

# Treasury Sanctions Agents Linked to North Korea's Weapons of Mass Destruction Proliferation and Financial Networks

March 31, 2017

*Action targets North Korean representatives in third countries and a coal company*

**WASHINGTON** – The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today designated one entity and 11 individuals in response to North Korea's ongoing development of weapons of mass destruction (WMD) and continued violations of United Nations Security Council Resolutions (UNSCRs). Today's action targets North Korean nationals working as agents of the regime in Russia, China, Vietnam, and Cuba to provide financial support or WMD procurement services for UN- or U.S.-designated sanctioned entities. As a result of today's action, any property or interests in property of the designated persons in the possession or control of U.S. persons or within the United States must be blocked, and U.S. persons are prohibited from dealing with any of the designated parties.

"Today's sanctions are aimed at disrupting the networks and methods that the Government of North Korea employs to fund its unlawful nuclear, ballistic missile, and proliferation programs," said Secretary of the Treasury Steven T. Mnuchin. "These sanctions underscore this Administration's commitment to countering the threat to the United States, to our allies, and to stability on the Korean peninsula and in the wider Asia Pacific region posed by the Kim regime in Pyongyang, and I urge our partners and allies to take similar measures to cut off its funding."

The designations were made pursuant to Executive Order (E.O.) 13382, which targets WMD proliferators and their supporters; E.O. 13687, which targets the Government of North Korea, the Workers' Party of Korea, and their supporters; and E.O. 13722, which targets, in part, North Korea's trade in coal, as well as its transportation and financial services industries.

## **Representatives of WMD-related entities**

OFAC designated Kang Chol Su, Pak Il Gyu, and Ri Su Yong for their ties to the UN- and U.S.-designated Korea Ryonbong General Corporation (Ryonbong). Kang and Pak are Ryonbong officials in Linjiang and Shenyang, China, respectively; Ri is a Ryonbong official in Cuba. Ryonbong specializes in acquisition for North Korean defense industries and support to Pyongyang's military-related sales. Its procurements also probably support North Korea's chemical weapons program.

OFAC designated Jang Sung Nam for acting on behalf of the UN- and U.S.-designated Tangun Trading Corporation. Jang is the chief of Tangun's branch in Dalian, China. Tangun was designated in 2009 for its involvement in North Korea's WMD and missile programs. It is subordinate to North Korea's Second Academy of Natural Sciences and is primarily responsible for the procurement of commodities and technologies to support North Korea's defense research and development programs.

### **Financial Representatives**

OFAC designated Han Jang Su pursuant to E.O. 13382 for acting for or on behalf of Foreign Trade Bank, North Korea's primary foreign exchange bank, which OFAC previously designated in 2013. Han is the Foreign Trade Bank chief representative in Moscow, and he has also worked with U.S.-designated Tempbank.

OFAC designated Jo Chol Song pursuant to E.O. 13382 for acting for or on behalf of the UN- and U.S.-designated Korea Kwangson Banking Corporation (KKBC). Jo is the KKBC deputy representative in Dandong, China, and he has also worked with the Reconnaissance General Bureau, North Korea's primary intelligence organization, on financial transfers.

OFAC designated Kim Tong Ho, Kim Mun Chol, Kim Nam Ung, and Choe Chun Yong pursuant to E.O. 13722. Kim Tong Ho is the Vietnam representative for the UN- and U.S.-sanctioned Tanchon Commercial Bank, the main North Korean financial entity for weapons and missile-related sales. Kim Mun Chol is the Korea United Development Bank representative in Dandong, China. Kim Nam Ung and Choe Chun Yong represent Ilsim International Bank in Moscow, Russia. Both Korea United Development Bank and Ilsim International Bank were designated by OFAC in 2016 for operating in the financial services industry in the North Korean economy. Both are also listed at the UN, which has stated Ilsim International Bank is affiliated with the North Korean military and has a close relationship with KKBC.

## Government and Coal

OFAC designated North Korea-based Paeksol Trading Corporation (Paeksol) for having sold, supplied, transferred, or purchased metal or coal from North Korea, where the revenue may have benefited the Government of North Korea or the Workers' Party of Korea. It has been reported that the mission of Paeksol was to export iron ore to China to earn money for the Reconnaissance General Bureau. Dalian, China-based Paeksol representatives reportedly utilized a series of front companies to assist with North Korean coal transactions. Paeksol may also be affiliated the North Korean military and the UN- and U.S.-sanctioned Office 39 and Munitions Industry Department.

OFAC designated Kim Yong Su for being an official of the Government of North Korea. Kim is a shipping representative for the North Korean-controlled Marine Transport Office in Vietnam, where he attempted to establish a routine cargo shipping route between North Korea and Vietnam.

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