

*Periodic Report on the National Emergency
With Respect to North Korea*

I hereby report to the Congress on developments and expenditures relating to the national emergency with respect to North Korea that was declared in Executive Order (E.O.) 13466 of June 26, 2008, expanded in E.O. 13551 of August 30, 2010, addressed further in E.O. 13570 of April 18, 2011, further expanded in scope in E.O. 13687 of January 2, 2015, under which additional steps were taken in E.O. 13722 of March 15, 2016, and under which further steps were taken in E.O. 13810 of September 20, 2017. This report covers actions taken in the exercise of national emergency authorities, pursuant to section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), and expenses that are directly attributable to the exercise of those authorities, pursuant to section 401(c) of the National Emergencies Act (NEA), 50 U.S.C. 1641(c).

IEEPA Reporting (from May 4, 2018, through November 29, 2018)

1. On July 23, 2018, the Department of State, with the Department of the Treasury and the Department of Homeland Security, issued a North Korea Sanctions & Enforcement Actions Advisory entitled, "Risks for Businesses with Supply Chain Links to North Korea" (the Advisory). This Advisory was issued to highlight the sanctions evasion tactics used by North Korea that could expose businesses – including manufacturers, buyers, and service providers – to sanctions compliance risks under U.S. or United Nations sanctions authorities. This Advisory also assists businesses in complying with the requirements under Title III, the Korean Interdiction and Modernization of Sanctions Act of the Countering America's Adversaries Through Sanctions Act (CAATSA). A copy of the Advisory is attached.

2. The Department of the Treasury's Office of Foreign Assets Control (OFAC) designated three entities, three individuals, and identified two vessels as blocked property, pursuant to E.O. 13551; designated two individuals pursuant to E.O. 13687; designated two entities and two individuals pursuant to E.O. 13722; designated six entities, two individuals, and identified six vessels as blocked property, pursuant to E.O. 13810; and designated two entities pursuant to both E.O. 13722 and E.O. 13810. In related actions, the Department of Justice simultaneously unsealed criminal charges against one individual who was designated on September 6, 2018, pursuant to E.O. 13722; and against one individual who was designated on October 25, 2018, pursuant to E.O. 13551.

3. OFAC closed 47 licensing cases, which may take the form of specific licenses, license amendments, “return-without-action” letters, general information letters, interpretive guidance letters, denial letters, closed without determination letters, or withdrawals, involving one or more of the E.O.s listed above or the North Korea Sanctions Regulations, 31 C.F.R. part 510 (the Regulations).

4. One hundred eighty transactions, totaling approximately \$9.8 million, involving individuals or entities listed in or designated pursuant to one or more of the E.O.s listed above, or the Regulations, were reported to OFAC as blocked. In addition, U.S. banks rejected 54 transfers in support of an otherwise prohibited transaction in which there is no blockable interest, resulting in a disruption of at least \$3.7 million in business relating to North Korea.

5. OFAC continues to discuss this program during its numerous outreach events to the financial, securities, and international trade communities. Details of this program also are available to the public on the Department of the Treasury’s website, including in a program brochure and in industry-specific OFAC compliance guidance.

NEA Reporting (from June 27, 2018, through December 26, 2018)

6. The expenses incurred by the federal government that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to North Korea are estimated to be approximately \$3.9 million, most of which represent wage and salary costs for the Departments of the Treasury, State, and Justice who implement, administer, and enforce the sanctions discussed in this report. This amount reflects only costs associated with the economic sanctions related to North Korea which are administered under the aforementioned authorities by the aforementioned government agencies.

I shall continue to report periodically to the Congress on significant developments as required by law.



Steven T. Mnuchin

Department of the Treasury

Dated: DEC 19 2018