members of the public who have information about the illicit distribution of cultural property, as well as the illegal trafficking of artwork, are urged to call the toll-free tip line at 1-866-DHS-2-ICE or to complete the [online tip form](#).

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Standard Chartered Bank produced a two-page report in 2018¹³ on the issue of antiquities crime, attributing claims to the UN, including the bogus claim that trade in illegal antiquities is third only to that in drugs and weapons and is a multi-billion dollar activity. It appears that the source may be the UNODC report reviewed above.



¹² See <https://www.hsgac.senate.gov/subcommittees/investigations/media/portman-carper-bipartisan-report-reveals-how-russian-oligarchs-use-secretive-art-industry-to-evade-us-sanctions>

¹³ See https://av.sc.com/corp-en/others/Combating-Illegal-Antiquities-Trade_FINAL.pdf

THREE CASE STUDIES

1. UNESCO's fake advertising campaign to mark 50 years of the 1970 Cultural Heritage convention⁴

In October 2020, *The Real Price of Art* (also titled *The True Price of Art*) featured a series of artworks and artefacts from around the world placed in a domestic setting. Pictured under headings such as *Supporting an armed conflict has never been so decorative* and *Terrorism is such a great curator*, each image was accompanied by a detailed caption explaining how the object in question had been looted and trafficked, with the proceeds going to fund terrorism or other violence. An investigation exposed the entire campaign as fraudulent, with the images being lifted from the legitimate archive of the Metropolitan Museum of New York and from stock photos of commercial online archives. Even when replaced, with UNESCO assuring the public that the replacement photos were certainly of looted and trafficked items, this also proved not to be the case.

2. Proposed anti-money laundering legislation in the United States

The latest attempt to crack down on the art market in the United States comes with the proposed extension of the Bank Secrecy Act to cover antiquities. Justification for this was made on the basis of sanction-breaking art transactions in by two Russian oligarchs, the Rotenberg brothers Arkady and Boris.¹⁴

The proposals failed to consider the damaging impact on smaller art market businesses, nor the fact that almost all high-value transactions across the market are already effectively subject to AML due diligence as they pass through the banking system.¹⁵ Randall A. Hixenbaugh, an antiquities dealer and president of a non-profit organization called the American Council for the Preservation of Cultural Property said: "Virtually all transactions of high-dollar amounts in the ancient art business are handled through financial institutions and instruments already covered by the Bank Secrecy Act. Criminals seeking to launder ill-gotten funds could hardly pick a worse commodity than antiquities." Nicholas O'Donnell, a US lawyer who is also part of the Responsible Art Market Initiative, has been damning in his indictment of the US Senate proposals: "...upon closer reading, the report is a recycling of clichés about the art market, a detailed description about the considerable diligence by the auction houses far beyond what any even theoretical regulation would require (thus begging the question of what lesser regulation would accomplish), and no discussion or empathy at all for the vast majority of small art businesses that could not possibly comply with such regulation and stay in business, let alone actually combat money laundering." In other words, in concluding that two men avoided sanctions and escaped the attentions of compliance authorities in doing so, without further evidence the Senate committee deduced that the practice must be widespread. As O'Donnell

¹⁴ See <https://www.hsgac.senate.gov/subcommittees/investigations/media/portman-carper-bipartisan-report-reveals-how-russian-oligarchs-use-secretive-art-industry-to-evade-us-sanctions>

¹⁵ See Zachary Small: *Congress Poised to Apply Banking Regulations to Antiquities Market*, New York Times, January 1, 2021: <https://www.nytimes.com/2021/01/01/arts/design/antiquities-market-regulation.html>

AND

Nicholas O'Donnell Sullivan & Worcester LLP, U.S. *Senate Report Takes a Swing at Money Laundering in the Art Market But Strikes Out on Substance*, Art Law Report, August 12, 2020: <https://blog.sullivanlaw.com/artlawreport/u.s.-senate-report-takes-a-swing-at-money-laundering-in-the-art-market-but-comes-up-empty-on-substance>

comments: “This hardly follows as a matter of logic. Far from supporting the case for sweeping financial regulation of the art market, the report unintentionally makes the opposite point.” As can be seen from the 2020 report *Reframing US policy on the Art Market*, by powerful anti-trade lobbyists the Antiquities Coalition, the entire art market is under the microscope, not just antiquities, with Contemporary and Modern Art especially in focus¹⁶.

