WASHINGTON — The U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) today sanctioned five entities for providing support to the DPRK’s development of weapons of mass destruction (WMD) and ballistic missile programs in violation of multiple United Nations Security Council resolutions (UNSCRs). The DPRK has conducted a series of escalatory ballistic missile launches in the past several months, including most recently the DPRK’s February 26, March 4, and March 24 intercontinental ballistic missile launches (ICBM), which demonstrate the DPRK’s clear determination to continue developing its unlawful WMD and ballistic missile programs. These ballistic missile tests are brazen violations of multiple UNSCRs, needlessly raise tensions, and risk destabilizing the security situation in the region. Today’s action targets a DPRK WMD research and development organization that is directly linked to the development of the DPRK’s ICBMs, along with four of its revenue generating subsidiaries.

“The DPRK’s provocative ballistic missile tests represent a clear threat to regional and global security and are a blatant violation of UN Security Council resolutions,” said Secretary of the Treasury Janet L. Yellen. “The United States and our allies, including Japan today, are committed to using sanctions authorities to limit the DPRK’s continued development and proliferation of its weapons of mass destruction and ballistic missiles.”

**DPRK BALLISTIC MISSILE DEVELOPMENT**

On August 30, 2010, the U.S. Department of State designated the Munitions Industry Department (MID) pursuant to Executive Order (E.O.) 13382 (“Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters”) for its involvement with or provision of support for the DPRK’s weapons of mass destruction programs, including the development of ballistic missiles. The United Nations Security Council subsequently
sanctioned MID on March 2, 2016. Today’s action further restricts the ability of MID to procure both financial and material support from DPRK workers overseas and the use of front companies, shell companies, joint ventures and other opaque ownership structures that circumvent UNSCRs and U.S. sanctions.

As part of today’s action, OFAC designated the DPRK Ministry of Rocket Industry (MoRI) pursuant to E.O. 13382 for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, the MID. MoRI has worked with overseas representatives from other DPRK organizations in order to support MoRI procurement goals.

Additionally, OFAC is designating four MoRI trading companies Hapjanggang Trading Corporation, Korea Rounsan Trading Corporation, Sungnisan Trading Corporation, and Unchon Trading Corporation pursuant to E.O. 13382 for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, MoRI. These trading companies have pursued various activities likely aimed at generating revenue for MoRI. Such activities include: establishing joint ventures in North Korea, pursuing large scale projects with Chinese firms, exporting North Korean labor, including IT workers, establishing a restaurant in a foreign location, coordinating with DPRK embassy personnel on international trade efforts, and importing large equipment manufactured by a European company to North Korea.

SANCTIONS IMPLICATIONS

As a result of today’s action, all property and interests in property of the individuals and entities 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 individuals or entities 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 or entities designated today could be subject to U.S. correspondent or payable-through account sanctions.

The power and integrity of OFAC sanctions derive not only from its ability to designate and add persons to the SDN List, but also from its willingness to remove persons from the SDN List.
List consistent with the law. The ultimate goal of sanctions is not to punish, but to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to OFAC’s Frequently Asked Question 897. For detailed information on the process to submit a request for removal from an OFAC sanctions list.

For identifying information on the individuals sanctioned today.

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