



# Overt Affairs

How North Korean Businessmen  
Busted Sanctions in the  
Democratic Republic of Congo

August 2020



THE SENTRY

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## Executive Summary

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In 2018, two North Korean businessmen formed a construction services firm in the Democratic Republic of Congo (DRC) and engaged in activities that appear to violate sanctions adopted by the European Union (EU), the United Nations, and the United States. Despite strict international prohibitions, these individuals opened a bank account for their company, Congo Aconde, and undertook construction projects in the country. One such project involved erecting statues in a remote provincial capital, a type of construction explicitly forbidden by UN sanctions adopted in 2016. In another apparent violation of UN sanctions, Congolese government funds reportedly served to pay for the statues. Notably, Congo Aconde's activities also gained the attention of several prominent Congolese politicians linked to former President Joseph Kabila's political party, and some of these politicians even rubbed shoulders with the North Korean businessmen.

The Sentry's investigation raises significant questions about the enforcement of sanctions on North Korea and demonstrates apparent failures at multiple levels of the Congolese government and by several banks to conduct proper due diligence on Congo Aconde. Those same failures allowed the company to undertake prohibited activities in the DRC and posed great risk to the international financial system. Specifically, Congo Aconde obtained a US dollar-denominated account at the DRC affiliate of Afriland First Bank, an institution headquartered in Cameroon. The account enabled the company to move funds globally via BMCE Bank International, identified in evidence reviewed by The Sentry as the banking partner designated to process US dollar and euro transactions for Congo Aconde's account in the DRC. Sanctions programs on North Korea focus heavily on disrupting access to the international financial system because of the danger that revenue generated overseas could ultimately be used to fund the country's nuclear weapons program. As a result, Congo Aconde's access to banking services is more than a simple lapse. This access could represent a threat to international peace and security.

Congo Aconde serves as a clarion call for banks, governments, and multilateral institutions regarding sanctions risks in the DRC. Weak internal controls and oversight mechanisms in the DRC make it a fertile ground for those seeking to evade sanctions. These frailties put the DRC's banking sector and the broader economy in significant danger.

### Key Recommendations

In the wake of its investigation, The Sentry is making the following key recommendations, the full text of which appears at the end of this report.

#### United States:

- **Amend the risk advisory.** The US Treasury Department's Financial Crimes Enforcement Network (FinCEN) should amend the existing advisory on the illicit finance threat emanating from North Korea to include risks of doing business with certain parts of the DRC's banking sector.



### International community:

- **Address anti-money laundering/countering the financing of terrorism (AML/CFT) implementation and shortfalls.** The US Treasury Department, the International Monetary Fund (IMF), the World Bank and other international partners should help banks in the country implement AML/CFT standards and urge the DRC's central bank to address gaps in AML legislation. The US Treasury Department's Office of Technical Assistance and the IMF should work with the DRC's Finance Ministry to address gaps in legislation and policy implementation. International partners should pressure their DRC government interlocutors to fund and empower the financial intelligence unit and consider providing necessary technical support.

### Global banks and other relevant financial institutions:

- **Conduct enhanced due diligence.** Global banks should conduct enhanced due diligence on the transactions of certain banks operating in the DRC. Afriland First Bank, BMCE Bank International, and any other correspondent banks that may have processed transactions for Congo Aconde should comply with UN and US sanctions and freeze any accounts controlled by Congo Aconde and its North Korean owners.

### DRC government:

- **Empower the DRC financial intelligence unit.** The Congolese government should empower its financial intelligence unit, the Cellule nationale des renseignements financiers (CENAREF), to conduct independent and thorough investigations of suspicious financial activities. The DRC government should also join the Egmont Group, the international consortium of financial intelligence units that promote information sharing.





the 2018 presidential elections.<sup>7,8</sup> The social media post noted that Shadary aimed to take stock of ongoing public works that constituted “the promises of the head of state to the people” on his tour in the provincial capital, Kamina, and report back to PPRD leadership about their progress. Shadary stood with Haut-Lomami’s governor at the time, Jackson Kalenga Mwenzemi, at a roundabout in front of a partially finished statue of a ruling figure from the ethnic group to which Joseph Kabila reportedly belongs.<sup>9</sup> Kabila directed Shadary to visit the project site, according to Congolese state media.<sup>10</sup>

Kalenga, himself aligned with Kabila’s Common Front for Congo (FCC) electoral bloc, would refer to the same statue at a ceremony a month later when he placed the symbolic foundation stone at the future site of a monument to former president Laurent-Désiré Kabila, who preceded his son at the helm of the state.<sup>11, 12, 13</sup> An article by Congolese state media covering the ceremony remarked that a firm called “Congo Akonde,” which it identified as South Korean, was building the statue Shadary visited and the one of Joseph Kabila’s father.<sup>14, 15</sup>

A video of the event reviewed by The Sentry shows an individual resembling Congo Aconde’s majority shareholder Pak walking with Kalenga, who later emphasizes the importance of the project to the younger Kabila and thanks “Aconde company.”<sup>16</sup> Three articles by Congolese state media and public statements by officials specify that the statues, ultimately unveiled in January 2019, were entirely funded by the provincial government.<sup>17, 18, 19</sup>



One of the statues Congo Aconde built in Haut-Lomami’s capital Kamina represents former President Laurent-Désiré Kabila (left), and the other depicts a ruling figure from the Luba ethnic group (right). Photos: The Sentry.

In August 2019, as Kinshasa Governor and PPRD leader Gentiny Ngobila Mbaka was preparing to launch a vast, five-year cleanup campaign across the capital, he visited a site designated for a small improvement project. The governor reportedly sought to have a family-friendly park built on a disused strip of land along a major boulevard.<sup>20, 21</sup>



Press articles and social media posts on Ngobila’s outing identified Congo Aconde as being involved in the project.<sup>22, 23</sup> Coverage of the event shows Ngobila evaluating graphical renderings and engaged in apparent conversation about them. Some of these posts also include photographs of Ngobila speaking directly with an individual identified as Congo Aconde’s technical director, Hwang Kil Su, who appears to be the same person identified on one of the North Korean passport scans reviewed by The Sentry.<sup>24, 25, 26</sup>

The Sentry was unable to identify available budget documents or statements by the governor’s office indicating the status of the project, the funding mechanism, or descriptions of the process by which Congo Aconde may have been chosen. However, coverage refers to Congo Aconde’s execution of similar projects in “Grand Katanga,” a region in the DRC encompassing Haut-Lomami province. Hwang also reportedly indicated that “his country” was ready to aid Ngobila’s city improvement efforts.<sup>27, 28, 29</sup> As of June 2020, The Sentry could not establish that substantive work on the park had begun.<sup>30</sup>



Kinshasa Governor Gentiny Ngobila Mbaka speaking with an individual identified as Hwang Kil Su at the planned site of a public park. Photos: The Sentry.