3. The European Union import licensing regulations 2019

Many of the RAND Report findings (*see below*) are not in contradiction with recent reports commissioned by the European Commission to provide evidence to justify the 2019 import licensing regulations, **The Deloitte Report¹** and **The Ecorys Report², *Illicit trade in cultural goods in Europe***, as well as the World Customs Organisation Illicit Trade Reports. Two facts can be concluded from these reports:

- No evidence exists of terrorist financing activities within the EU from the trade in cultural goods.
- The level of risk of looted cultural property with links to terrorism financing is almost non-existent in comparison with drugs, weapons & ammunitions, tobacco, alcohol and counterfeit goods.

CREDIBLE EVIDENCE BASED ON PRIMARY SOURCE DATA

Credible evidence depends on the findings of independent research, as well as reports by those who have expected to find a problem but have admitted that they have not.

The World Customs Organisation Illicit Trade Reports

The WCO has targeted Cultural Heritage as a risk category in its annual illicit trade reports since 2015, and has published detailed data about it since 2017. The WCO 2017, 2018 and 2019¹⁷ Illicit Trade Reports clearly show that cultural goods barely register on the scale by whichever of the four measures are used: number of cases being investigated, number of seizures, volume of material seized, or value of material seized.

The WCO has argued that low levels of reporting at national level hide the true figures – and the WCO only includes figures reported through its Central Enforcement Network – but the gap between cultural property trafficking and all other sectors of trafficking is so great that it could not come anywhere close to them. For example, the WCO notes that revenues lost from illegal logging alone accounted for an estimated \$15 billion in 2019 under the Revenue risk category. It should also be remembered that cultural heritage category is not limited to art and antiques but also encompasses household goods and other items, so the relevant figures applying to the art market are even smaller than those shown. (*See Appendix 6*)

¹⁶ See <https://theantiquitiescoalition.org/wp-content/uploads/2020/09/FCTF-Report.pdf>

¹⁷ WCO 2019 Illicit Trade Report:
<http://www.wcoomd.org/en/media/newsroom/2020/july/the-wco-issues-its-2019-illicit-trade-report.aspx>

Rand Report 2020

Specifically, regarding the claim linking terrorism financing to artefacts, most data is anecdotal. In May 2020, a new report appeared from the RAND Corporation, arguably the leading independent research organisation within the United States, with a 75-year history of ground-breaking studies. Titled ***Tracking and Disrupting the Illicit Antiquities Trade with Open Source Data***¹⁸, it concludes that most widely held assumptions and current theories are wrong about antiquities trafficking. The report argues that this has led to poor policy in tackling the problem as “effective policy responses are hindered by the lack of data and evidence on two fronts: the size of the market and the network structure of participants.” The authors assert:

– “Despite the growing public outcry about the scale of looting in the conflict zones of the Middle East and the growing policy interest in the use of antiquities looting as a source of terrorism finance, there is little concrete information available about the size of this illicit trade. Moreover, there are not even comprehensive statistics that describe the legal portion of the global antiquities trade. However, this lack of data has not diminished the spread of wildly varying estimates about the size of the market for looted antiquities.”

(See *Measuring the international trade in antiquities*, page 69)

– “Simply put, while we cannot claim to measure the size of the illicit market, we can show that observable market channels are too small to act as conduits for a billion-dollar-a-year illicit trade.”

(See *Measuring the international trade in antiquities*, page 70)

– “While researchers have often assumed that looting is feeding an unmet demand for antiquities on the open market, this view is inconsistent with the auctions data that we collected. Rather than finding that antiquities are “highly prized as investments and status items [for which] demand exceeds the modest legal supply,” we found instead a market in which sellers struggled to find buyers.” (See *Online auction markets*, page 73)

– “...our analysis suggests that it is unlikely that large volumes of looted antiquities are being sold through observable channels in Europe or the Americas.” (See *Summary*, page 85)

In the report the authors propose more effective ways forward for developing policies intended to disrupt illicit networks which CINOA actively encourages policy makers to consider.

