GDLSK
GRUNFELD | DESIDERIO | LEBOWITZ
SILVERMAN & KLESTADT LLP

NEW YORK
WASHINGTON, DC
MILWAUKEE
LOS ANGELES
HONG KONG

Writer's Direct Dial/Email:
212-973-7706
JMcAndrew@GDLSK.com

August 8, 2017

Honorable Peter King
339 Cannon House OB
Washington DC 20515

Honorable Brian Higgins
2495 Rayburn House OB
Washington DC 20515

Re: Request a Meeting to Discuss Concerns over Testimony Given at the May 12, 2017 Hearing of the Subcommittee on Counterterrorism and Intelligence of the Committee on Homeland Security titled "Following the Money: Examining Current Terrorist Financing Trends and the Threat to the Homeland".

Dear Chairman King and Ranking Member Higgins:

I'm writing on behalf of the members of the American Council for the Preservation of Cultural Property (ACPCP), a 501(c)4 Corporation, comprised of a group of preeminent ancient art and antiquities dealers in the United States. The ACPCP's objectives are to ensure the continued legal trade in antiquities while assuring full protection against archaeological site looting. The ACPCP's goal is to present a balanced view with regard to collectors and dealers, as well as the continuing need of museums to have a clear path to acquiring pieces from the collecting public without the risk of frivolous claims from foreign interests. It is our hope to assist the Committee in understanding the nature of the antiquities world. Collectors and dealers have traded freely for hundreds of years and numerous antiquities have been in the possession of families for generations. These items are not and cannot be considered in any way as facilitating

terrorist activities. The hope of this Group is to create clear guidelines as to how antiquities may be properly and safely traded and to provide clarification in connection with inaccurate statistics that have been provided to this Committee in connection with current imports of antiquities and their link to terrorist finances.

By way of introduction, in 2000, I developed, managed and was responsible for the U.S. Department of Homeland Security's International Art and Antiquity Theft Investigations Program. I developed, management and trained 250 DHS Special Agents, Customs and Border Protection Officers, United States Attorney's Office Prosecutors, U.S. Embassy personnel in foreign posts, and members of host nations Cultural Ministries in cultural property investigations. I served on the U.S. Department of State's Cultural Heritage Task Force and INTERPOL's Iraqi Tracking Task Force. The successful continuance of this investigative program was recently presented on June 23, 2017 by Mr. Raymond Villanueva, Assistant Director of International Operations, Homeland Security Investigations, during his testimony in front of the U.S. House of Representatives, Committee on Financial Services, Subcommittee on Terrorism and Illicit Finance. He described the DHS Cultural Property, Art and Antiquities Program as the largest investigative agency within the U.S. Department of Homeland Security with over 400 Special Agents, U.S. Customs and Border Protection Officers, United States Attorney's Office Prosecutors and representatives of foreign law enforcement being trained in cultural property investigations. A legacy, I must say, I am very proud of.

The U.S. has all the resources needed to investigate cultural property crimes, assist foreign countries in conflict, combat cultural cleansing and ensure none of the illicit artifacts looted in foreign lands reach the United States. It's important to note that archaeological site destruction and illicit trafficking of looted artifacts begins as a foreign government issue. U.S. law enforcement officials at the State Department, U.S. Department of Homeland Security, and the FBI involved in cultural property policy and investigations have all confirmed to date that not one illicitly obtained antiquity derived from ISIL's plunder in the Middle East and North Africa has been identified, intercepted or seized at any U.S. Port of Entry or in the possession of any U.S. antiquities dealer, collector, museum or auction house. This result is only possible due to

the shared sense of duty and responsibility of DHS and U.S. art and antiquity dealers and collectors.

As early as November 1970, the United States demonstrated to the world its commitment to helping foreign nations in crisis protect, preserve and defend against cultural cleansing, archaeological site destruction, looting, cultural racketeering and support of terrorist organizations. The U.S. ratified the world's most important and effective agreements concerning cultural property protection i.e. the 1954 Hague Convention for the Protection of Cultural Property in the Event of Armed Conflict; the 1970 UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property; the 1972 UNESCO Convention Concerning the Protection of the Worlds Cultural Heritage; the 2001 USA Patriot Act for Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept an Obstruct Terrorism; the November 2014 House Bill H.R. 5703 titled the Protect and Preserve International Cultural Property Act'; and implementing legislation to the 1970 UNESCO Convention titled the 1983 Cultural Property Implementation Act that permits foreign governments to request import restrictions of certain categories of cultural property deemed at risk. All of the aforementioned demonstrate the United States shared concern and commitment over the protection and preservation of cultural property under threat on foreign lands.

There is a school of thought that subscribes to the notion that all antiquities should be left in situ and that collectors and dealers have looted the world's cultural heritage. It serves the interest of those who advocate this view to connect collectors and dealers to financing terrorism and the looting of national treasures. It is our hope to present this committee with another perspective as to the value of collectors and dealers to the cultural and economic wellbeing of our nation.

IMPORTATION OF ANTIQUITIES INTO THE U. S.

At the May 12, 2017 Hearing of the Subcommittee on Counterterrorism and Intelligence of the Committee on Homeland Security, testimony was received suggesting complicity by the

U.S. Art market with ISIL's organized plunder of archaeological sites in Syria and Iraq to fund their terrorist activity. Data was provided purporting to tie shipments of looted artifacts directly to imports at the Port of New York.