## Risky Business

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Congo Aconde's activities appear to be the latest in a series of suspected sanctions violations involving the DRC and North Korea.<sup>31</sup> In 2013, UN peacekeepers recovered six different types of North Korean-made ammunition from armed groups in the DRC.<sup>32</sup> UN investigators reported three years later that the DRC received small arms shipped from North Korea that were ultimately issued to Congolese presidential guards and special police, and that North Korean instructors conducted training for these same units at a military base near Kinshasa.<sup>33, 34</sup>

Similarly, the two statues in Haut-Lomami province are only the latest example of North Korean design and construction in the country. In 2002, a North Korean-controlled entity behind construction projects in at least 14 countries across the African continent—Mansudae Overseas Projects—built a statue depicting national icon Patrice Lumumba and a monument to former president Laurent-Désiré Kabila in Kinshasa.<sup>35, 36, 37, 38, 39, 40</sup>

The US Treasury Department placed Mansudae Overseas Projects under sanctions in 2016.<sup>41</sup> Just days before, the UN had expressly prohibited member states from directly or indirectly procuring statues from North Korean individuals and entities, while also barring North Korean citizens from supplying, selling, or transferring statues.<sup>42</sup> Mansudae Overseas Projects served as an important source of revenue for the North Korean government, raising fears that the company's projects could have helped fund the weapons of mass destruction program that is the main target of international sanctions on the country.<sup>43, 44, 45</sup>

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The Sentry found that the Haut-Lomami provincial government apparently violated the UN ban on procuring North Korean statues and, separately, another on the use of public funds to finance statue-building and other prohibited activities.<sup>46, 47, 48, 49</sup>

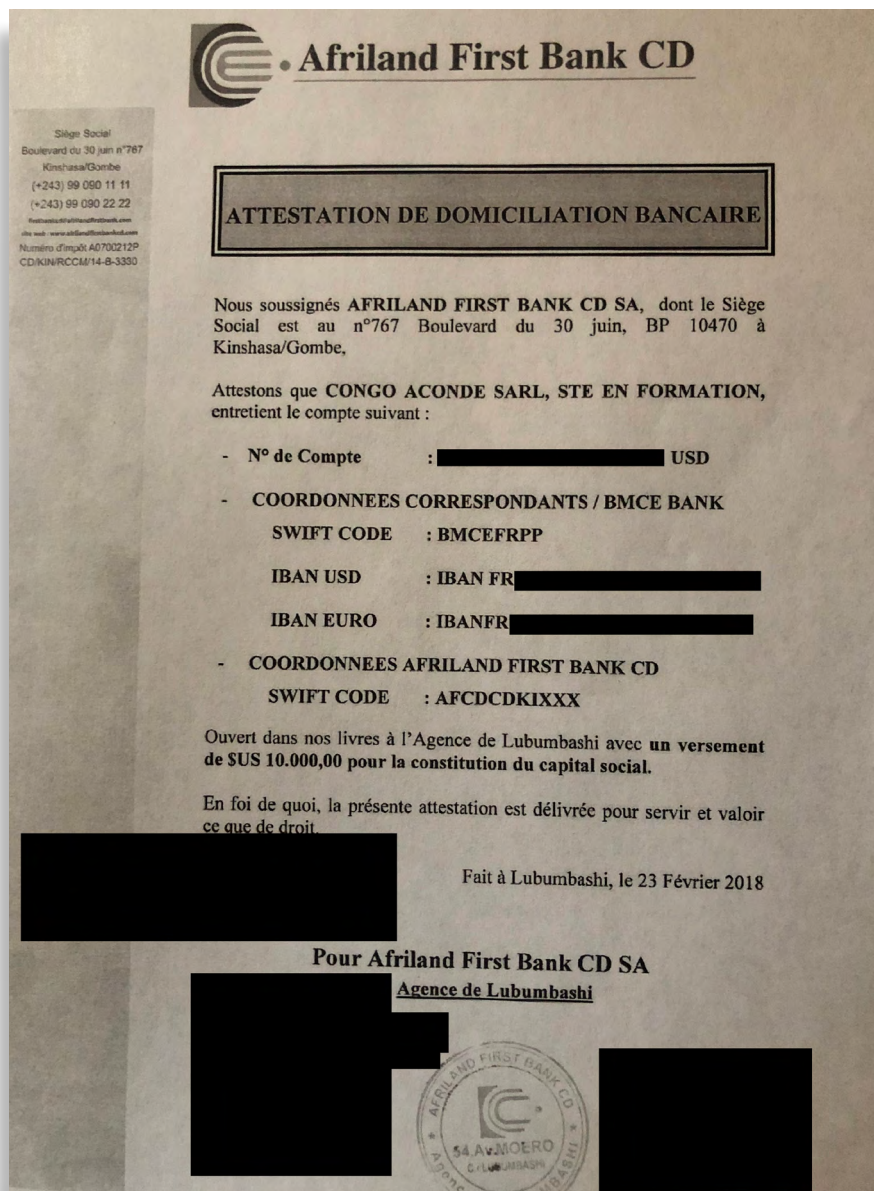
The park project in Kinshasa may also run afoul of the ban on UN member states publicly financing prohibited activities linked to North Korea, although it remains unclear whether Kinshasa provincial government funds were directed to the effort.