Other reports that have also debunked substantial claims of trafficking and terrorism financing through the EU include and elsewhere include, but are not limited to:

– ***Caliphate in Decline: An estimate of Islamic State’s Financial Fortunes*** (2017)¹⁹. The International Centre for the Study of Radicalisation and Political Violence, King’s College, London: “...revenues from the sale of antiquities and kidnap for ransom, while difficult to quantify, are unlikely to have been major sources of income.” (See *Key Findings*)

¹⁸ Matthew Sargent, James V. Marrone, Alexandra T. Evans, Bilyana Lilly, Erik Nemeth, Stephen Dalzell, *Tracking and disrupting the illicit antiquities trade with open source data*, The Rand Corporation, 2020
https://www.rand.org/pubs/research_reports/RR2706.html

¹⁹ See <https://icsr.info/2017/02/17/icsrev-report-caliphate-decline-estimate-islamic-states-financial-fortunes/>

– ***Cultural Property, War crimes and Islamic State*** (2016)²⁰. Commissioned by the War Crimes Unit of the Dutch National Police: “Media reports are barely based on primary sources but rather copy each other’s headlines, leading to over exaggeration and unfounded estimates of IS revenues. Despite the lack of evidence for a large-scale illegal trade network benefitting IS, governments stress the importance of fighting this assumed vital source of income for IS. Evidence for large-scale operations is not found.” (See *Executive Summary*, page 6)

CONCLUSIONS AND RECOMMENDATIONS

Conclusion of the analysis of the material being used by policy makers

In summary, this report shows how bogus figures cited are either entirely made up or do not accurately reflect the claims about the international art market with which they are associated.

Widespread claims about trafficking, money laundering and links to terrorism have no basis in reliable evidence. In fact, the figures come from a mixture of anecdote, assumption and error. Where detailed figures are given, often while naming specific claims about the antiquities trade, it turns out that they do not relate to the antiquities trade at all, but the entire culture sector and often relate to crimes or activity that have nothing to do with looting, trafficking or terrorism financing.

It is also notable that where figures do apply to the wider culture sector, they are usually decades old. This all begs the following questions: if the problem is as widespread as the authorities and anti-trade campaigners claim, why do they have to rely on false evidence? Surely real evidence of wrongdoing must be extensive? So why is it so hard to find? One thing we can be sure of: if an instance arose where it could be proved that art crime led directly to terrorism financing, it would be heavily publicised in the media.

It is now more than 30 years since the Geraldine Norman *Independent* article was published and decades since the original sources misinterpreted by law enforcement and others as evidence of antiquities crime, or crimes in the wider art market, arose.

Seven multi-national law enforcement operations in recent years, going under titles like Athena and Pandora, have led to hundreds of thousands of items being seized, tens of thousands of people, ships and vehicles being searched, and hundreds of arrests. Despite this, CINOA is unaware of a single related conviction involving terrorism financing or, indeed, any conviction at all applying to an art market professional, as a result of these operations.

Despite all this, and the incalculable level of resources dedicated to showing that the art market is a haven of crime, the supremely distinguishing characteristic of the resulting evidence is how little crime there is compared to other sectors. Where crimes such as looting, trafficking and money laundering have involved artworks, the criminals involved are almost universally not members of the professional art market. Detection can be difficult because the nature of the crimes are varied and complex... and criminals don’t co-operate with the authorities.

²⁰ See <https://documentcloud.adobe.com/link/track?uri=urn:aaid:scds:US:51f3d6c7-13db-4d17-992b-cbc3f76a7e78>

The *Art Newspaper* is widely recognised as the most influential and important publication reporting on the art market globally. A simple search of its archive using the term ‘art crime’ gives as accurate picture as any of the real nature of the problem. It’s notable how little of this involves art market professionals or collectors.

It is easy to write a new law – much harder to address the real problem effectively. All of the above challenges the need for increasingly restrictive legislation to be applied to the international art market. The oft-used claim that it is unregulated is patently untrue; it is subject to hundreds of laws nationally and internationally, many of them already stringent. Taking a risk-averse approach to legislation must be balanced by acting in the legitimate interests of business and the public; this is clearly not happening at the moment. The courses of action taken against the international art market in the absence of justifiable evidence to support them point more to the enforcement of ideologies than a serious attempt at crime prevention. This does not serve justice and is against the public interest. The dissemination of false figures and information should be stopped and publicly rectified.

