

U.S. DEPARTMENT OF THE TREASURY

Press Center



Announcement of Sanctions against North Korean Transportation, Mining, Energy, and Financial Services Industries and North Korean Government Officials and Organizations

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Action Follows New Executive Order Issued Today; Implements United Nations Security Council Resolution and Legislation Targeting North Korea

WASHINGTON – The U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) today announced the designations of 17 Democratic People’s Republic of Korea (DPRK) government officials and organizations and identifications of 20 vessels as blocked property. These actions follow President Obama’s issuance of the new Executive Order (E.O.) “Blocking Property of the Government of North Korea and the Workers’ Party of Korea, and Prohibiting Certain Transactions With Respect to North Korea,” which responds to North Korea’s numerous recent provocations and implements provisions of both the North Korea Sanctions and Policy Enhancement Act of 2016 and United Nations Security Council Resolution (UNSCR) 2270. Pursuant to the authorities of the new E.O., OFAC today designated 15 entities and identified 11 vessels. OFAC also designated two individuals pursuant to E.O. 13687 and identified 9 vessels as blocked property pursuant to E.O. 13551.

“President Obama’s new Executive Order and the Treasury’s simultaneous designations reflect the United States’ commitment to holding North Korea accountable for its destabilizing actions,” said Adam J. Szubin, Acting Under Secretary for Terrorism and Financial Intelligence. “These actions implement both the unanimous UNSCR approved earlier this month as well as recent bipartisan sanctions legislation on North Korea. We will work closely with our international partners to continue in a strong and unambiguous way to pressure North Korea to abandon its illicit nuclear and ballistic missile programs.”

The new E.O. blocks the Government of North Korea and the Workers’ Party of Korea; prohibits the exportation of goods, services, and technology to North Korea; prohibits new investment in North Korea; and establishes nine new designation criteria. These criteria allow OFAC to target North Korea’s human rights abuses; censorship; cybersecurity threats; trade in metals, graphite, coal, or software; revenue from overseas workers; and attempts to engage in those activities. The criteria also authorize the Secretary of the Treasury, in consultation with the Secretary of State, to determine specific industries in the North Korean economy to be subject to sanctions. Under this authority, Treasury Secretary Jacob J. Lew determined today that persons operating within North Korea’s transportation, mining, energy, or financial services industries may also be subject to targeted sanctions.

Designations Under the New E.O. Targeting North Korea

Censorship

OFAC has designated the Workers’ Party of Korea, Propaganda and Agitation Department (the “Propaganda and Agitation Department”) as an agency, instrumentality, or controlled entity of the Government of North Korea. The Workers’ Party of Korea has full control over the media, which it uses as a tool to control the public.

The Propaganda and Agitation Department also engages in or is responsible for censorship by the Government of North Korea. Each month, the Propaganda and Agitation Department delivers party guidelines explaining the narrative that all broadcast and news reporting plans must follow. The North Korean media must follow all Party guidelines. The Propaganda and Agitation Department is also the primary agency responsible for both newspaper and broadcast censorship. Today’s action implements provisions of the North Korea Sanctions and Policy Enhancement Act of 2016, which includes mandatory designation criteria for persons engaging in censorship in North Korea.

Financial Services

The North Korean regime is resourceful in its abuse of the international financial system to evade sanctions and fund its illicit programs. OFAC designated Ilsim International Bank and Korea United Development Bank for operating in the financial services industry in the North Korean economy. Ilsim International Bank is affiliated with the North Korean military and has attempted to evade United Nations sanctions. Ilsim International Bank has a close relationship with Korea Kwangson Bank (KKBC). KKBC was designated pursuant to E.O. 13382, in part for providing financial services to UN-listed Tanchon Commercial Bank. Tanchon Commercial Bank was identified by the President as a weapons of mass destruction (WMD) proliferator in the Annex to E.O. 13382. KKBC was also singled out under UNSCR 2270 as subject to an asset freeze.

Mining

North Korea generates a significant share of the money it uses to fuel its nuclear and ballistic missile programs by mining natural resources – often exploiting workers in slave-like conditions – and selling those resources abroad. In particular, coal generates over \$1 billion in revenue per year for North Korea. OFAC designated the following companies for operating in the mining industry in the North Korean economy: Singwang Economics and Trading General Corporation and the Korea Foreign Technical Trade Center. Singwang Economics and Trading General Corporation is a subordinate of the DPRK’s Ministry of People’s Armed Forces. The Korea Foreign Technical Trade Center supports the North Korean special weapons research entity Pongwha Research Center.

Transportation

North Korea has used the transportation industry to facilitate illicit shipments of WMD and related material. Today, OFAC designated the following entities for operating in the transportation industry in the North Korean economy: Korea Ocean Shipping Agency (KOSA), Korean Buyon Shipping Co. Ltd., Thaephyongsan Shipping Co. Ltd., Chongbong Shipping Co. Ltd., Ocean Bunkering JV Co., Korea Samilpo Shipping Co., Mirim Shipping Co. Ltd., Korean Polish Shpg Co. Ltd., Hoeryong Shipping Co. Ltd., and Korea Zuzagbong Maritime Ltd.

KOSA arranges all business activities of foreign vessels from entry to departure in North Korea. KOSA has branches in trading ports in North Korea to include Nampo, Hungnam, Chongjin, Haeju, Songnim, Wonsan, and Rason.

E.O. 13687 Designations

OFAC designated Ri Won Ho and Jo Yong Chol pursuant to E.O. 13687 for being officials of the Government of North Korea. Ri Won Ho is an official of the DPRK's Ministry of State Security based in Egypt. Jo Yong Chol is an official of the DPRK's Ministry of State Security stationed in Syria. They both facilitate North Korea's Mining Development Trading Corporation's (KOMID) business in Egypt and Syria. KOMID was identified by the President in the Annex to E.O. 13382 and designated pursuant to E.O. 13687. It was also designated by the United Nations Security Council pursuant to UNSCR 1718. KOMID is North Korea's premier arms dealer and main exporter of goods and equipment related to ballistic missiles and conventional weapons.

E.O. 13551 Identifications

OFAC has identified the following nine vessels as property in which previously designated Ocean Maritime Management Company (OMMC) has an interest: Ever Bright 88, Gold Star 3, JH 86, Jin Tai, Jin Teng, Orion Star, South Hill 2, South Hill 5, and Grand Karo. North Korea's OMMC was designated in July 2014 pursuant to E.O. 13551 for its role in the importing, exporting, or reexporting of weapons to or from North Korea and it continues to operate a fleet of vessels. OMMC has used front companies in the ownership and control of its vessels.

For identifying information on the individuals and entities designated today, click [here](#).

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