

*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. In accordance with section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), this report covers actions taken in the exercise of national emergency authorities under IEEPA, 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, in accordance with section 401(c) of the National Emergencies Act (NEA), 50 U.S.C. 1641(c).

IEEPA Reporting (from December 2, 2019, through May 4, 2020)

1. On April 10, 2020, the Department of the Treasury's Office of Foreign Assets Control (OFAC) amended the North Korea Sanctions Regulations, 31 C.F.R. part 510, to further implement the North Korea Sanctions and Policy Enhancement Act of 2016, as amended by the Countering America's Adversaries Through Sanctions Act of 2017 and the National Defense Authorization Act for Fiscal Year 2020. See Attachment A for a copy of the amendment.

2. On April 15, 2020, the U.S. Departments of State, the Treasury, and Homeland Security, and the Federal Bureau of Investigation issued the DPRK Cyber Threat Advisory (the Advisory) as a comprehensive resource on the North Korean cyber threat for the international community, network defenders, and the public. The Advisory highlights the cyber threat posed by North Korea – formally known as the Democratic People's Republic of Korea (DPRK) – and provides recommended steps to mitigate the threat. See Attachment B for a copy of the Advisory.

3. On January 14, 2020, OFAC designated two entities, North Korea-based Korea Namgang Trading Corporation and China-based Beijing Sukbakso, pursuant to the authorities referenced above.

On March 2, 2020, OFAC designated two Chinese nationals involved in laundering stolen cryptocurrency from a 2018 cyber intrusion against a cryptocurrency exchange pursuant to the authorities referenced above. This cyber intrusion is linked to Lazarus Group, a U.S.-designated North Korean state-sponsored malicious cyber group.

Also on March 2, 2020, OFAC removed two entities from OFAC's Specially Designated Nationals and Blocked Persons List.

4. OFAC closed 80 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.

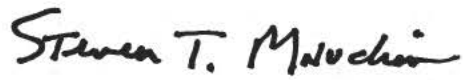
5. Thirty-three transactions, totaling approximately \$106,000, were reported to OFAC as blocked pursuant to the authorities referenced above. In addition, U.S. banks rejected 31 transactions in support of otherwise prohibited transactions in which there were no blockable interests, resulting in disruption of at least \$362,000 in business relating to North Korea.

6. 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 December 27, 2019, through June 26, 2020)

7. 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 \$4.13 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.

A handwritten signature in black ink that reads "Steven T. Mnuchin". The signature is written in a cursive style with a large initial 'S'.

Steven T. Mnuchin

Department of the Treasury

Dated: **MAY 22 2020**