Securing accurate data and evidence, and policing standards of evidence in the public interest

- We recommend that the authorities obtain a clear overview of the statistics concerning the number of EU money laundering convictions directly linked to art dealing and the proportion of all art transactions it represents – 0.0001% or 5%? – as well as a comparison to the figures for other sectors.
- We recommend that the US and EU Governments show justification for why the art dealing sector has been singled out, when other sectors selling items or services well over the €10,000 threshold (such as luxury brands, automobiles, luxury tourism packages or yachts) are not listed as obliged entities. According to figure 30 of the Deloitte Report², only very few possible AML cases related to cultural goods occur in the EU.
- Analysis is required to reveal if those committing the crimes are art professionals, amateurs or criminals who knowingly skirt the law and are unlikely to adhere to any of the new AML restrictions. Only with this data will it be possible to evaluate if “persons trading or acting as intermediaries in the trade of works of art” should be subject to any new measures and which measures would be the most effective.
- The US, EU and UK Governments, as well as Customs and law enforcement, should enforce the highest standards of due diligence regarding data used as evidence to influence policy. All bodies should be required to provide primary sources for all data and evidence used, as well as a guarantee that these have been verified.

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APPENDIX

1. First principles: what the art market considers to be antiquities

This document takes antiquities as meaning artefacts from ancient civilisations surrounding the Mediterranean basin, including the Classical civilisations of Ancient Greece and Rome, the ancient civilisations of the Arabian peninsula, North African cultures and those of Eastern, Western and Northern Europe. This trade accounts for less than 0.5% of the global art market, with Middle Eastern antiquities – the focus of terrorism financing claims – accounting for less than 0.05%. It should be noted that while ancient artefacts from other cultures around the world are often referred to as antiquities by campaigners, within the confines of the art market they are treated as separate categories under headings such as Pre-Columbian Art, Native American Art, Asian Art (encapsulating Chinese, Japanese, Korean, Cambodian, Indian and Afghan ancient art), and others.

2. Geraldine Norman, *Great Sale of the Centuries*, The Independent, November 24, 1990

Geraldine Norman previews a unique auction of Greek and Roman antiquities

Great sale of the centuries

SOME of the finest Greek and Roman antiquities ever seen on the auction market will be offered for sale at New York's Park Lane Hotel next Tuesday.

They are coming to auction, rather than being sold privately to great museums or great collectors, because of the dissolution of a partnership between Jonathan Rosen, a New York real estate tycoon, and Robert Hecht, antiquities dealer extraordinary. They have to untie joint ownership deals as they close the New York gallery, Atlantis, which they have run for the last four years.

The most remarkable offering is a complete column krater, or vase, nearly two foot high, painted with a ferocious battle between the Greeks and the Amazons. Their armour and accoutrements are lovingly delineated while blood spurts from the dying. It is the work of one of the greatest vase painters, known as the Pan painter, and dates from 470-460 BC. A price around \$600,000 to \$700,000 is looked for.

Other highlights include a Roman marble of Menelaos holding the body of his dead companion Patroklos. It is a copy of a Greek sculpture greatly admired in antiquity – at least 12 Roman copies survive. The seventeenth-century sculptor Gianlorenzo Bernini considered the copy that he knew in Rome to be the most beautiful sculpture that had survived from antiquity. Tuesday's example is estimated at \$250,000 to \$275,000.

There are plenty of wonderful lesser works in the two session sale, such as the Roman mosaic depicting a comic mask wreathed in flowers and berries (\$75,000 to \$85,000). The catalogue notes that it can be compared to the best mosaics from Pompeii in the Naples museum. Then there is a Roman silver eating kit; constructed like a penknife, it includes a knife, fork, two spoons and a toothpick (\$10,000 to \$12,000). Hecht bought it at Christie's in 1986 when it was described as unique; his catalogue points out that

Christie's had missed the report of a similar one found in Bulgaria.

It is the second time this year that Hecht's taste has come under the hammer and it is transforming the market. He provided most of the antiquities collection put together by Bunker Hunt and his brother William – the billionaires who tried to corner the silver market – which was auctioned at Sotheby's last summer for a record-breaking \$11m.

The sale was a landmark because of the superb quality of the objects. Fragmentary remains of a vase signed by Euphronios were bid to \$1.76m while a Roman bronze portrait head of around the first century made \$577,500. Sotheby's had estimated a fraction of these prices – they are not used to handling such material.

