

Treasury Sanctions Actors Financing the North Korean Weapons of Mass Destruction Program



March 27, 2024

The Republic of Korea and the United States Issue Joint Sanctions Against DPRK Financial Facilitators

WASHINGTON — Today, in coordination with the Republic of Korea (ROK), the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) sanctioned six individuals and two entities based in Russia, China, and the United Arab Emirates, that generate revenue and facilitate financial transactions for the Democratic People’s Republic of Korea (DPRK). Funds generated through these actors are ultimately funneled to support the DPRK’s weapons of mass destruction (WMD) programs. The ROK is jointly designating six of the same individuals and entities for their involvement in illicit financing and revenue generation through overseas DPRK information technology (IT) workers. This action also accompanies the 6th U.S.-ROK Working Group on DPRK Cyber Threats.

Today’s action targets agents of designated DPRK banks along with companies that employ DPRK IT workers abroad. DPRK banking representatives, IT workers, and the companies that employ them generate revenue and gain access to foreign currencies vital to the Kim regime. These actors, operating primarily through networks located in Russia and China, orchestrate schemes, set up front or shell companies, and manage surreptitious bank accounts to move and disguise illicit funds, evade sanctions, and finance the DPRK’s unlawful WMD and ballistic missile programs.

“Today’s joint action reflects our commitment to disrupt the DPRK’s efforts to generate revenue for its illicit and destabilizing activities,” said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson. “The United States, along with our South Korean partners, will continue to take action to safeguard the international financial system and prevent the DPRK from funding its illegal weapons programs.”

DPRK BANK REPRESENTATIVES

The DPRK regime continues to use overseas representatives of state-owned entities and banks to access the international financial system. These individuals have overseas posts in China and Russia, where they coordinate payments and generate revenue for the DPRK.

Yu Pu Ung is a linchpin in the DPRK's illicit financial activities and is skilled at employing various schemes to avoid detection. Yu Pu Ung and **Ri Tong Hyok** are both China-based representatives of Tanchon Bank. Tanchon Bank is the financial arm of the DPRK's U.S.- and UN-designated Korea Mining Development Corporation (KOMID) and plays a role in financing KOMID's sales of ballistic missiles. KOMID is the DPRK's premiere arms dealer and main exporter of goods and equipment related to ballistic missiles and conventional weapons. Yu Pu Ung uses funds from DPRK IT groups to supply WMD-related materials to DPRK munitions organizations. Additionally, Yu Pu Ung has provided funds to a China-based representative of the UN- and U.S.-designated Second Academy of Natural Sciences (SANS). Yu Pu Ung and Ri Tong Hyok are being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of, directly or indirectly, Tanchon Bank.

Han Chol Man is a Shenyang, China-based representative of U.S.- and UN-designated Kumgang Bank. From 2019 to 2023, Han Chol Man coordinated or facilitated over \$1 million in payments between China and DPRK for several DPRK banks. During 2023, Han Chol Man coordinated over \$600,000 in payment orders with a bank that is subordinate to the U.S. and UN-designated Munitions Industry Department (MID). Han Chol Man is being designated pursuant to E.O. 13722 for acting or purporting to act for or on behalf of, directly or indirectly, of Kumgang Bank.

O In Chun is a Russia-based representative of U.S.- and UN-designated Korea Daesong Bank, which is operated by the U.S.-designated Office 39. The DPRK government uses Office 39 to engage in illicit economic activities, manage slush funds, and generate revenue for DPRK leadership. Furthermore, O In Chun worked to unfreeze funds on behalf of a bank that is subordinate to the U.S.-and UN-designated MID. O In Chun is being designated pursuant to E.O. 13551 for acting or purporting to act for or on behalf of, directly or indirectly, Korea Daesong Bank.

Jong Song Ho is a Russia-based representative of U.S.-designated Jinmyong Joint Bank. Jong Song Ho has previously engaged in the exportation of DPRK coal. As of 2019, Jong Song Ho was involved in developing coal briquette factories in the DPRK, which facilitates the DPRK leadership's scheme of exporting coal to earn foreign currency. Jong Song Ho is being

designated pursuant to E.O. 13810 for acting or purporting to act for or on behalf of, directly or indirectly, Jinmyong Joint Bank.

Today the ROK is also designating Yu Pu Ung, Jong Song Ho, Han Chol Man, and O In Chun for evading sanctions and funding the DPRK's nuclear and missile programs through illegal financing and money laundering activities.

DPRK IT WORKER DELEGATIONS

The DPRK has dispatched thousands of highly skilled IT workers around the world, earning revenue for the DPRK that contributes to its weapons programs in violation of U.S. and UN sanctions. [On May 23, 2023, OFAC designated the Chinyong Information Technology Cooperation Company \(Chinyong\), an entity associated with the DPRK Ministry of Peoples' Armed Forces.](#) Chinyong uses a network of companies and representatives under its control to manage delegations of DPRK IT workers operating in Russia and Laos. Today's designations expand on this action by sanctioning two companies subordinate to Chinyong and one individual that leads an IT delegation.

Limited Liability Company Alis (Alis LLC) is a Vladivostok, Russia-based company subordinate to U.S.-designated Chinyong, which has made payments to its parent company. Between 2021 and 2022, Alis LLC made payments to its parent company that totaled more than \$2.5 million. **Pioneer Bencont Star Real Estate** is a UAE-based company subordinate to Chinyong. The team-lead for this company, **Jon Yon Gun**, was involved in coordinating payments from Pioneer Bencont Star Real Estate to Chinyong.

Pioneer Bencont Star Real Estate and Alis LLC are being designated pursuant to E.O. 13687. for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, Chinyong.

Jon Yon Gun is being designated pursuant to E.O. 13687 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Pioneer Bencont Star Real Estate.

Today, the ROK is also designating Alis LLC and Pioneer Bencont Star Real Estate, for engaging in the dispatch and operations of the overseas DPRK IT workers. The ROK designated Jon Yon Gun on May 5, 2023, for his involvement in DPRK IT worker related activities.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the designated persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons.

In addition, financial institutions and other persons that engage in certain transactions or activities with the sanctioned entities and individuals may expose themselves to sanctions or be subject to an enforcement action. The prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any designated person, or the receipt of any contribution or provision of funds, goods, or services from any such person.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the SDN List, but also from its willingness to remove persons from the SDN 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 here](#). For detailed information on [the process to submit a request for removal from an OFAC sanctions list, please click here](#).

[Click here for more information on the individuals and entities designated today.](#)

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