Testimony provided to the Committee on May 12th presented inaccurate statistics on U.S. imports from Syria and Iraq between 2011 -2016 of "Works of Art" classified in Chapter 97 of the Harmonized Tariff Schedule of the United States (HTSUS). The following was offered:

> *"Last year (2016) the number one import from Syria was antiquities; In 2016, 40% of total imports from Syria were antiquities; In 2016 all antiquities imports increased; All of these [looted] antiquities came through the Port of New York; The "largest" import from Iraq was antiquities; For Iraq, after oil, antiquities are the largest import into the United States."*

We compiled Official United States Department of Commerce, Bureau of Census Data covering Chapter 97 "Works of Art, Collectors Pieces and Antiques" of the Harmonized Tariff Schedule of the United States ("HTSUS") for imports from Syria and Iraq during calendar years 2011 through 2016. HTUS # provisions subheading 9705 and 9706 refer to ancient items and objects more than 100 years old. Subheading 9705 covers:

"Collections and collectors pieces of zoological, botanical, mineralogical, anatomical, ***historical, archeological, paleontological, ethnographic*** *or numismatic interest; Numismatic coins,* ***Archaeological, historical or ethnographic*** *pieces.*

Subheading 9706 covers:

"Antiques of an age exceeding one hundred years; Silver, Furniture, Other".

We focused our analysis of the Census Bureau data on Chapter 97 subheading 9705 and 9706. We further broke down our analysis to "total imports into the United States" and "imports into the Port of New York." The results of our analysis of imports from Syria and Iraq are provided below:

SYRIA

- In 2016 there were no imports of Chapter 97 subheading 9705 into the United States.
- In 2016 there were no imports of Chapter 97 Subheading 9706 into the United States.
- In 2016 there were no imports of Chapter 97 subheading 9705 into the Ports of New York.
- In 2016 there were no imports of Chapter 97 Subheading 9706 into the Ports of New York.
- From 2011 to 2016 there was a 100% decrease in imports of Chapter 97 Subheading 9705 into the United States.
- From 2011 to 2016 there was a 100% decrease in imports of Chapter 97 Subheading 9706 into the United States.

IRAQ

- In 2016, the total value of imports into the United States was $5.6 Billion Dollars. $5.2 Billion dollars of the total was imports of oil. Imports of Chapter 97 Works of Art, Collectors Pieces and Antiquities was $2.5 million dollars. The remaining $445 million of imports consists of all other imported items except antiquities, thus a much larger percentage of imports than antiquities.
- In 2015, the total value of imports into the United States was $4.8 billion dollars. $4.3 billion dollars of the total was imports of oil. The value of imports of Chapter 97 Works of Art Antiquities was $963,786. The remaining $500 million of imports were everything except antiquities, thus a much larger percentage of imports than antiquities.
- The same applies to calendar year 2014, making antiquities imports from Iraq from 2014 – 2016 less than 1% of total imports.

ECONOMIC VALUE OF THE ARTS TO THE U.S.

It is also imperative for the committee to consider the cultural impact of these issues on museums and other cultural institutions. These institutions rely upon collectors and dealers to refresh aging collections and bring new vitality to them. Significantly, these institutions adhere to strict standards to assure that items recently removed from cultural heritage sites would never be accepted. American dealers and collectors are the repository of hundreds of years of collecting and represent significant additions to the culture of the nation by virtue of the long history of donations to our cultural institutions. These should be welcomed rather than attacked.

The American Alliance of Museums "Economic Impact Statement" indicates Museums employ more than 400,000 Americans. This does not include the additional hundreds of thousands of Americans employed by art dealers, collectors, transporters, art packers &, shippers, conservators, and the sundry of other peripheral services that rely on our art and cultural community. The U.S. Bureau of Economic Analysis reports that arts and cultural production constitute 4.2 percent of the entire U.S. economy, a $704 Billion industry. The non-profit art and culture industry annually generates over $135 billion in economic activity, supports more than 4.1 million full time jobs all across America and returns over $22 billion in local, state, and federal tax revenue. The Association of Academic Museums and Galleries reminds us that their membership includes institutions in all 50 States covering all constituencies.

Cultural sites are "victims" of war not "weapons" of war. U.S. art and antiquity dealers and collectors abide by strict codes of ethics. They conduct stringent due diligence and provenance research on any object considered for acquisition. They strive to only acquire, sell, consign, import or export ancient works of art or antiquity that are legally on the market. Members of the ACPCP welcome the opportunity to work with the U.S. government and other interested parties in the fight against the looting of artifacts and destruction of archaeological sites in foreign countries.

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SILVERMAN & KLESTADT LLP

I respectfully request the opportunity to meet with you to further discuss the above. I can be reached at 212-973-7706 or via email at JMcAndrew@gdlsk.com.

Very Truly Yours,

GRUNFELD, DESIDERIO, LEBOWITZ,
SILVERMAN & KLESTADT LLP

JAMES E. McANDREW
FORENSIC SPECIALIST

cc:

Honorable Bill Keating
2351 Rayburn House OB
Washington DC 20515

Honorable Will Hurd
317 Cannon House OB
Washington DC 20515

Honorable John Katco
1620 Longworth House OB
Washington DC 20515