That is one reason Tuesday's auction has not gone their way. "They weren't prepared to estimate our material at its true value – we also wanted a higher standard of cataloguing," says Rosen. So he set up his own auction company for the occasion – the catalogue is a scholarly masterpiece and the estimates mind boggling. Hesperia Arts Auction Ltd is



Smile please: a first-century Roman mosaic depicting a comic mask

lining up to bid – antiquities are currently high fashion, especially in America. The fashion conveniently ignores the fact that 80 per cent of all antiquities coming on to the market have been illegally excavated and smuggled from their countries of origin. The treasures in Hesperia's sale are not likely to be exceptions to the rule.

The marvellous remains of the Greek and Roman civilisations – bronzes, marble sculptures, exqui-

and stress that trade in smuggled objects is legal once they have left their country of origin. These arguments ease their consciences.

As a result, smuggled antiquities fill the galleries of Madison Avenue and Mayfair, not to mention Sotheby's and Christie's auctions. But the very best usually end up in the hands of Robert Hecht, a scholar with a real passion for the material he handles.

Posters plastered around Paris this autumn, advertising an exhibition of the Greek vase painter Euphronios at the Louvre, provided a reminder of one of his greatest coups. The Louvre had a picture of a vase on their poster painted with the death of Sarpedon which Hecht sold to the Metropolitan Museum in New York in 1972 for \$1m – a price level which at the time had only been achieved by one or two Impressionist paintings. The vase bears the signature of both Euphronios and the potter Euxitheos.

All hell broke loose after the Metropolitan's purchase. The Italian government claimed that the vase had been found at Cerveteri and smuggled to America. But no proof was forthcoming and it remains at the Met, accepted as one of the greatest painted vases to have survived from antiquity – and worthy of loan to the Louvre.

Eighty per cent of all antiquities that come on the market have been illegally excavated and smuggled

jointly owned by Rosen and California's most colourful antiquities dealer, Bruce McNall. He makes movies, trains racehorses – he won the Arc de Triomphe this year – and owns an ice hockey team, the LA Kings. It was he who persuaded the Hunt brothers to collect antiquities, bringing in Hecht as an advisor. Hesperia has taken in some material from other dealers, but most of the treasures on offer are owned in elaborate partnership deals between Rosen, McNall, Hecht and an investment fund called Athena II run by Merrill Lynch.

Museums, rich collectors and other dealers will, no doubt, be

sitely painted vases, intricate jewellery and artefacts of every description – are teased out of the soil under cover of darkness in countries bordering the Mediterranean where treasure hunting is illegal or discovered accidentally by a farmer's plough and sold without alerting the authorities. They are then carried by smugglers to the markets of the West, surfacing first in Munich or Switzerland and moving on to London and New York.

Scholars and collectors admit that illegal excavations are culturally damaging, but blame the unrealistic heritage laws of the countries concerned for encouraging it

3. UNESCO \$10 billion claim²¹

UNESCO launched its 50th anniversary celebrations by claiming that the illicit trade in cultural property is estimated to be worth nearly \$10 billion a year. However, initially it gave no source for this claim, but this did not stop it from expanding on the theme as follows in an article online:

“As shown by *The Real Price of Art* campaign, in some cases, the looting of archaeological sites, which fuels this traffic, is highly organized and constitutes a major source of financing for criminal and terrorist organizations.”

When asked where the figure came from, UNESCO’s official spokesperson forwarded a copy of the French version of the 2018 Joint European Commission-UNESCO Project report, *Engaging the European Art Market in the fight against the illicit trafficking of cultural property*, by Professor Marc-André Renold²² with the message that the evidence was in section C. However, it wasn’t.

The Renold study doesn’t mention a \$10 billion figure anywhere. Instead, it quotes an estimated figure of \$6 billion to \$8 billion from page 50 of the 2011 study by Frank Wehringer listed in the footnotes. However, Wehringer did not give it as his estimate but as a figure “regularly given” without providing any real source for it. He also said that “according to widespread statements, [this] makes it the third largest illegal market after drugs and weapons (according to estimates by UNESCO and FBI according to Anton 2010a: 2)”. In other words, this is yet another example of inaccurate claims dating back years being “filtered” through official lines to emerge as “data” and “evidence” when it is nothing of the sort. In this case it clearly based on other inaccuracies already detailed above. Professor Renold publicly denied being the source of the \$10 billion claim²³, and UNESCO were informed of the error, but continued to ignore it and publish the inaccurate \$10 billion figure.

