

Treasury Announces Largest North Korean Sanctions Package Targeting 56 Shipping and Trading Companies and Vessels to Further Isolate Rogue Regime

February 23, 2018

WASHINGTON – The U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) today announced the largest North Korea-related sanctions tranche to date, aimed at disrupting North Korean shipping and trading companies and vessels to further isolate the regime and advance the U.S. maximum pressure campaign. Today’s action targets one individual, 27 entities, and 28 vessels located, registered, or flagged in North Korea, China, Singapore, Taiwan, Hong Kong, Marshall Islands, Tanzania, Panama, and Comoros. Today, Treasury, along with the U.S. Department of State and U.S. Coast Guard, also issued an advisory alerting the public to the significant sanctions risks to those continuing to enable shipments of goods to and from North Korea.

“Treasury is aggressively targeting all illicit avenues used by North Korea to evade sanctions, including taking decisive action to block the vessels, shipping companies, and entities across the globe that work on North Korea’s behalf. This will significantly hinder the Kim regime’s capacity to conduct evasive maritime activities that facilitate illicit coal and fuel transports, and erode its abilities to ship goods through international waters,” said Treasury Secretary Steven Mnuchin. “The President has made it clear to companies worldwide that if they choose to help fund North Korea’s nuclear ambitions, they will not do business with the United States.”

These designations are consistent with the North Korea Sanctions Policy and Enhancement Act of 2016 as well as the Countering America’s Adversaries Through Sanctions Act of 2017, which provide broad designation criteria for certain trade and for providing certain shipping- and vessel-related services.

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.

OFAC ISSUES GLOBAL SHIPPING ADVISORY

In addition to sanctions, OFAC issued a [global shipping advisory](#)  today, in consultation with the U.S. Department of State and the U.S. Coast Guard, to alert persons of the significant sanctions risks to those continuing to enable shipments of goods to and from North Korea. The advisory also alerts industries to North Korea's deceptive shipping practices.

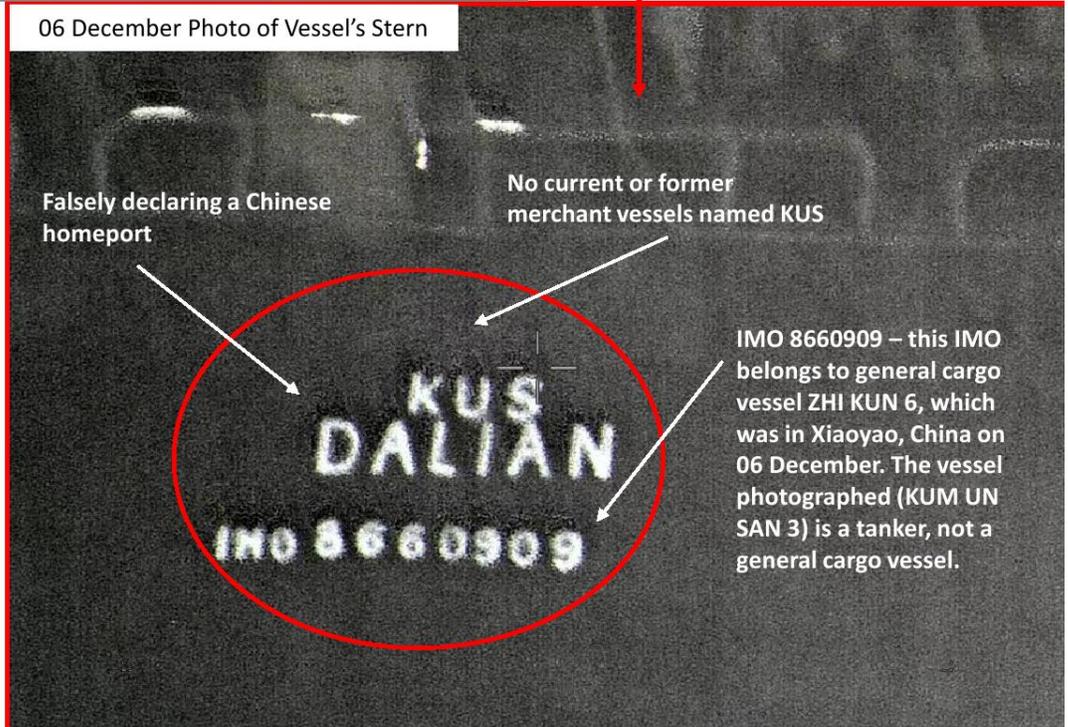
North Korea is known to employ deceptive shipping practices including, but not limited to, falsifying and concealing information displayed on North Korean vessels and conducting ship-to-ship transfers, a practice prohibited by United Nations Security Council Resolution (UNSCR) 2375 of September 11, 2017. For example, the following images depict deceptive North Korean practices. The first image, taken on December 6, 2017, depicts the U.S.-designated North Korean vessel KUM UN SAN 3 falsifying its vessel information. The second image, taken on December 9, 2017, depicts recent attempts by the same North Korean vessel to conduct a ship-to-ship transfer, possibly of oil, with the Panama-flagged KOTI in an effort to evade sanctions. [Additional North Korean vessel images.](#)

