

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Designates Key Nodes of the Illicit Financing Network of North Korea's Office 39

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WASHINGTON – The U.S. Department of the Treasury today designated Korea Daesong Bank and Korea Daesong General Trading Corporation pursuant to Executive Order (E.O.) 13551 for being owned or controlled by Office 39 of the Korean Workers' Party. Office 39 is a secretive branch of the government of the Democratic People's Republic of Korea (North Korea) that provides critical support to North Korean leadership in part through engaging in illicit economic activities and managing slush funds and generating revenues for the leadership. Office 39 was named in the Annex to E.O. 13551, issued by President Obama on August 30, 2010, in response to the U.S. government's longstanding concerns regarding North Korea's involvement in a range of illicit activities, many of which are conducted through government agencies and associated front companies. Korea Daesong Bank is involved in facilitating North Korea's illicit financing projects, and Korea Daesong General Trading Corporation is used to facilitate foreign transactions on behalf of Office 39.

"Korea Daesong Bank and Korea Daesong General Trading Corporation are key components of Office 39's financial network supporting North Korea's illicit and dangerous activities," said Under Secretary for Terrorism and Financial Intelligence Stuart Levey. "Treasury will continue to use its authorities to target and disrupt the financial networks of entities involved in North Korean proliferation and other illicit activities."

E.O. 13551 targets for sanctions individuals and entities facilitating North Korean trafficking in arms and related materiel; procurement of luxury goods; and engagement in certain illicit economic activities, such as money laundering, the counterfeiting of goods and currency, bulk cash smuggling and narcotics trafficking. As a result of today's action, any assets of the designated entities that are within U.S. jurisdiction are frozen and U.S. persons are prohibited from conducting financial or commercial transactions with these entities.