21

UNESCO, *The Real Price of art: International UNESCO campaign reveals the hidden face of art trafficking: How much for the soul of a nation?* https://en.unesco.org/news/real-price-art-international-unesco-campaign-reveals-hidden-face-art-trafficking?utm_source=miragenews&utm_medium=miragenews&utm_campaign=news

22 Professor Marc-André Renold, *The legal and illegal trade in cultural property to and throughout Europe: facts, findings and legal analysis*. A joint European Commission-UNESCO Project, February 2018
http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/CLT/images/630X300/Study_Prof_Renold_EN_02.pdf

23 Vincent Noce, *Unesco, stop citing ‘bogus’ \$10bn figure, art trade pleads*, The Art Newspaper, November 12, 2020
<https://www.theartnewspaper.com/news/unesco-bogus-figure>

4. European Commission Fact Sheet: Published July 13, 2017²⁴

This document, entitled ***Questions and Answers on the illegal import of cultural goods used to finance terrorism***, sets out the evidence that persuaded the European Commission to proceed with the import licensing regulations for cultural property which were formally introduced in 2019.

Under the heading *What is the value of the cultural goods that are imported illegally to the EU?* it explains the following:

The value of the illegal trade in cultural goods is difficult to assess, since it is a criminal activity. Reliable data and instruments for measuring illicit commerce are scarce. **According to Interpol**, however, the black market in works of art is becoming as lucrative as those for drugs, weapons and counterfeit goods. Some estimates suggest that in 80-90% of sales of antiquities, the goods have illicit origins. Another study suggests that the total financial value of the illegal antiquities and art trade is larger than any other area of international crime except arms trafficking and narcotics and has been estimated at €2.5 - €5 billion yearly.

UNESCO²⁵ has also stated that, together with the drugs and armaments trades, the black market in antiquities and culture constitutes one of the most firmly rooted illicit trades in the world.

5. UNESCO: The fight against the illicit trafficking of cultural objects. The 1970 Convention: Past and Future. 2011.

Created by the Italian journalist Fabio Isman, this report still published on the UNESCO website⁶ and is the given source for the claim regarding antiquities, drugs and armaments cited by the European Commission Fact Sheet.

On page 2, the UNESCO report states: “The illicit trafficking of antiquities is estimated to be superior to US\$6 billion per 1 year according to research conducted by the United Kingdom’s House of Commons on July 2000.” This turns out to be a reference to the ***House of Commons Culture Select Committee Seventh Report into crime associated with cultural property***²⁶.

It includes *Chapter II The problem of illicit trade, The nature and scale of illicit trade* paragraph 9, which reads:

²⁴ The European Commission, *Questions and Answers on the illegal import of cultural goods used to finance terrorism*, July 13, 2017: See *What is the value of the cultural goods that are imported illegally to the EU?* https://ec.europa.eu/commission/presscorner/detail/en/MEMO_17_1954

²⁵ UNESCO, *The Fight against the Illicit Traffic of Cultural Objects: The 1970 Convention: Past and Future*, Information Kit, 2011 (see page 2) http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/CLT/pdf/2013_INFOKIT_1970_EN.pdf

²⁶ Select Committee on Culture, Media and Sport, Seventh Report, II *The problem of illicit trade: The nature and scale of illicit trade*, Hansard, (UK parliamentary official record), prepared July 25, 2000: <https://publications.parliament.uk/pa/cm199900/cmselect/cmcmums/371/37104.htm>

“The scale of the illicit trade taken as a whole is said to be very considerable. According to the Museums Association, ‘as an underground, secretive activity, it is impossible to attach a firm financial value to the illicit trade in cultural material. Estimates of its worldwide extent vary from £150 million up to £2 billion per year.’ [21] Detective Chief Superintendent John Coles of the Metropolitan Police Service identified a similar range of estimates—from \$300 million to \$6 billion. [22] The European Association of Archaeologists attributed to Interpol an estimate that the worldwide trade in cultural property was worth about \$4.5 billion annually, compared with about \$1 billion ten years ago. [23]” **As noted above, Interpol has stated that it has never had any such figures.**

As can be seen from the above paragraph, the House of Commons report includes the following footnotes, which give the detailed primary sources of evidence as presented in session before the Culture Select Committee. They are as follows:

- **Footnote 21:** Regarding the \$300 million to \$6 billion valuation²⁷.

