

Treasury Sanctions Entities for Facilitating the Exportation of Workers from North Korea

January 14, 2020

WASHINGTON – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) announced two North Korea-related designations focusing on the Government of North Korea’s continued supply of illicit labor to overseas markets. The Government of North Korea continues to use the illicit exportation of North Korean labor to generate income overseas in contravention of United Nations (UN) sanctions. Today’s action targets a North Korean trading corporation and a China-based North Korean lodging facility that facilitate North Korea’s practice of sending laborers abroad. North Korea’s continued export of North Koreans as illicit laborers is part of an ongoing attempt to undermine and evade UN Security Council Resolutions (UNSCR) 2375 and 2397; UN Member States were obligated to expel all North Korean laborers by December 22, 2019, in a manner consistent with UNSCR 2397. Today’s action demonstrates OFAC’s continued commitment to the implementation and enforcement of U.S. and UN sanctions.

“The exportation of North Korean workers raises illicit revenue for the government of North Korea in violation of UN sanctions,” said Secretary Steven T. Mnuchin.

KOREA NAMGANG TRADING CORPORATION

OFAC designated North Korea’s Namgang Trading Corporation (NTC) pursuant to Executive Order 13722 (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. NTC was also designated today pursuant to the North Korea Sanctions and Policy Enhancement Act of 2016, as amended by the Countering America’s Adversaries Through Sanctions Act, (“NKSPEA”) for having knowingly, directly or indirectly, engaged in, facilitated, or been responsible for the exportation of workers from North Korea in a manner intended to generate significant revenue, directly or indirectly, for use by the Government of North Korea or by the Worker’s Party of Korea.

In 2018, NTC maintained laborers in multiple countries, including Russia, Nigeria, and numerous countries in the Middle East. NTC is involved in the logistics cycle of exporting workers and handles North Korean personnel's visas, passports, departures, and overseas employment. NTC personnel then repatriate funds back to North Korea, some of which are routed directly back to the Government of North Korea.

BEIJING SUKBAKSO

OFAC designated China-based Beijing Sukbakso pursuant to E.O. 13722 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, NTC and Namgang Construction. OFAC also designated Sukbakso pursuant to NKSPEA for having knowingly engaged in, contributed to, assisted, sponsored, or provided financial, material or technological support for, or goods and services in support of, NTC. Namgang Construction was designated by OFAC pursuant to E.O. 13722 on December 2, 2016 for exporting workers from North Korea to the Middle East and Asia, including exporting workers to generate revenue for the Government of North Korea or the Workers' Party of Korea.

Beijing Sukbakso is a China-based North Korean lodging facility that handles at least a portion of the travel and logistics for NTC personnel working overseas. Beijing Sukbakso facilitates NTC's exportation and repatriation of North Korean workers and likely facilitates the workers' remittance payments back to North Korea. For example, during the spring of 2018, NTC headquarters in North Korea coordinated the travel of North Korean workers with Beijing Sukbakso, and Beijing Sukbakso kept account balance information for NTC subordinates.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interest in property of these targets that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC's regulations generally prohibit all dealings by U.S. persons or within the United States (including transactions transiting the United States) that involve any property or interests in property of blocked or designated persons.

In addition, persons that engage in certain transactions with the person designated today may themselves be exposed to designation. Furthermore, any foreign financial institution that knowingly facilitates a significant transaction or provides significant financial services for any of the individuals designated today could be subject to U.S. secondary sanctions.

[Read more information on the entities designated today.](#)

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