

*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 scope 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, and addressed further in E.O. 13722 of March 15, 2016, and 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 implementing regulations set forth at 31 C.F.R. Part 510 (the North Korea Sanctions Regulations). It also covers 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 3, 2019, through December 1, 2019)

1. On July 29, 2019, the Department of the Treasury's Office of Foreign Assets Control (OFAC) designated a Vietnam-based North Korean individual who imported and exported goods to generate foreign currency for the Kim regime, pursuant to the authorities referenced above. The action targeted Kim Su Il, an employee of the U.S. and UN designated Munitions Industry Department for being an official of the Workers' Party of Korea, pursuant to the authorities referenced above.

On August 30, 2019, OFAC designated a Taiwan-based ship-to-ship petroleum transfer network that illicitly provided fuel to North Korea. This designation included two individuals and three entities, and identified one vessel as blocked property pursuant to the authorities referenced above.

On September 13, 2019, OFAC designated three North Korean state-sponsored malicious cyber groups responsible for North Korea's malicious cyber activity on critical infrastructure pursuant to the authorities referenced above.

2. OFAC closed 123 licensing cases (which may take the form of denial letters, license amendments, "return-without-action" letters, general information letters, interpretive guidance letters, specific licenses, closed without determination letters, or withdrawals) pursuant to the authorities referenced above.

3. One hundred thirty-five transactions, totaling approximately \$1.2 million, were reported to OFAC as blocked pursuant to the authorities referenced above. In addition, U.S. banks rejected 88 transfers in support of otherwise prohibited transactions in which there were no blockable interests, resulting in disruption of at least \$3.2 million in business relating to North Korea.

4. 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.

NEA Reporting (from June 27, 2019, through December 26, 2019)

5. 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 \$4.8 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 30 2019**