UNCLASSIFIED



06 December 2017
0328-0332 GMT
31-26N 124-31E

06 December Photo of Vessel's Stern



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THIRD-COUNTRY SHIPPING AND OIL TARGETS

Today, OFAC sanctioned nine international shipping companies and nine of their vessels pursuant to E.O. 13810. The following vessels have been used to export coal from North Korea or to engage in UN-prohibited ship-to-ship transfers of refined petroleum products. The regime has been known to use coal export revenues to fund its weapons of mass destruction and missile programs. These vessels are capable of carrying over \$5.5 million worth of coal at a time:

- HUA FU, Panama-flagged
- ORIENTAL TREASURE, Comoros-flagged
- ASIA BRIDGE 1
- DONG FENG 6, Tanzania-flagged

- HAO FAN 2
- HAO FAN 6
- XIN GUANG HAI
- KOTI, Panama-flagged
- YUK TUNG

The full list of international companies designated by OFAC today is:

- Shandong, China-based Weihai World-Shipping Freight and Shanghai, China-based Shanghai Dongfeng Shipping Co Ltd;
- Hong Kong-based shipping companies Liberty Shipping Co Ltd, Chang An Shipping & Technology, Hongxiang Marine Hong Kong Ltd, Shen Zhong International Shipping Ltd, and Huaxin Shipping HongKong Ltd;
- Singapore-based Yuk Tung Energy Private Limited; and
- Panama-based M.T. Koti Corporation.

OFAC also designated Taiwan citizen Tsang Yung Yuan pursuant to E.O. 13722. Tsang has coordinated North Korean coal exports with a Russia-based North Korean broker, and he has a history of other sanctions evasion activities. OFAC also designated two entities, Taiwan-based Pro-Gain Group Corporation and Taiwan and Marshall Islands-based Kingly Won International Co., Ltd., pursuant to E.O. 13722 for being owned or controlled by Tsang. In 2017, Tsang and Kingly Won attempted to engage in an oil deal valued at over \$1 million with the Russian firm Independent Petroleum Company, which OFAC designated in 2017 pursuant to E.O. 13722 for operating in the energy industry in the North Korean economy.

NORTH KOREAN SHIPPING AND TRADING COMPANIES

OFAC designated the following 16 North Korean shipping companies pursuant to E.O. 13810 for operating in the transportation industry in North Korea and blocked 19 of their North Korean-flagged vessels:

- Chonmyong Shipping Company Limited and its oil tanker CHON MYONG 1;
- Hapjanggung Shipping and its crude oil tanker NAM SAN 8 and general cargo ship HAP JANG GANG 6;

- Korea Achim Shipping Co and its products tanker CHON MA SAN;
- Korea Ansan Shipping Company and its chemical tanker AN SAN 1;
- Korea Unpha Shipping & Trading and its products tanker KUM GANG 3;
- Korea Myongdok Shipping and its products tanker YU PHYONG 5. In late November 2017, the YU PHYONG 5 conducted a ship-to-ship transfer of 1,721 metric tons of fuel oil;
- Korea Samjong Shipping, its crude oil tanker SAM JONG 1, and its chemical/oil products tanker SAM JONG 2;
- Korea Samma Shpg Co and its oil products tanker SAM MA 2. The beneficial owner of the SAM MA 2 is the Government of North Korea. In November 2017, the SAM MA 2 conducted a ship-to-ship transfer, loading 1,219 metric tons of fuel oil from a Russian vessel;
- Korea Yujong Shipping Co Ltd and its oil products tanker YU JONG 2;
- Paekma Shipping Co and First Oil JV Co Ltd. and their oil products tanker PAEK MA.
- Phyongchon Shipping & Marine, its bunkering tanker JI SONG 6, and its general cargo ships the JI SONG 8 and WOORY STAR;
- Pochon Shipping & Management and its products tanker PO CHON;
- Songwon Shipping & Management and its products tanker SONG WON;
- Tonghung Shipping & Trading Co and its oil products tanker TONG HUNG 5; and
- Myohyang Shipping Co and its products tanker YU SON.

Identifying information on the individual, entities, and vessels sanctioned today.

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