

# Treasury Sanctions Trading, Labor, and Shipping Companies and Vessels to Further Isolate North Korea

November 21, 2017

**WASHINGTON** – The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today sanctioned one individual, 13 entities, and 20 vessels as the United States continues to take action multilaterally and unilaterally to disrupt North Korea's illicit funding of its unlawful nuclear and ballistic missile programs. Today's sanctions target third-country persons with long-standing commercial ties to North Korea, as well as the transportation networks that facilitate North Korea's revenue generation and operations.

"As North Korea continues to threaten international peace and security, we are steadfast in our determination to maximize economic pressure to isolate it from outside sources of trade and revenue while exposing its evasive tactics," said Treasury Secretary Steven T. Mnuchin. "These designations include companies that have engaged in trade with North Korea cumulatively worth hundreds of millions of dollars. We are also sanctioning the shipping and transportation companies, and their vessels, that facilitate North Korea's trade and its deceptive maneuvers."

Eleven of today's designations were issued pursuant to E.O. 13810, which targets, among others, persons that operate in the North Korean transportation industry, as well as persons who have engaged in a significant importation from or exportation to North Korea. The remaining entities were sanctioned pursuant to E.O. 13722, which targets, among others, persons involved in the exportation of workers from North Korea, including exportation to generate revenue for the Government of North Korea or the Workers' Party of Korea, and blocks the property and interests in property of the Government of North Korea and the Workers' Party of Korea. As a result of today's actions, any property or interests in property of those designated by OFAC within U.S. jurisdiction are blocked, and transactions by U.S. persons involving the designated persons are generally prohibited.

## **Chinese Trading Companies and Individual**

OFAC designated Dandong Kehua Economy & Trade Co., Ltd., Dandong Xianghe Trading Co., Ltd., and Dandong Hongda Trade Co. Ltd. pursuant to E.O. 13810. Between January 1, 2013 and August 31, 2017, these three companies cumulatively exported approximately \$650 million

worth of goods to North Korea and cumulatively imported more than \$100 million worth of goods from North Korea. These goods have included notebook computers, anthracite coal, iron, iron ore, lead ore, zinc ore, silver ore, lead, and ferrous products.

OFAC designated Sun Sidong and his company, Dandong Dongyuan Industrial Co., Ltd. (Dongyuan), pursuant to E.O. 13810. Sun and Dongyuan were responsible for exporting over \$28 million worth of goods to North Korea over several years, including motor vehicles, electrical machinery, radio navigational items, aluminum, iron, pipes, and items associated with nuclear reactors. Dongyuan has also been associated with front companies for weapons of mass destruction-related North Korean organizations.

### **North Korean Shipping and Trading Companies and Vessels**

OFAC identified the Maritime Administration of the Democratic People's Republic of Korea (DPRK) and the Ministry of Land and Maritime Transportation of the DPRK as agencies, instrumentalities, or controlled entities of the Government of North Korea, pursuant to E.O. 13722. OFAC also designated six North Korean shipping and trading companies pursuant to E.O. 13810 for operating in the transportation industry in North Korea, and OFAC blocked 20 of their vessels, all of which are DPRK-flagged:

- Korea Rungrado Shipping Company and its vessels PU HUNG 1, RUNG RA DO, and YANG GAK DO;
- Korea Rungrado Ryongak Trading and its vessels RUNG RA 1 and RUNG RA 2;
- Yusong Shipping Company and its vessels WON SAN 2, ZA RYOK 2, 7-28, YU SONG 12, and YU SONG 7;
- Dawn Marine Management Co. Ltd and its vessels JANG GYONG, KUM SONG 3, KUM SONG 5, KUM SONG 7, and KUM UN SAN 3;
- Korea Daebong Shipping Company and its vessel RAK RANG; and
- Korea Kumbyol Trading Company and its vessels KANG SONG 1, KU BONG RYONG, SO BAEK SAN, and RYE SONG GANG 1.

North Korea is known to employ deceptive shipping practices, including ship-to-ship transfers, a practice prohibited by United Nations Security Council Resolution (UNSCR) 2375 of September 11, 2017. The images below were taken on October 19, 2017, and they depict a recent attempt by Korea Kumbyol Trading Company's vessel RYE SONG GANG 1 to conduct a ship-to-ship transfer, possibly of oil, in an effort to evade sanctions:



### North Korean Overseas Labor Revenue

OFAC designated Korea South-South Cooperation Corporation pursuant to E.O. 13722 for having engaged in, facilitated, or been responsible for the exportation of workers from North Korea, including exportation to generate revenue for the Government of North Korea or the Workers' Party of Korea. Korea South-South Cooperation Corporation has operated in China, Russia, Cambodia, and Poland. UNSCR 2375 prohibits countries from providing work authorizations after September 11, 2017 for DPRK nationals in their jurisdictions in connection with admission to their territories unless approved in advance.

[Identifying information on the individuals and entities sanctioned today.](#)

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