

## U.S. DEPARTMENT OF THE TREASURY

# Treasury Sanctions Clandestine IT Worker Network Funding the DPRK's Weapons Programs

July 24, 2025

**WASHINGTON** — Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned the **Korea Sobaeksu Trading Company** and three associated individuals—**Kim Se Un, Jo Kyong Hun, and Myong Chol Min**—for their involvement in the evasion of U.S. and United Nations (UN) sanctions and efforts to generate revenue clandestinely for the Democratic People's Republic of Korea (DPRK) government, including through fraudulent information technology (IT) worker schemes. This action to counter the DPRK's wide-ranging revenue generation schemes is part of a collaborative effort with the Departments of Justice, Homeland Security, and State; the Federal Bureau of Investigation; and Homeland Security Investigations.

“The DPRK relies on front companies like Korea Sobaeksu Trading Company and key facilitators to procure materials and generate revenue for the regime's illegal nuclear and ballistic missile programs,” said **Director of OFAC Bradley T. Smith**. “Our commitment is clear: Treasury, as part of a whole-of-government effort, will continue to hold accountable those who seek to infiltrate global supply chains and enable the sanctions evasion activities that further the Kim regime's destabilizing agenda.”

Alongside Treasury, the Department of Justice is unsealing indictments today against seven DPRK nationals for the criminal avoidance of sanctions under the International Emergency Economic Powers Act involving the illicit trafficking of counterfeit cigarettes. Also today, the Department of State is [announcing](#) reward offers ranging from up to \$500,000 to up to \$7 million under the Transnational Organized Crime Rewards Program for information leading to these individuals' arrest and/or conviction.

The DPRK regime dispatches teams of highly skilled IT workers around the world in order to generate revenue alongside other illicit trade activities, in violation of U.S. and UN sanctions. The teams of IT workers typically use fraudulent documents, stolen identities, and false personas to obfuscate their identities and infiltrate legitimate companies, including those in the United States and other allied jurisdictions. The DPRK government withholds most of the wages

earned by IT workers, generating hundreds of millions of dollars in revenue to support the North Korean regime's unlawful weapons of mass destruction and ballistic missile programs. In some cases, these DPRK IT workers have introduced malware into company networks to exfiltrate proprietary and sensitive data. More information about the tactics utilized by DPRK IT workers and steps that can be taken to protect private networks can be found in a [January 23, 2025 Public Service Announcement issued by the Federal Bureau of Investigation](#).

Additional information about the use of IT workers to generate revenue for the DPRK can be found in the [May 16, 2022 IT Worker Advisory, issued by the Departments of State, Treasury and Justice](#).

## **OVERSEAS TRADING AND IT WORKER NETWORKS**

OFAC's action today designates a network that has facilitated the movement of overseas IT workers and procurement for the DPRK's nuclear program, consisting of a DPRK-based trading company and three individuals that have represented the front company or otherwise provided financial assistance in order to generate revenue for the DPRK.

**Korea Sobaeksu Trading Company** (Sobaeksu), also referred to as Sobaeksu United Corporation, is a DPRK-based trading company that operates as a front company for the U.S.-designated Munitions Industry Department, which oversees the DPRK's nuclear program and is involved in the development of ballistic missiles. The Munitions Industry Department has previously utilized Sobaeksu to send teams of IT workers overseas, including to Vietnam, in order to generate revenue. Additionally, Sobaeksu has been involved in nuclear procurement activities on behalf of the Munitions Industry Department. Sobaeksu is being designated pursuant to Executive Order (E.O.) 13382 for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, Munitions Industry Department, a person whose property and interests in property are blocked pursuant to E.O. 13382.

**Kim Se Un** is a North Korean representative of Sobaeksu that has also used various subordinate companies to support Sobaeksu's revenue generation activities, including by operating a company based out of Vietnam and hiring additional North Korean IT workers to facilitate IT development outside of the DPRK. OFAC is designating Kim Se Un pursuant to E.O. 13382 for having provided, or attempted to provide, financial, material, technological, or other support for, or goods or services in support of, Sobaeksu, a person whose property and interests in property are blocked pursuant to E.O. 13382. The State Department, under the Transnational

Organized Crime Rewards Program, authorized a reward offer up to \$3 million for information leading to Kim Se Un's arrest and/or conviction.

**Jo Kyong Hun** is a North Korea-based Sobaeksu IT team leader who has worked with Kim Se Un on cryptocurrency and other financial issues related to revenue generation for IT projects. OFAC is designating Jo Kyong Hun pursuant to E.O. 13382 for having provided, or attempted to provide, financial, material, technological, or other support for, or goods or services in support of, Sobaeksu, a person whose property and interests in property are blocked pursuant to E.O. 13382.

**Myong Chol Min** is a North Korea-based trade representative of multiple DPRK-based companies and has worked closely with Kim Se Un in order to facilitate various business deals and avoid sanctions to generate revenue for the DPRK. Myong Chol Min has also attempted to facilitate the import of tobacco and other products to North Korea. OFAC is designating Myong Chol Min pursuant to E.O. 13810 for being a North Korean person, including a North Korean person that has engaged in commercial activity that generates revenue for the Government of North Korea or the Workers Party of Korea. The State Department, under the Transnational Organized Crime Rewards Program, authorized a reward offer up to \$3 million for information leading to Myong Chol Min's arrest and/or conviction.

## **SANCTIONS IMPLICATIONS**

As a result of today's action, all property and interests in property of the designated or blocked 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. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of blocked persons.

Violations of U.S. sanctions may result in the imposition of civil or criminal penalties on U.S. and foreign persons. OFAC may impose civil penalties for sanctions violations on a strict liability basis. [OFAC's Economic Sanctions Enforcement Guidelines](#) provide more information regarding OFAC's enforcement of U.S. economic sanctions. In addition, financial institutions and other persons may risk exposure to sanctions for engaging in certain transactions or activities involving designated or otherwise blocked persons. The prohibitions include the making of any

contribution or provision of funds, goods, or services by, to, or for the benefit of any designated or blocked person, or the receipt of any contribution or provision of funds, goods, or services from any such person.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the Specially Designated Nationals and Blocked Persons List (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, or to submit a request, please refer to OFAC's guidance on [Filing a Petition for Removal from an OFAC List](#).

[Click here for more information on the persons designated today.](#)