



The Honorable 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 Chairman Hensarling:

I am writing on behalf of ATADA, a nation-wide organization of tribal art businesses, museums and collectors, to express our serious and grave concerns with legislation, HR 5886, recently introduced in the Financial Services Committee which would place a tremendous regulatory burden of ATADA's members. These concerns with FinCen regulatory over-reach are widely shared as the Financial Services Committee concluded at last year's BSA/AML hearing that these regulations: "impose substantial compliance burdens on financial institutions, especially smaller financial institutions with limited staffing and resources". This committee observation is definitely true for our members; and it is particularly troubling that they should face this regulatory straight-jacket when there is no documented evidence that money laundering is a significant issue in the art business.

In fact, HR 5886 opens a potential Pandora's Box of regulatory quicksand for ATADA's members as the legislation provides FinCen with broad, unrestricted authority to determine the regulatory burden to place on firms. Given that FinCen has required reporting of currency exchanges totaling as little as \$1,000, Suspicious Activity Reports (SARs) for amounts as low as \$2,000, and has a \$10,000 Currency Transaction Threshold (Ctr) which it maintains the authority to lower, there is valid reason to be concerned. Bottom line, HR 5886 would give FinCen authority to intrude into our membership's everyday business transactions, with all the cost in time and dollars reflected in each businesses' bottom line.

We do not need to tell you, that the myriad costs of the AML compliance outlined in publications including The Federal Financial Institutions Examination Council's 442-page compliance program manual cannot be over-stated. Given these acknowledged costs, and the real concerns The Heritage Foundation and other think tanks have raised over the effectiveness of the \$7 million per conviction cost of AML regulations; now is not the time to expand this burdensome regulatory regime on an industry with no document evidence of problems.

We urge the Committee to fully consider the impact of this legislation on the many small businesses that deal in art and not give FinCen unrestricted authority to run our businesses.

John Molloy, President

ATADA