Afriland First Bank's provision of banking services to Congo Aconde—and by extension correspondent banking partner BMCE Bank International, if it processed transactions associated with the company—likewise appears to bust UN sanctions requiring asset freezes for accounts related to prohibited activity.<sup>50</sup> EU sanctions regimes on North Korea, which largely transpose those adopted by the UN, include the same provisions on asset freezes for such accounts.<sup>51, 52</sup>

Congo Aconde's customer relationship with Afriland First Bank and BMCE Bank International may also violate US sanctions. In 2017, the US government took action intended to cut off North Korea's access to funds for its weapons of mass destruction program. The measure bars any bank from providing banking services in US dollars to a foreign company controlled by North Koreans.<sup>53</sup> In addition, the executive order requires financial institutions to block all funds falling under US jurisdiction if a North Korean person owns or controls the foreign bank account linked to a transaction in question.<sup>54</sup> Due to the dominant US role in clearing interna-



tional US dollar-denominated transactions, some of Congo Aconde's banking activities most likely fell under US jurisdiction.<sup>55</sup>



Congo Aconde opened a US dollar account at the Lubumbashi branch of Afriland First Bank. Photo: The Sentry.



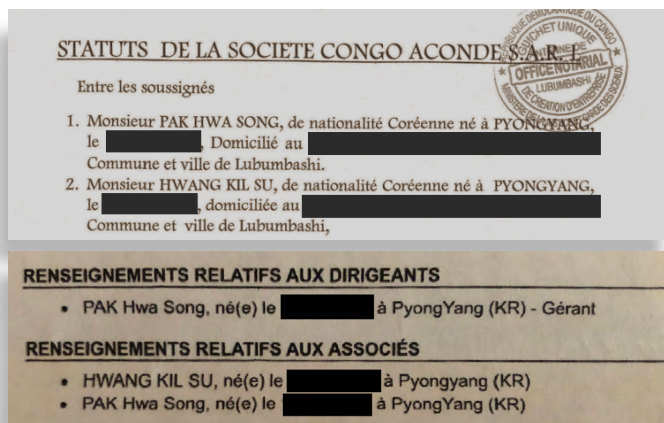
## Vulnerabilities Exposed

Congo Aconde's reported activities demonstrate that a range of private and public sector institutions in the DRC that should serve as a bulwark against such opportunism did not meaningfully do so in this circumstance.

Evidence reviewed by The Sentry points to a crucial compliance breakdown that occurred when Afriland First Bank established a US dollar-denominated account for Congo Aconde at its Lubumbashi branch. Furthermore, BMCE Bank International, the partner designated to process US dollar and euro transactions for the account at Afriland First Bank, enabled Congo Aconde's access to crucial foreign currencies, according to the same evidence.

Central Bank of Congo regulations on money laundering and terror financing risks stipulate that banks must require prospective corporate clients to provide two types of documentation in order to establish a relationship. First, these potential clients must furnish official documents outlining the entity's name, legal form, address of record, and individuals authorized to act on its behalf.<sup>56, 57</sup> Second, they must provide identification for company officers.<sup>58, 59</sup> Central bank regulations define the provision of these basic documents as a minimum standard.

While Pak's and Hwang's nationality was ambiguous on some forms, Afriland First Bank's staff would have seen that they were both born in the North Korean capital Pyongyang, had the institution's employees examined even minimally informative documents on Congo Aconde.<sup>60, 61</sup> Bank staff most likely would have seen an original or certified copy of a North Korean passport had Afriland First Bank complied with the documentation requirements in good faith. Given the spectrum of international sanctions on North Korea, these indicators should at least have led the bank to rigorously scrutinize the company and its officers. Most banks would have categorically declined to take on a client like Congo Aconde based solely on its association with North Korea.<sup>62, 63</sup>



These excerpts from Congo Aconde's company formation documents should have raised alarms. Photos: The Sentry.

Congo Aconde's dealings in the DRC also reveal failures by Congolese government authorities and public officials. At the DRC embassy in Cameroon, the Congolese government may have broken UN travel restric-



tions by granting entry to company owners Pak and Hwang, who ultimately engaged in prohibited activities.<sup>64</sup>  
<sup>65</sup> The two North Koreans also appear to have violated the terms of the ordinary, non-business visas they obtained at the mission, judging from documents reviewed by The Sentry. In the DRC, Congo Aconde's company formation process could have exposed details on the company's shareholders and management to officials at three separate ministries and at least 10 government offices with oversight duties.<sup>66, 67</sup>

In the end, a company associated with nationals of a country subject to extensive international sanctions programs, and whose formal business purpose was suggestive of activities North Koreans are prohibited from undertaking, successfully cleared major procedural hurdles.<sup>68</sup> Certain officials and provincial authorities reportedly commissioned Congo Aconde to engage in activities in apparent violation of UN and other prohibitions.<sup>69</sup> Any selection process or rudimentary vetting of the company would have revealed major cause for concern, compounded by the direct exposure of senior elected officials and political party leaders to Congo Aconde's projects and owners.

Weaknesses in the DRC's financial intelligence unit also expose the country to sanctions evaders, as it fails to comply with international guidelines and best practices for reducing such risk. The Cellule nationale des renseignements financiers (CENAREF) should have scrutinized, halted, and reported any financial transactions related to the company because of the international security and sanctions implications. However, it is unclear whether CENAREF became aware of Congo Aconde's banking activity. The financial intelligence unit generally struggles to investigate potential illicit financial activities due to several factors, including funding gaps and capacity shortfalls.<sup>70</sup>



## Conclusion

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This report outlines shortfalls in due diligence across private and public institutions in the DRC that enabled activities prohibited by international sanctions programs and that may expose the country to other behaviors that threaten international peace and security. The North Korean businessmen who established Congo Aconde openly undertook certain prohibited activities without apparent resistance. Sanctions programs on North Korea focus heavily on preventing and disrupting access by North Korean individuals and entities to the international banking system because such access could support the country's weapons of mass destruction program. International banks on which local banks rely to process foreign currency transactions, particularly those in US dollars, have long had concerns about the due diligence practices in DRC's banking and finance sector. The fact that Afriland First Bank's DRC affiliate granted Congo Aconde a US dollar-denominated account will do little to alleviate those concerns. Without systemic changes in the sector and other confidence-building measures, state institutions, private companies, and households could lose access to some essential banking services, thus damaging the country's economic stability.