*“(Detective Chief Superintendent Coles of the Met Police) I anticipated a question along these lines before I came here. I conducted some research, going back over 10 years, to try and find out where particular figures that have been bandied around about this subject emanated from. One of the figures is **\$3 billion**. I have found reports going back 10 years where there is an estimate as high as **\$6 billion**. At the other extreme of the scale the suggestion is that it could be as low as **\$300 million**. In order to try and put some definitive figure upon this scale, my colleague, Miss Stevenson, has conducted some research in the last few days, and it might be better if she explained her research to you.”*

“(Detective Constable Stevenson) I think what we have to actually state from the start is that the cases are really anecdotal. There are no statistics kept. We have to bear in mind that the whole trade, whether illicit or legal, actually encompasses jewellery, works of art and antiquities, and as there is no actual Home Office information that is kept we have had to turn to the insurance companies and the insurance industry to get the figures we have.

*A loss adjuster I spoke to estimated that this trade is costing the public between **£300-£500 million** per year in the United Kingdom alone. I can break that down to where he got those figures from. **The Association of British Insurers on average record losses by theft in both domestic and commercial as being somewhere in the region of about £600 million per year. Out of that figure they assume that roughly half relates to domestic theft. So leaving aside your office break-ins or something like that and computer thefts, they would say that approximately £300 million goes on domestic burglaries, and out of the domestic thefts, roughly, in the settlement, two thirds of the items in that category are jewellery, silver, collectibles and fine art. That accounts for the first £200 million of insured losses.***

*“Secondly, they state that Lloyds is excluded from the total and, of course, the majority of very high value fine art and antiques are insured through Lloyds. **We do know that worldwide Lloyds pay out***

²⁷ Select Committee on Culture, Media and Sport, Seventh Report, II *The problem of illicit trade: The nature and scale of illicit trade*, Hansard (UK parliamentary official record), Examination of witnesses (Questions 475-479), May 23 2000: <https://publications.parliament.uk/pa/cm199900/cmselect/cmcmums/371/0052305.htm>

in the region of about £100 million into the fine art and jewellery category. So it is possible to estimate that between 40 and 50 per cent of that is attributable to the United Kingdom. That takes the figure to roughly £250 million. Then they looked at the area of uninsured loss, which is extremely difficult to estimate. This would include properties such as National Trust properties, English Heritage and churches, but they reckon that is somewhere in the region of £75 million per annum. Then there are those losses which go entirely unreported, which, of course, you can only guess at, but they arrive somewhere in the region of £300, £400 or £500 million per year.”

- **Footnote 22:** The Museums Association. See paragraph 5: This talks about “cultural material”, i.e. all art and antiques, not antiquities, gives a range of figures from £150 million to £2 billion a year and attributes it to Geraldine Norman’s *Independent* article from November 24, 1990, which shows no such figures, leading to the conclusion that they have actually taken this from the Brodie, Doole and Watson report *Stealing History*, 2000, without checking the primary source.²⁸

- **Footnote 23:** The European Association of Archaeologists attributed to Interpol: \$4.5 billion. Evidence p 264²⁹ The text reads: “As the illicit trade is largely clandestine it is not open to systematic quantification and estimates of total value are usually extrapolations from what few official statistics are available. Interpol suggests that the illicit trade in cultural property is third only in value to drugs and arms, and is worth about \$4.5 billion annually, compared to about \$1 billion 10 years ago. This increase is thought to be due to the emergence of a large European black market (Kouroupas 1996: 11, 1998: 4).”

