

# North korea and banco delta

Government, Military



North Korea and Banco Delta North Korea has been plagued by many illegal activities that are used to boost the economy often nation. These activities like currency counterfeiting, drug trafficking etc are against law and international jurisdictions. There have been many instances where The United States had accused the Democratic People's Republic of Korea (DPRK or North Korea) for charges of counterfeiting the U. S. \$100 Federal Reserve notes also known as Supernotes and passing the currencies in different countries. Whether the DPRK can be held responsible for this production or not, the problem of trafficking by counterfeit had been one of the various illicit activities that are carried out by North Korea apparently to generate the foreign exchange notes that are used for purchasing imports or for financing the government activities located abroad. The U. S. policy regarding the alleged counterfeiting is divided between its law enforcement efforts and the political and its diplomatic pressures. On its law enforcement side, the individuals had been pointed and the Banco Delta Asia (BDA) bank situated in Macao which is a territory in China named as one of the major money laundering areas that was held under the Patriot Act 1. It had also been found that Kim Jong Il who is a leader in the country is involved in criminal businesses ranging from drug trafficking -money laundering in the country and his activities had spread to Europe, Russia too<sup>2</sup>. Department of Treasury under the USA PATRIOT Act Section 311 of the USA PATRIOT Act provides the Director of FinCEN or The Financial Crimes Enforcement Network the authority to take actions which could be adapted to attack specific the money laundering activities and terrorist financing<sup>3</sup>. Money laundering, in simple terms is known to be the act making money that came

from a particular source (often an illegal one) is made to look like it had been transacted from a different account 4. Money launderers often found to transfer money via their illegal " offshore accounts" in outside locations5. These companies are fraud in nature and are only interested in this illegal from of transfer. The US intelligence force under the department of treasury (DoT) has been provided with the power to check these forms of activities that harm the national interests of the county. There are also regulations (31 U. S. C. 5318(g)) under the amendment which provides guidelines to the concerned authority to check and transaction that might be considered to be fraud or corrupt in nature6. Banco Delta Asia and corruption charges against it by USA According to the reports obtained by the US treasury department, Banco Delta Asia which is a bank operating in north Korea has been a soft target for its motives of currency counterfeiting and money laundering (Macau bank drops N Korean clients, 2006). The US Treasury had accused Banco Delta for helping North Korea to finance its channels and its related front companies for over 20 years. The country had developed business relations with North Korea so, it had to impose intense dialogues and pressures on the Korean bank to control these illegal activities. USA had threatened to discontinue its business dealings with Banco Delta unless it took all necessary actions. However, there was no proposal from the USA to cancel its business ties with the Korean nation7. Following this, the bank had promised to stop all its transactions that would be found to be illegal with immediate action. Justifications for the American interference in a foreign financial body According to the USA Patriot Act, there are provisions which would facilitate the US government to intervene in any financial institution

allover to obstruct terrorism and corrupt practices. It has the authority to scrutinize any foreign financial body for the sake of preserving its national interest and the world. According to Section 311, there are special powers for financial jurisdictions that are related with money laundering. These features empower the USA intelligence council to intervene in the financial systems of North Korea<sup>8</sup>. Besides, on grounds of business ethics, no form of transaction can be considered to be ethical if it is conducted using unfair means. Any form of corruption is seen as a violation of human principles, social values and economic life in a country. Every country has the right to protect the integrity and safety of its citizens which also means safeguarding its national interests. USA is continuously threatened by the money laundering activities, currency counterfeiting and drug trafficking charges that have been found against North Korea. These activities can severely deter the growth of the nation and also question its national security. There are also reports of Korea entering the nuclear weapon domain. So, going by these facts it can be justified that USA does not violate the privacy of the financial institutions of North Korea by intervening in its working and functions. References Nanto, Dick K. “ North Korean Counterfeiting of U. S. Currency”, <http://www.fas.org/sgp/crs/row/RL33324.pdf> (viewed on September 3, 2012) Powell, Bill and Zagorin, Adam, “ The Tony Soprano of North Korea”, <http://www.time.com/time/magazine/article/0,9171,1642898,00.html> (viewed on September 3, 2012) “ Department of the Treasury”, [http://www.fincen.gov/statutes\\_regs/frn/pdf/brokerdealersar.pdf](http://www.fincen.gov/statutes_regs/frn/pdf/brokerdealersar.pdf) (viewed on September 3, 2012) Federal Register, 72, No. 52, (2007), [http://www.fincen.gov/statutes\\_regs/patriot/pdf/bda\\_final\\_rule.pdf](http://www.fincen.gov/statutes_regs/patriot/pdf/bda_final_rule.pdf) (viewed

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