High-level officials commissioned the company to undertake public works projects—seemingly also in contravention of international sanctions—underscoring poor management of scarce resources. For example, Haut-Lomami province, where Congo Aconde apparently engaged in prohibited activities, is economically and physically isolated due in part to its substandard transport infrastructure. Furthermore, its population suffers from higher than average levels of malnutrition and a number of communicable diseases, such as measles and cholera.<sup>71, 72, 73, 74, 75</sup> The two modestly sized statues built by Congo Aconde represent a noteworthy oversight by elected officials tasked with improving the lives of Haut-Lomami residents. Funds that could have shored up infrastructure or public health went instead toward works that could dissuade donors, investors, and other parties seeking to play a supportive role in the province.



## Recommendations

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United States, European Union, United Nations, and international financial institutions:

- **Amend the risk advisory.** The US Treasury Department's Financial Crimes Enforcement Network (FinCEN) should amend the existing advisory on the illicit finance threat emanating from North Korea to include risks of doing business with certain parts of the DRC's banking sector. FinCEN advisories play a critical role in anti-corruption and sanctions enforcement efforts. Both US and international banks would be alerted to pay closer attention to collecting information on entities under sanctions and suspicious accounts relating to the DRC.
- **Address anti-money laundering/countering the financing of terrorism (AML/CFT) implementation and shortfalls.** The US Treasury Department and the International Monetary Fund should help banks in the country implement AML/CFT standards and urge the DRC's central bank to address gaps in AML legislation. These issues include preventing banks from opening anonymous accounts, enforcing the limits on large cash transactions, ensuring banks are conducting due diligence on accounts held by politically exposed persons (PEPs), and tightening rules around correspondent banking. The Treasury Department's Office of Technical Assistance and the IMF can work with the DRC's Finance Ministry to address gaps in legislation and policy implementation. International partners should pressure their DRC government interlocutors to fund and empower the financial intelligence unit and consider providing necessary technical support to the unit.
- **Enhance EU monitoring.** The EU should consider adding the DRC to its list of high-risk third countries to allow for enhanced monitoring. European countries and the United Kingdom should consider issuing advisories on the risks of doing business with certain parts of the DRC's banking sector, highlighting the possibility that some actors exploit the sector to evade sanctions.
- **Urge transparency in government contracting.** The US State Department and the International Monetary Fund should urge the DRC to ensure a transparent public tender process and to make all government contracts, including provincial contracts, publicly available.
- **Provide sanctions enforcement assistance.** Countries able to provide technical assistance should help others enforce UN sanctions. The US and the European Union should maintain programs that provide this assistance, such as the US Department of State's Export Control and Related Border Security Program, the US Department of Defense International Counterproliferation Program, the US Department of Energy's International Nonproliferation Export Control Program, and the European Commission's Partner-to-Partner (P2P) program.
- **Issue targeted network sanctions.** The United States, the UN Security Council, and the European Union should investigate and, if appropriate, place under sanctions persons and possible networks connected to the transactions described in this report, including the DRC officials who facilitated contracts for the North Korean companies.



## Global banks and the financial community:

- **Conduct enhanced due diligence on transactions.** Global multinational banks should carry out enhanced due diligence on the transactions of certain banks operating in the DRC. Banks operating in the DRC should improve screening, training, and awareness of these offenses, and add proliferation financing red flags to filters. Afriland First Bank and its banking correspondents should comply with UN and US sanctions and freeze all accounts controlled by Congo Aconde and its North Korean owners. The banks should cooperate with investigators and provide all documentation related to the accounts and any transactions. While taking a risk-based approach, banks should avoid mass de-risking and raise compliance to international AML/CFT standards.
- **Develop best practices.** The Congolese banking association (ACB) should work to develop best practices to help local banks enhance customer due diligence related to North Korea, including in relation to the proliferation and financing of weapons of mass destruction, and help restore confidence in the Congolese banking sector.

## DRC government:

- **Improve AML/CFT regime.** The DRC government should enhance AML/CFT compliance by local financial institutions, including by supporting the development of a national risk assessment, a national strategy to address existing shortfalls in the AML/CFT regime, capacity building with the regulators, and enhanced banking supervision. The central bank should also issue guidance to all banks operating in the DRC on implementing UN Security Council resolutions that concern proliferation financing.
- **Empower the DRC financial intelligence unit.** The DRC government should empower CENAREF to conduct independent and thorough investigations of suspicious financial activities in support of Congolese law enforcement and the national courts. In particular, the government should staff the unit with experienced professionals, provide necessary training to existing staff, and fully fund the unit. The government should also ensure that CENAREF staff have the other necessary resources to conduct investigations, including access to information from the public and private sectors and technology suitable for accessing, analyzing, and securely storing such information. CENAREF should add countering terrorism and proliferation finance to its mandate. The DRC government should also join the Egmont Group, the international consortium of financial intelligence units that promotes information sharing.
- **Review problematic contracts.** Governing authorities at the national and provincial levels should annul any current contracts with Congo Aconde and review any contracts with companies controlled by North Korean nationals.
- **Establish a Financial Action Task Force-adherent public corporate registry.** The Congolese government, led by the Ministry of the National Economy and the Ministry of Foreign Commerce, should create a searchable online public registry of all corporate entities established in the DRC, including shareholder and beneficial ownership information, in order to improve corporate transparency, public oversight, and accountability. Such a registry should adhere to guidance on beneficial ownership transparency set out in the 2012 FATF recommendations.



- **Fully implement UN Security Council resolutions on weapons proliferation and FATF Recommendation 7.** The DRC government should enact domestic legislation to fully implement and enforce UN Security Council resolutions on weapons proliferation and financing. Related measures include establishing the necessary legal authority and identifying competent domestic authorities responsible for implementing and enforcing targeted financial sanctions. The DRC government should cooperate with the FATF and the FATF-style regional body for Central Africa to implement FATF Recommendation 7, which requires countries to implement targeted financial sanctions to comply with UN Security Council resolutions.
- **Cooperate with the UN Panel of Experts and Security Council Committee.** The Congolese government should submit implementation reports in accordance with its obligations to the UN Security Council and assist the Panel of Experts on North Korea's information gathering efforts. The Congolese delegation to the UN should report details of the events described in this report to the Panel of Experts and Security Council Committee for further investigation and consideration. Where necessary, the Congolese government should request assistance from the North Korea and 1540 Committees to better implement Security Council resolutions, develop enforcement mechanisms, and share intelligence.