Note the reference to Kouroupas³⁰. This is Maria Papageorge Kouroupas, then executive director of the Cultural Property Advisory Committee, administered by the United States Information Agency. As indicated, she attributed to Interpol the \$4.5 billion figure and the claim that illicit trade in cultural property was only third in value to that in drugs and weapons. **However, Interpol has said that it has never had any such figures and does not support such claims.**

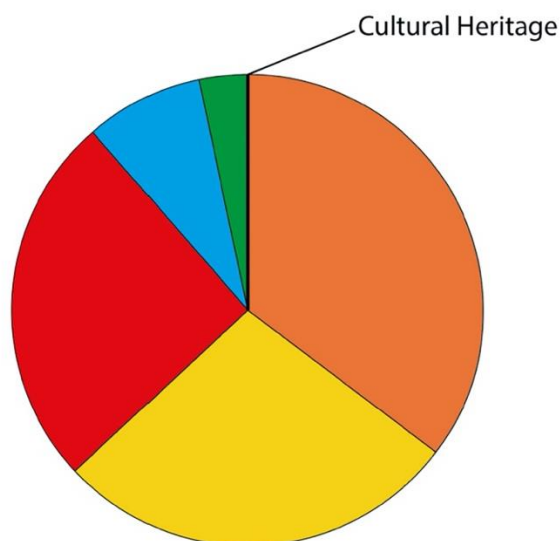
²⁸ Select Committee on Culture, Media and Sport, Seventh Report, II *The problem of illicit trade: The nature and scale of illicit trade*, Hansard (UK parliamentary official record), Memorandum submitted by the Museums Association in March 2000, *The illicit trade: The nature of the trade*, paragraph 5:
<https://publications.parliament.uk/pa/cm199900/cmselect/cmcmums/371/0032305.htm>

²⁹ Select Committee on Culture, Media and Sport, Seventh Report, II *The problem of illicit trade: The nature and scale of illicit trade*, Hansard (UK parliamentary official record), Memorandum submitted by the European Association of Archaeologists, *The illicit trade: The nature of the trade*, Appendix 11, March 2000, see under *Scale*:
<https://publications.parliament.uk/pa/cm199900/cmselect/cmcmums/371/371ap12.htm>

³⁰ Maria Papageorge Kouroupas, *Illicit trade in cultural objects*, The Getty Conservation Institute, 1998 (See second paragraph) https://www.getty.edu/conservation/publications_resources/newsletters/13_1/feature1.html

6. World Customs Organisation Illicit Trade Report 2019: *Pie charts based on the WCO figures showing the relative share of seizures and cases being investigated by risk category, as reported via the Customs Enforcement Network.*

Share of cases by risk category

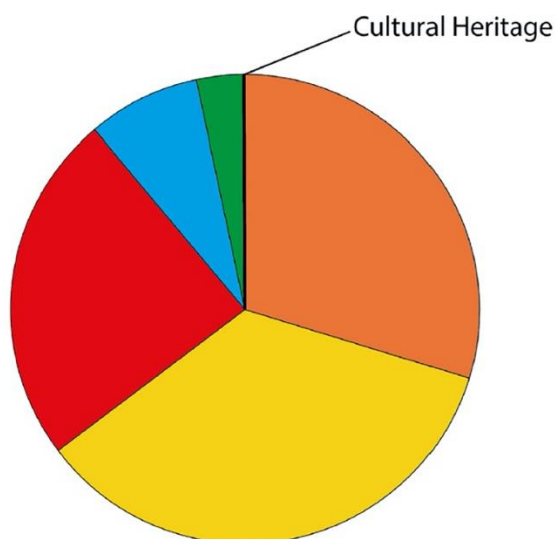


Number of cases

Total:	102,214
Drugs:	36,264 (35.48%)
IPR + H&S:	28,203 (27.59%)
Revenue:	26,285 (26.72%)
Security:	8,190 (8.01%)
Environment:	3,045 (2.98%)
Cultural Heritage:	227 (0.22%)

Drugs	—
IPR + H&S	—
Revenue	—
Security	—
Environment	—
Cultural Heritage	—

Share of seizures by risk category



Number of seizures

Total:	133,453
Drugs:	40,017 (29.98%)
IPR + H&S:	46,386 (34.76%)
Revenue:	32,426 (24.30%)
Security:	10,469 (7.84%)
Environment:	3,884 (2.91%)
Cultural Heritage:	271 (0.20%)

Statistical sources in the WCO report 2019

See <http://www.wcoomd.org/en/media/newsroom/2020/july/the-wco-issues-its-2019-illicit-trade-report.aspx>

- Cultural Heritage: page 11
- Environment (Fauna, Flora & Waste): page 95
- Revenue (Tobacco & Alcohol): page 151 & 171
- Drugs: page 37 & 40
- IPR and H&S (Counterfeit and Medical goods): page 121
- Security (Weapons & Ammunition): page 185