

Treasury Targets Houthi Weapons Procurement Networks

July 31, 2024

WASHINGTON — Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is sanctioning two individuals and four companies that have facilitated weapons procurement for Ansarallah, commonly referred to as the Houthis. Since November 2023, the Houthis have deployed a range of unmanned aerial vehicles (UAVs), ballistic missiles, and cruise missiles to attack U.S. military forces, merchant vessels, their crews, and civilian populations in Israel. To undertake their reckless campaign targeting U.S. and allied interests, the Houthis rely on a global network of procurement operatives, shipment facilitators, and suppliers to procure and transport dual-use components and equipment needed to manufacture and deploy a range of advanced weapons systems. This action targets key actors located in the People's Republic of China (PRC), including Hong Kong, and Yemen who have directly supported Houthis' efforts to procure military-grade materials abroad and ship these items to Houthi-controlled areas of Yemen, enabling the group's ongoing attacks.

"The Houthis have sought to exploit key jurisdictions like the PRC and Hong Kong in order to source and transport the components necessary for their deadly weapons systems," said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson. "Treasury will continue to target the facilitators that enable the Houthis' destabilizing activities."

Today's action is being taken pursuant to the counterterrorism authority Executive Order (E.O.) 13224, as amended, and builds on OFAC's [June 17, 2024 action](#) targeting seven individuals and entities enabling Houthi weapons procurement. The U.S. Department of State designated Ansarallah as a Specially Designated Global Terrorist (SDGT) pursuant to E.O. 13224, as amended, effective February 16, 2024, for having committed or attempted to commit, posing a significant risk of committing, or having participated in training to commit acts of terrorism.

HOUTHI-LINKED TRANSSHIPMENT COMPANIES

Houthi-affiliated shipping firms have enabled the group to transfer military-grade components from PRC-based suppliers to Yemen. One such firm, **Al-Shahari United Corporation Ltd.** (Al-Shahari United), is a Sanaa, Yemen-based logistics company that has facilitated numerous shipments from PRC-based suppliers to the Houthis, including components for use in Houthi missile and UAV manufacturing. Al-Shahari United maintains close contact with Houthi operatives based in the PRC and Yemen, who have used the company to help facilitate some of their most important procurement efforts.

Al-Shahari United relies on its PRC-based branch, **Guangzhou Alshahari United Corporation Limited** (Guangzhou Alshahari), to help facilitate shipments from the PRC to Yemen.

Guangzhou Alshahari is wholly owned by Hong Kong-based **Hongkong Alshahari United Corporation Limited** (Hongkong Alshahari). **Ahmed Khaled Yahya Al-Shahare** is the Director and General Manager of Guangzhou Alshahari.

Al-Shahari United is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Ansarallah. Guangzhou Alshahari is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Al-Shahari United. Hongkong Alshahari is being designated pursuant to E.O. 13224, as amended, for owning or controlling Guangzhou Alshahari. Ahmed Khaled Yahya Al-Shahare is being designated pursuant to E.O. 13224, as amended, for being a leader or official of Guangzhou Alshahari.

HOUTHI PROCUREMENT OPERATIONS IN YEMEN

Maher Yahya Muhammad Mutahar al-Kinai (al-Kinai) is a Yemeni businessman who has supported Houthi military procurement and smuggling efforts. Al-Kinai has coordinated with other Houthi procurement operatives to facilitate shipments of dual-use equipment and components for likely use in Houthi weapons manufacturing. Al-Kinai is the General Manager of **Yemen Telecommunication Asset Company for Information Technology** (Y-TAC), a Sanaa, Yemen-based company that has supported Houthi weapons and component procurement efforts.

Al-Kinai and Y-TAC are being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Ansarallah.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the individuals named above, and of any entities that are owned, directly or indirectly, 50 percent or more by them, individually, or with other blocked persons, 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 designated or blocked persons. U.S. persons must comply with OFAC regulations, including all U.S. citizens and permanent resident aliens regardless of where they are located, all persons within the United States, and all U.S.-incorporated entities and their foreign branches. Non-U.S. persons are also subject to certain OFAC prohibitions. For example, non-U.S. persons are prohibited from causing or conspiring to cause U.S. persons to wittingly or unwittingly violate U.S. sanctions, as well as engaging in conduct that evades U.S. sanctions. Violations of OFAC regulations may result in civil or criminal penalties. OFAC may impose civil penalties for sanctions violations based on strict liability, meaning that a person subject to U.S. jurisdiction may be held civilly liable even if such person did not know or have reason to know that it was engaging in a transaction that was prohibited under sanctions laws and regulations administered by OFAC. [OFAC's Economic Sanctions Enforcement Guidelines](#) provide more information regarding OFAC's enforcement of U.S. economic sanctions, including the factors that OFAC generally considers when determining an appropriate response to an apparent violation. For additional information on complying with U.S. sanctions and export control laws, please see [Department of Commerce, Department of the Treasury, and Department of Justice Tri-Seal Compliance Note](#).

Furthermore, engaging in certain transactions with the individuals designated today entails risk of secondary sanctions pursuant to E.O. 13224, as amended. Pursuant to this authority, OFAC can prohibit or impose strict conditions on the opening or maintaining in the United States of a correspondent account or a payable-through account of a foreign financial institution that knowingly conducted or facilitated any significant transaction on behalf of a Specially Designated Global Terrorist.

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 and vessel identified today.](#)

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