## Endnotes

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- 1 According to analysis by the Royal United Services Institute, “North Korean activities may also fall just short of the threshold that would make them illicit or overly suspicious in an attempt to avoid detection. North Korean laborers or businesspeople may enter countries on tourist visas for short contracts or may leave and re-enter a country on consecutive short-term visas.” See:  
Darya Dolzikhova and Anagha Joshi, “The Southern Stratagem: North Korean Proliferation Financing in Southern and Eastern Africa,” Royal United Services Institute, April 2020, available at: [https://rusi.org/sites/default/files/north\\_korean\\_pf\\_in\\_southern\\_and\\_eastern\\_africa\\_web\\_copy\\_final.pdf](https://rusi.org/sites/default/files/north_korean_pf_in_southern_and_eastern_africa_web_copy_final.pdf)
- 2 Pak’s and Hwang’s passports, which were issued on the same day and had near-sequential numbering, include the type designation “PO.” Based on research conducted by The Sentry, “PO” may signify “passeport officiel” (official passport), which raises additional concerns about Congo Aconde’s founders and the motives behind their activities. The UN Panel of Experts on North Korea in a 2013 report explained that official passports are one of four types of North Korean passports issued by the government and are “issued to citizens of the Democratic People’s Republic of Korea travelling or working abroad on official duty, including athletes and national company employees.” See:  
United Nations Security Council, “Report of the Panel of Experts established pursuant to resolution 1874 (2009),” S/2013/337, June 11, 2013, available at: <https://www.undocs.org/S/2013/337>
- 3 Congo Aconde listed a residential address on its incorporation records. The Sentry undertook a site visit to locate the address and assess Congo Aconde’s presence there but was unable to find it.
- 4 In response to questions posed by The Sentry, the individual listed on documents as the attorney who undertook the company formation process for Congo Aconde indicated that Pak and Hwang initially sought his legal services in 2018. The attorney went on to indicate that his involvement with Congo Aconde and its shareholders was limited to the company formation process, and he clarified that Congo Aconde was the only company he incorporated for Pak and Hwang. Furthermore, the attorney stated that he served no role in obtaining banking services for the company at Afriland First Bank’s Lubumbashi branch and had no further interaction with Pak and Hwang subsequent to the company formation process.
- 5 In response to questions posed by The Sentry, officials at BMCE Bank International’s Spanish branch stated that the Spanish and French branches “are completely separate entities forming part of the same group.” The officials added, “we confirm that there has not been any transaction for Congo Aconde.” BMCE Bank International’s headquarters did not respond to a request for comment regarding any transactions that may have been processed in connection to Congo Aconde’s account at Afriland First Bank’s DRC affiliate. It remains unclear whether BMCE Bank International’s Spanish branch can comment authoritatively on whether any member entity of the larger BMCE Bank International group processed transactions on behalf of Congo Aconde.
- 6 According to BMCE Bank International’s website, the bank is wholly owned by London-based BMCE International Holding, which is in turn wholly owned by Morocco-headquartered Bank of Africa. Bank of Africa previously operated under the name BMCE Bank.  
For further information on BMCE Bank International, see:  
BMCE Bank International, “Our Organisation: Legal Structure,” available at: <https://www.bmce-intl.co.uk/about/corporate-governance/our-organisation/legal-structure.html> (last accessed July 27, 2020).  
For further information on Bank of Africa, see:  
Bank of Africa, “Legal Notices,” available at: <https://www.bankofafrica.ma/en/legal-notice> (last accessed July 27, 2020).
- 7 The European Union (EU) had placed Shadary under sanctions a year earlier, in May 2017, for his alleged involvement in human rights violations, including deadly crackdowns on protests and arbitrary arrests. See:  
European Union Council, “Council Implementing Decision (CFSP) 2017/905 of 29 May 2017 implementing Decision 2010/788/CFSP concerning restrictive measures against the Democratic Republic of the Congo,” Official Journal of the European Union, May 29, 2017, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017D0905&from=EN>



