

Treasury Targets Shipping Industry and Other Facilitators of North Korea United Nations Security Council Violations

August 15, 2018

WASHINGTON – The U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) today announced North Korea-related designations, continuing the implementation of existing UN and U.S. sanctions. Today’s action against one individual and three entities was taken pursuant to Executive Order 13810 of September 20, 2017, and targets persons involved in facilitating illicit shipments on behalf of North Korea. This action reinforces the United States’ ongoing commitment to prevent financial flows to the DPRK’s unlawful WMD programs and activities, in accordance with the decisions of the UN Security Council (UNSC). 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 generally are prohibited from dealing with any of the designated persons.

“Treasury will continue to implement existing sanctions on North Korea, and will take action to block and designate companies, ports, and vessels that facilitate illicit shipments and provide revenue streams to the DPRK,” said Treasury Secretary Steven Mnuchin. “The tactics that these entities based in China, Singapore, and Russia are using to attempt to evade sanctions are prohibited under U.S. law, and all facets of the shipping industry have a responsibility to abide by them or expose themselves to serious risks. Consequences for violating these sanctions will remain in place until we have achieved the final, fully verified denuclearization of North Korea.”

OFAC designated China-based Dalian Sun Moon Star International Logistics Trading Co., Ltd. and its Singapore-based affiliate, SINSMS Pte. Ltd. These companies worked together to facilitate illicit shipments to North Korea using falsified shipping documents, including exports of alcohol, tobacco, and cigarette-related products. The illicit cigarette trade in North Korea reportedly has netted over \$1 billion per year for the regime. SINSMS Pte. Ltd. is responsible for exports to North Korea and general trading of items from China, Singapore, Hong Kong, Thailand, Vietnam, Indonesia, and Cambodia. Employees at SINSMS Pte. Ltd. also provided information on how to evade shipping restrictions by sending cargo SINSMS Pte. Ltd. to Nampo, North Korea, via Dalian, China.

OFAC also designated Russia-based Profinet Pte Ltd. (Profinet) and its Director General, Russian national Vasili Aleksandrovich Kolchanov. Profinet is a Russian port service agency that provides loading, bunkering, supplying, and departure arrangements for vessels calling at the Russian ports of Nakhodka, Vostochny, Vladivostok, and Slavyanka. Profinet has provided port services on at least six separate occasions to DPRK-flagged vessels, including the sanctioned vessels CHON MYONG 1 and RYE SONG GANG 1, which have carried thousands of metric tons of refined oil products. Profinet continued to offer its bunkering services to DPRK-flagged vessels even after its employees knew of oil-related sanctions on North Korea. Kolchanov was personally involved in North Korea-related deals and interacted directly with North Korean representatives in Russia.

Treasury reminds the shipping industry, including flag states, ship owners and operators, crew members and captains, insurance companies, brokers, oil companies, ports, classification service providers, and others of the significant risks posed by North Korea's shipping practices, and we urge UN member states and shipping industry associations to circulate OFAC's [North Korea Shipping Advisory](#) .

[Identifying information on the individual, entities, and vessels sanctioned today.](#)

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