

Treasury Disrupts North Korean Digital Assets Money Laundering Network

Today, the Department of the Treasury's Office of Foreign Assets Control (OFAC) is sanctioning two individuals and one entity involved in a network that launders millions of dollars of illicit funds generated by the Democratic People's Republic of Korea (DPRK) information technology (IT) workers and cybercrime to support the DPRK Government. Based in the United Arab Emirates (UAE), **Lu Huaying** and **Zhang Jian** worked through a UAE-based front company to facilitate money laundering and cryptocurrency conversion services that funnelled the illicit proceeds back to Pyongyang.

DPRK LAUNDERING DIGITAL ASSETS TO FUND REGIME'S ACTIVITIES

The DPRK continues to use agents and proxies to access the international financial system to conduct illicit financial activities, including fraudulent IT work, digital assets heists, and money laundering, in support of its unlawful WMD and ballistic missile programs.

Since at least early 2022, UAE-based PRC national **Lu Huaying** has cashed out cryptocurrency derived from obfuscated DPRK revenue-generation projects into fiat cash on behalf of OFAC-sanctioned Sim Hyon Sop. Between early 2022 and approximately September 2023, Lu Huaying has laundered several million dollars of Sim Hyon Sop's money through a combination of cryptocurrency cash-outs and money mules.

In late 2022 and early 2023, UAE-based PRC national **Zhang Jian** (Zhang) has also helped facilitate the exchange of fiat currency for Sim. Additionally, Zhang himself has purportedly acted as a courier for Sim Hyon Sop.

Green Alpine Trading, LLC is a UAE-based front company that has served as a key component of this money-laundering network.

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.

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.

Non-U.S. persons are also 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. OFAC's Economic Sanctions Enforcement Guidelines provide more information regarding OFAC's enforcement of U.S. sanctions, including the factors that OFAC generally considers when determining an appropriate response to an apparent violation.

Dated 17th December, 2024



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