- 8 Parti du peuple pour la reconstruction et la démocratie (People’s Party for Reconstruction and Democracy, or PPRD), “PPRD Haut-Lomami: Le SP Ramazani visite des travaux en cours d’exécution sur initiative du chef de l’État” (PPRD Haut-Lomami : Permanent Secretary Ramazani Visits Works Under Way by Request of the Head of State), Facebook post, May 31, 2018, available at: <https://www.facebook.com/pprdOfficiel/posts/945081825664362> (last accessed March 27, 2020).
- 9 Ibid.
- 10 Agence congolaise de presse, “Le secrétaire permanent du PPRD visite des chantiers en cours dans le Haut-Lomami” (PPRD Permanent Secretary Visits Works Under Way in Haut-Lomami), May 31, 2018, available at: [www.nexis.com](http://www.nexis.com) (last accessed March 27, 2020).
- 11 Commission électorale nationale indépendante (Independent National Electoral Commission), “Décision N°043: Portant annonce des résultats provisoires du second tour de l’élection des gouverneurs et vice-gouverneurs de province du Haut-Lomami, du Kasai-Central, du Nord-Ubangi et de la Tshopo” (Decision Number 043: Announcing Provisional Results from the Second Round of Gubernatorial and Vice-Gubernatorial Elections for the Province of Haut-Lomami, Kasai-Central, Nord-Ubangi and Tshopo), April 13, 2019, available at: <https://www.ceni.cd/assets/bundles/documents/decision-n043-ceni-rdc-resultats-provisaires-election-des-gouverneur-et-vice-g-provinces-haut-lomami-nord-ubangi-kasai-central-et-tshopo.pdf> (last accessed March 27, 2020).
- 12 Le Monde, “Élections en RDC : les pro-Kabila gardent l’Assemblée” (DRC Elections: Pro-Kabila Lawmakers Keep the National Assembly), January 12, 2019, available at: [https://www.lemonde.fr/afrique/article/2019/01/12/elections-en-rdc-les-pro-kabila-gardent-l-assemblee\\_5408099\\_3212.html](https://www.lemonde.fr/afrique/article/2019/01/12/elections-en-rdc-les-pro-kabila-gardent-l-assemblee_5408099_3212.html)
- 13 Agence congolaise de presse, “Pose de la première pierre de la construction du monument de Mzee Kabila à Kamina dans le Haut-Lomami” (Groundbreaking Ceremony for the Mzee Kabila Monument in Kamina in Haut-Lomami), Nexis, June 23, 2018, available at: [www.nexis.com](http://www.nexis.com) (last accessed March 27, 2020).
- 14 Ibid.
- 15 Of the three Agence congolaise de presse articles reviewed by The Sentry that reference work undertaken by “Congo Aconde” in Kamina, all of them refer to the company as “South Korean.”
- 16 In one segment of the video, the individual resembling Pak stands next to a cement mixing basin on which the name “Aconde” appears to be printed. The video also briefly shows a ministerial meeting about the statue projects at which the then-governor and other provincial officials speak with an unspecified delegation and evaluate a document bearing the term “contract” on its front page.
- 17 See note 13.
- 18 Agence congolaise de presse, “Kamina : fin des travaux de construction du monument de Mzee Kabila” (Kamina: Mzee Kabila Monument Built), Nexis, August 8, 2018, available at: [www.nexis.com](http://www.nexis.com) (last accessed March 27, 2020).
- 19 Agence congolaise de presse, “Haut-Lomami : inauguration des monuments Mzee Kabila et Ilunga Mbidi à Kamina” (Haut-Lomami: Inauguration of Mzee Kabila and Ilunga Mbidi Monuments in Kamina), January 23, 2019, available at : [www.nexis.com](http://www.nexis.com) (last accessed March 27, 2020).
- 20 In response to questions posed by The Sentry, a representative of a Congolese company identified in press articles as having some potential involvement in the project with Congo Aconde said that the company ultimately did not sign any contract with the Kinshasa provincial government. Further, the representative stated that their company had no involvement with Congo Aconde and that both companies were proposing separate projects to Governor Ngobila.
- 21 Auguy Mudiayi, “Kinshasa: Congo ACONDE et AVC Construct désignées pour construire le ‘Parc public’ à la 13ème rue industriel” (Kinshasa: Congo ACONDE and AVC Construct Chosen to Build ‘Public Park’ at 13th Street), Desk Eco, August 8, 2019, available at: <https://deskeco.com/kinshasa-congo-aconde-et-avc-construct-designees-pour-construire-le-parc-public-a-la-13eme-rue-industriel>
- 22 Ibid.
- 23 Local media coverage of Governor Ngobila’s site visit reviewed by The Sentry refers to Congo Aconde as “South Korean” or just “Korean.”
- 24 Club Le pré carré de Gnm, Facebook profile, August 7, 2019, available at: <https://www.facebook.com/clubleprecarreGnm/posts/687769448332003> (last accessed March 27, 2020).



- 25 Club Le pré carré de Gnm, Facebook profile, August 14, 2019, available at: <https://www.facebook.com/clubleprecarreGnm/posts/691790491263232> (last accessed March 27, 2020).
- 26 Chemin TV, Facebook profile, August 9, 2019, available at: <https://www.facebook.com/CHEMINTV/posts/2519110704799573> (last accessed March 27, 2020).
- 27 RTGA World, “13ème rue: Vers l’aménagement de cet espace vert en un parc public” (13<sup>th</sup> Street: Toward Developing this Green Space Into a Public Park), August 7, 2019, available at: <https://groupeavenir-rdc.info/actus.php?idart=131&idrub=27> (last accessed March 27, 2020).
- 28 Congomonpays, “Kinshasa-Bopeto: le gouverneur de la ville a lancé le projet d’un parc public dans l’espace vert au niveau de la 13ème Rue Limité industriel” (Kinshasa-Bopeto: City Governor Launches Public Park Project in Green Space Along 13th Street), August 9, 2019, available at: <https://congomonpays243.wordpress.com/2019/08/09/kinshasa-bopeto-le-gouverneur-de-la-ville-a-lance-le-projet-dun-parc-public-dans-lespace-vert-au-niveau-de-la-13eme-rue-limite-industriel/> (last accessed March 27, 2020).
- 29 As with other coverage identified by The Sentry, the social media posts on Ngobila’s visit, including ones that mention Congo Aconde’s projects in “Grand Katanga,” appear to be reproductions of a press article or articles. The Sentry was unable to identify the author and originating publication of these social media posts.
- 30 In order to assess the status of the project, The Sentry conducted site visits and analyzed satellite imagery, in addition to consulting media coverage and official statements.
- 31 The DRC’s bilateral ties with North Korea began in 1972, when autocratic ruler Mobutu Sese Seko established diplomatic relations with Pyongyang. Mobutu, who ruled for more than three decades, subsequently brought North Korean military advisers into his fold and inked an arms deal in 1974 with former North Korean ruler Kim Il Sung. See: Benjamin R. Young, “The Struggle for Legitimacy: North Korean-African Relations, 1965-1992,” *British Association for Korean Studies Papers* 16, June 2015, pp. 97-116, available at: [https://www.researchgate.net/publication/280599543\\_The\\_Struggle\\_for\\_Legitimacy\\_North\\_Korean-African\\_Relations\\_1965-1992](https://www.researchgate.net/publication/280599543_The_Struggle_for_Legitimacy_North_Korean-African_Relations_1965-1992)
- 32 United Nations Security Council, “Final report of the Group of Experts on the Democratic Republic of the Congo,” S/2014/42, January 23, 2014, available at: <https://www.undocs.org/S/2014/42>
- 33 United Nations Security Council, “Final report of the Group of Experts on the Democratic Republic of the Congo,” S/2016/466, May 23, 2016, available at: <https://www.undocs.org/S/2016/466>
- 34 United Nations Security Council, “Report of the Panel of Experts established pursuant to resolution 1874 (2009),” S/2017/150, February 27, 2017, available at: <https://www.undocs.org/S/2017/150>
- 35 While The Sentry was unable to determine the amount Congo Aconde charged for materials, construction, and any other related expenses, North Korean statues have ranged in cost from \$170,000 to millions of dollars. See: James Pearson, “U.N. Decapitates North Korea’s Statue Export Business,” Reuters, December 1, 2016, available at: <https://www.reuters.com/article/us-northkorea-nuclear-un-statues-idUSKBN13Q4Z8>
- United Nations Security Council, “Report of the Panel of Experts established pursuant to resolution 1874 (2009),” S/2018/171, March 5, 2018, available at: <https://www.undocs.org/S/2018/171>
- 36 According to publicly available documents, the provincial government of Kinshasa awarded a contract to Mansudae Overseas Projects in 2015 to build a monument in honor of a Congolese religious leader. Further, publicly available Congolese taxpayer rolls from 2018 and 2019 identify a potential Kinshasa-based subsidiary of Mansudae Overseas Projects listed as “Mansudae Overseas Project Group of Companies Archi,” although these documents both refer to the local company as being “out of business.”
- 37 CBS News, “North Korea Builds Monuments Around the World,” available at: <https://www.cbsnews.com/pictures/north-korea-mansudae-art-studio-monuments-around-the-world/4/>
- 38 CNN, “African Statues and Structures Built by North Korea,” October 19, 2017, available at: <https://www.cnn.com/2017/10/19/world/gallery/north-korea-africa/index.html>
- 39 Onejoon Che, “Mansudae Master Class,” available at: <https://cheonejoon.com/mmc/> (last accessed March 27, 2020).
- 40 See note 34.



