

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Treasury Sanctions Bank, Front Company, and Official Linked to North Korean Weapons of Mass Destruction Programs

6/27/2013

*Action Targets North Korea's Use of Deceptive Financial Practices to Support its Weapons Programs*

**WASHINGTON** – Today the U.S. Department of the Treasury took another step in our ongoing efforts to disrupt North Korean financial networks supporting the regime's illicit ballistic missile and weapons of mass destruction (WMD) programs and proliferation activities. Daedong Credit Bank (DCB), together with DCB Finance Limited—a DCB front company—and DCB's representative Kim Chol Sam were designated pursuant to Executive Order (E.O.) 13382, which targets proliferators of WMD and their supporters. The financial operations carried out by DCB, DCB Finance Limited, and Kim Chol Sam are responsible for managing millions of dollars of transactions in support of the North Korean regime's destabilizing activities.

The Treasury Department also designated Son Mun San, the External Affairs Bureau Chief of North Korea's General Bureau of Atomic Energy (GBAE) under E.O. 13882 for his work directing North Korea's nuclear-related research efforts. The GBAE, which was previously designated by the U.S. and the UN, is responsible for North Korea's nuclear program, which includes the Yongbyon Nuclear Research Center and its five megawatt plutonium production research reactor, as well as its fuel fabrication and reprocessing facilities.

"Although the recent spate of provocations has waned, North Korea's dangerous and destabilizing illicit nuclear and ballistic missile program continues apace, supported by North Korean financial institutions like Daedong Credit Bank. We are committed to increasing the sanctions pressure on North Korea until it complies with its international obligations," said Under Secretary for Terrorism and Financial Intelligence David S. Cohen. "We urge financial institutions around the world to be wary of dealing with Daedong Credit Bank and the other designated entities in order to maintain the transparency and legitimacy of the international financial system."

North Korea's nuclear and missile programs and proliferation activities violate UN Security Council Resolutions 1718 (2006), 1874 (2009), and 2094 (2013); destabilize the region; and undermine the global nonproliferation regime. Today's designations build upon other recent U.S. efforts to target DPRK proliferation activities, including the March 2013 designation of North Korea's main foreign exchange bank, the Foreign Trade Bank (FTB).

Daedong Credit Bank has engaged in the same type of activity that was at issue in the FTB designation, most notably providing financial services to the Korea Mining Development Trading Corporation (KOMID), Pyongyang's premier arms dealer as well as KOMID's main financial arm, the Tanchon Commercial Bank (TCB), both of which have been previously designated by the U.S. for the central role they play supporting North Korea's illicit nuclear and ballistic missiles programs. KOMID and TCB were also designated by the United Nations. UNSCR 2094 requires the imposition of targeted financial sanctions on entities that work for or on behalf of, or at the direction of, UN-designated North Korean entities. Since at least 2007, Daedong Credit Bank (DCB) has facilitated hundreds of financial transactions worth millions of dollars on behalf of KOMID and TCB. In some cases, DCB has knowingly facilitated transactions by using deceptive financial practices.

### DCB Finance Limited and Kim Chol Sam

Since at least 2006, Daedong Credit Bank has used its front company, DCB Finance Limited, to carry out international financial transactions as a means to avoid scrutiny by financial institutions avoiding business with North Korea. DCB Finance Limited is registered in the British Virgin Islands and also operates out of China.

Kim Chol Sam is a representative for Daedong Credit Bank who has also been involved in managing transactions on behalf of DCB Finance Limited. As a Dalian, China-based representative of DCB, it is suspected Kim Chol Sam has facilitated transactions worth hundreds of thousands of dollars and likely managed millions of dollars in North-Korean related accounts.

### Son Mun San

Since at least 2010, Son Mun San has served as the External Affairs Bureau Chief of North Korea's General Bureau of Atomic Energy (GBAE).

GBAE is responsible for North Korea's nuclear program, which includes the Yongbyon Nuclear Research Center and its five megawatt plutonium production research reactor, as well as its fuel fabrication and reprocessing facilities. GBAE was designated by the United Nations Security Council in July 2009 and was also designated pursuant to E.O. 13382 in September 2009.

U.S. persons are generally prohibited from engaging in any transactions with the entities and individuals listed today, and any assets they may have subject to U.S. jurisdiction are frozen.

### Identifying information:

Entity Name: Daedong Credit Bank  
AKA: DCB  
AKA: Taedong Credit Bank  
Address: Suite 401, Potonggang Hotel, Ansan-Dong, Pyongchon District, Pyongyang, DPRK  
Alt. Address: Ansan-dong, Botonggang Hotel, Pongchon, Pyongyang, DPRK  
SWIFT: DCBK KPPY

Entity: DCB Finance Limited  
Address: Akara Building, 24 de Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands

Alt. Address: Dalian, China

Name: Kim Chol Sam

Date of Birth: March 11, 1971

Nationality: Democratic People's Republic of North Korea

Role: Treasurer, Daedong Credit Bank

Name: Son Mun San

Date of Birth: January 23, 1951

Role: External Affairs Bureau Chief, General Bureau of Atomic Energy

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