- 41 US Department of the Treasury, "Treasury Sanctions Individuals and Entities Supporting the North Korean Government and its Nuclear and Weapons Proliferation Efforts," December 2, 2016, available at: <https://www.treasury.gov/press-center/press-releases/Pages/jl0677.aspx>
- 42 United Nations Security Council, "Resolution 2321 (2016) Adopted by the Security Council at its 7821<sup>st</sup> meeting, on 30 November 2016," S/RES/2321 (2016), November 30, 2016, available at: <https://www.un.org/securitycouncil/s/res/2321-%282016%29>
- 43 See note 34.
- 44 Andrea Berger, "A House Without Foundations: The North Korea Sanctions Regime and Its Implementation," Royal United Services Institute, June 2017, available at: [https://rusi.org/sites/default/files/201706\\_whr\\_a\\_house\\_without\\_foundations\\_web.pdf](https://rusi.org/sites/default/files/201706_whr_a_house_without_foundations_web.pdf)
- 45 Several prominent North Korean construction companies have been involved in building munitions factories and military bases, even using workers themselves to transfer bulk cash, according to the UN. See note 34.
- 46 United Nations Security Council, "Resolution 1718 (2006) Adopted by the Security Council at its 5551<sup>st</sup> meeting, on 14 October 2006," S/RES/1718 (2006), October 14, 2006, available at: [https://www.undocs.org/S/RES/1718%20\(2006\)](https://www.undocs.org/S/RES/1718%20(2006))
- 47 United Nations Security Council, "Resolution 1874 (2009) Adopted by the Security Council at its 6141<sup>st</sup> meeting, on 12 June 2009," S/RES/1874 (2009), June 12, 2009, available at: [https://www.undocs.org/S/RES/1874%20\(2009\)](https://www.undocs.org/S/RES/1874%20(2009))
- 48 United Nations Security Council, "Resolution 2270 (2016) Adopted by the Security Council at its 7638<sup>th</sup> meeting, on 2 March 2016," S/RES/2270 (2016), March 2, 2016, available at: [https://www.undocs.org/S/RES/2270\(2016\)](https://www.undocs.org/S/RES/2270(2016))
- 49 United Nations Security Council, "Resolution 2371 (2017) Adopted by the Security Council at its 8019<sup>th</sup> meeting, on 5 August 2017," S/RES/2371 (2017), August 5, 2017, available at: [https://www.undocs.org/S/RES/2371%20\(2017\)](https://www.undocs.org/S/RES/2371%20(2017))
- 50 United Nations Security Council, "Security Council Committee established pursuant to resolution 1718 (2006)," available at: <https://www.un.org/securitycouncil/sanctions/1718#current%20sanction%20measures> (last accessed March 2020).
- 51 European Council, "EU Restrictive Measures against North Korea," available at: <https://www.consilium.europa.eu/en/policies/sanctions/history-north-korea/>
- 52 The relevant European Council regulation includes Council Regulation 2017/1509 of August 30, 2017, implementing UN Security Council resolutions up to and including 2371 (2017), Council Regulation 2017/1836 of October 10, 2017, implementing resolution 2375 (2017), and Council Regulation 2018/285 of February 26, 2018, implementing resolution 2397 (2017).
- 53 US President (Donald Trump), Executive Order 13810, "Imposing Additional Sanctions with Respect to North Korea," September 20, 2017, available at: <https://www.treasury.gov/resource-center/sanctions/Programs/Documents/13810.pdf>
- 54 Ibid.
- 55 Pak and Hwang, both North Korean nationals, incorporated Congo Aconde in the DRC and were the sole shareholders in the company at the time of incorporation, and Pak was identified as the manager of record. By extension, North Korean nationals also control or controlled Congo Aconde's US dollar-denominated account at Afriland First Bank's DRC affiliate. Thus, any transfer or movement of US dollars that came under US jurisdiction related to Congo Aconde's account would be subject to the block. Even if any transactions ordered by Congo Aconde cleared through a jurisdiction outside the US, the 2017 executive order provides additional powers that extend beyond a clear US nexus. The US Treasury Department may penalize any foreign financial institution that conducts "any significant transactions... in connection with trade with North Korea." Penalties can include freezing assets in the United States and barring such banks from US correspondent account transactions. Afriland First Bank apparently violated these provisions after opening a US dollar account for Congo Aconde. Afriland First Bank is headquartered in Cameroon and is affiliated with the Switzerland-based Afriland First Group.
- For further information on Afriland First Bank, see:  
Afriland First Bank, "Our Trademark," available at: <https://www.afrilandfirstbank.com/index.php/en/about-us> (last accessed April 2020).
- For further information on Afriland First Group, see:  
Afriland First Group, "Afriland First Group in Nutshell," available at: <https://afrilandfirstgroup.com/index.php/en/afriland-first-group-in-a-glance> (last accessed April 2020).



- 56 Banque Centrale du Congo, "Instruction N°15, modification N°2: Normes relatives à la lutte contre le blanchiment de capitaux et le financement du terrorisme" (Order 15, Revision 2: Norms on Anti-Money Laundering and Countering the Financing of Terrorism), 2015, available at: <http://www.bcc.cd/downloads/interfin/reglement/modification%20instruction%2015.pdf> (last accessed April 2020).
- 57 Banque Centrale du Congo, "Vade Mecum de lutte contre le blanchiment de capitaux et le financement du terrorisme" (Anti-Money Laundering and Countering the Financing of Terrorism Guidebook), 2015, available at: <http://www.bcc.cd/downloads/interfin/reglement/vad%20mec%2015.pdf> (last accessed April 2020).
- 58 See note 56.
- 59 See note 57.
- 60 According to documents reviewed by The Sentry, Pak's and Hwang's nationalities were recorded in documents as "Korean" or designated with the nationality code "KR." Separate documents reviewed by The Sentry indicate that South Korean nationality may also be recorded on official forms as "Korean" or using the same "KR" nationality code, which could create confusion and increase the likelihood of a compliance oversight within government agencies or at banks.
- 61 The Afriland First Bank DRC affiliate's website notes that to open any business account all representatives would have to provide, among other elements, certified passport copies, articles of incorporation, and a number of other official company formation documents. See:  
Afriland First Bank CD, "Compte courant entreprise" (Business Bank Account), available at: <https://www.afrilandfirstbankcd.com/index.php/fr/compte-bancaire-entreprises/4924-compte-courant-entreprises> (last accessed May 2020).
- 62 The Sentry has previously reported on weaknesses in the DRC's implementation of standards related to anti-money laundering and countering the financing of terrorism and has also illustrated problems brought on by a lack of transparent, publicly available information on beneficial ownership of corporate entities. See:  
The Sentry, "A Window for Kleptocrats: Weak AML/CFT Framework Implementation in DR Congo Creates Money Laundering and Terrorist Financing Opportunities," August 2018, available at: <https://thesentry.org/reports/a-window-for-kleptocrats/>  
The Sentry, "Covert Capital: The Kabila Family's Secret Investment Bank," May 2019, available at: <https://thesentry.org/reports/covert-capital/>
- 63 The Sentry consulted experts in the DRC banking sector with experience at a range of institutions regarding standard screening processes related to individuals, entities, and types of activity under sanctions, as well as the level of awareness of compliance risk emanating from North Korea. The experts consulted by The Sentry were generally skeptical that any North Korean individuals or entities could gain access to banking services in the DRC, in part because of added scrutiny from correspondent banking partners. However, some of the experts also lacked confidence in the ability of line compliance officers to recognize risk associated with North Korea. These same experts expressed skepticism that compliance officers at certain banks would recognize the difference between the formal names of the two Koreas or be aware that Pyongyang is the North Korean capital, even if the managerial cadre at the bank was eminently aware of these matters. They expected that compliance officers might conflate North Koreans with other East Asian nationalities, to the detriment of a bank's compliance program. In the event that a compliance officer encountered a prospective client who raised alarm bells, the experts said that the prospective client would be disallowed from establishing a relationship with the bank or additional clarification would be sought, but such concerns would typically be raised to compliance department managers and potentially the bank's board of directors. Some experts clarified, however, that in practical terms, higher level corporate officers could countermand a decision by a compliance department and agree to onboard a corporate client who triggered concerns.
- 64 See note 46.
- 65 United Nations Security Council, "Resolution 2094 (2013) Adopted by the Security Council at its 6932nd Meeting, on 7 March 2013," S/RES/2094 (2013), March 7, 2013, available at: [https://www.undocs.org/S/RES/2094%20\(2013\)](https://www.undocs.org/S/RES/2094%20(2013))
- 66 The agency that forms companies is housed in the Justice Ministry, and the company formation process also involves obtaining a taxpayer number through the Finance Ministry and a national identification number through the National Economy Ministry.



- 67 Journal Officiel, “Décret N° 14/014 du 08 Mai 2014 portant création, organisation et fonctionnement du Guichet unique de création d’entreprise” (Decree Number 14/014 of May 8, 2014 on the Establishment, Organization, and Function of the Guichet Unique Office to Register Companies), May 8, 2014, available at: <http://www.leganet.cd/Legislation/Droit%20Public/EPub/decret.14.14.08.08.2014.htm>
- 68 According to documents reviewed by The Sentry, Congo Aconde’s official business objectives included constructing buildings and other public works, planning public squares, and beautifying the environment, as well as the financial operations linked to such activities.
- 69 See note 42.
- 70 The Sentry, “A Window for Kleptocrats: Weak AML/CFT Framework Implementation in DR Congo Creates Money Laundering and Terrorist Financing Opportunities,” August 2018, available at: <https://thesentry.org/reports/a-window-for-kleptocrats/>
- 71 United Nations Children’s Fund, “DRC Humanitarian Situation Report,” February 2019, available at: [https://www.unicef.org/appeals/files/UNICEF\\_Democratic\\_Republic\\_of\\_the\\_Congo\\_Humanitarian\\_SitRep\\_28\\_Feb\\_2019.pdf](https://www.unicef.org/appeals/files/UNICEF_Democratic_Republic_of_the_Congo_Humanitarian_SitRep_28_Feb_2019.pdf)
- 72 Christophe Le Bec, “RDC: Cuivre et dépendances” (DRC: Copper and Dependence), Jeune Afrique, July 1, 2015, available at: <https://www.jeuneafrique.com/mag/241376/economie/rdc-cuivre-et-dependances/>
- 73 Pierre Englebert, “Below the Surface, a Game Changer in Congolese Politics,” The Atlantic Council, July 16, 2018, available at: <https://www.atlanticcouncil.org/blogs/africasource/below-the-surface-a-game-changer-in-congolese-politics/>
- 74 Radio Okapi, “Haut-Lomami : 218 personnes sont mortes de la rougeole en deux semaines (OCHA)” (Haut-Lomami: 218 Dead from Measles in Two Weeks {OCHA}), September 2, 2019, available at: <https://www.radiookapi.net/2019/09/02/actualite/sante/haut-lomami-218-personnes-sont-mortes-de-la-rougeole-en-deux-semaines>
- 75 Radio Okapi, “Haut-Lomami : Plus de 21,000 Élèves Risquent la Déperdition Scolaire à la Suite des Inondations” (Haut-Lomami: More Than 21,000 Students at Risk of Dropping Out of School After Floods), February 6, 2020, available at: <https://www.radiookapi.net/2020/02/06/actualite/societe/haut-lomami-plus-de-21-000-eleves-risquent-la-deperdition-scolaire-la>

