

116TH CONGRESS
1ST SESSION

S. 2050

To require global economic and political pressure to support diplomatic denuclearization of the Korean Peninsula, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 28 (legislative day, JUNE 27), 2019

Mr. GARDNER (for himself and Mr. MARKEY) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To require global economic and political pressure to support diplomatic denuclearization of the Korean Peninsula, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Leverage to Enhance Effective Diplomacy Act of 2019”
6 or the “LEED Act”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REVIEW OF STRATEGY AND POLICY TOWARD THE
DEMOCRATIC PEOPLE’S REPUBLIC OF KOREA

- Sec. 101. Findings.
- Sec. 102. Sense of Congress.
- Sec. 103. Addressing the evolving threats posed by and capabilities of the Democratic People’s Republic of Korea.
- Sec. 104. Briefing on United States engagement with the Democratic People’s Republic of Korea.
- Sec. 105. Briefing and strategy relating to use of rocket fuels for ballistic missiles by the Democratic People’s Republic of Korea.
- Sec. 106. Briefing and strategy relating to efforts by the Russian Federation to block enforcement of United Nations sanctions.
- Sec. 107. Appropriate congressional committees defined.

TITLE II—MEASURES TO ADDRESS THE THREATS POSED BY
AND CAPABILITIES OF THE DEMOCRATIC PEOPLE’S REPUBLIC
OF KOREA

- Sec. 201. Report on effecting a strategy to diplomatically and economically pressure the Democratic People’s Republic of Korea.
- Sec. 202. Authorization to alter United States relations with countries enabling the Democratic People’s Republic of Korea.
- Sec. 203. Authorization to terminate or reduce United States foreign assistance to countries enabling the Democratic People’s Republic of Korea.
- Sec. 204. Appropriate congressional committees defined.

TITLE III—STRATEGY TO END USE OF NORTH KOREAN
LABORERS BY OTHER COUNTRIES

- Sec. 301. Strategy to end use of North Korean laborers and human rights violations.
- Sec. 302. Amendment of reporting requirement regarding strategy to promote North Korean human rights.

TITLE IV—ENHANCING SANCTIONS WITH RESPECT TO THE
DEMOCRATIC PEOPLE’S REPUBLIC OF KOREA

- Sec. 401. Sanctions related to enablers of the Democratic People’s Republic of Korea.
- Sec. 402. Modification of penalties relating to sanctions.
- Sec. 403. Enhancement of cargo screening criteria.
- Sec. 404. Enforcement of United Nations sanctions with respect to crude oil and refined petroleum products.
- Sec. 405. Sanctions with respect to sourcing, manufacture, trade, or distribution of illicit substances.
- Sec. 406. Report on certain entities conducting business with the Democratic People’s Republic of Korea.
- Sec. 407. Enhancing the review process for changes to sanctions and rule-making.
- Sec. 408. Reinforcing global export controls.
- Sec. 409. Additional resources to detect evasion of sanctions targeting the Democratic People’s Republic of Korea.
- Sec. 410. Briefing on evasion of sanctions targeting the Democratic People’s Republic of Korea.

- Sec. 411. Briefing on illicit use of virtual currencies by the Democratic People's Republic of Korea.
- Sec. 412. Briefing on cross-border flows of fentanyl and other illicit substances.
- Sec. 413. Briefing on United States citizens detained by the Democratic People's Republic of Korea.
- Sec. 414. Addition of discussion of sanctions evasion to annual report of the United States-China Economic and Security Review Commission.
- Sec. 415. Exception relating to importation of goods.
- Sec. 416. Appropriate congressional committees defined.
- Sec. 417. Effective date.

TITLE V—MISCELLANEOUS

- Sec. 501. Authority to consolidate reports and briefings.

1 **TITLE I—REVIEW OF STRATEGY** 2 **AND POLICY TOWARD THE** 3 **DEMOCRATIC PEOPLE'S RE-** 4 **PUBLIC OF KOREA**

5 **SEC. 101. FINDINGS.**

6 Congress makes the following findings:

7 (1) The Government of the Democratic People's
 8 Republic of Korea has flagrantly defied the inter-
 9 national community by illicitly developing its nuclear
 10 and ballistic missile programs, in violation of United
 11 Nations Security Council Resolutions 1718 (2006),
 12 1874 (2009), 2087 (2013), 2094 (2013), 2270
 13 (2016), 2321 (2016), 2371 (2017), 2375 (2017),
 14 and 2397 (2017).

15 (2) The March 5, 2019, report of the Panel of
 16 Experts established pursuant to United Nations Se-
 17 curity Council Resolution 1874 (2009) highlighted
 18 several deficiencies in the enforcement of sanctions

1 with respect to the Democratic People’s Republic of
2 Korea.

3 (3) The Panel of Experts report illustrated that
4 the People’s Republic of China and the Russian
5 Federation are among those countries not fully im-
6 plementing multilateral sanctions and that the Rus-
7 sian Federation has impeded efforts by the United
8 States to expose and address illegal ship-to-ship
9 transfers.

10 (4) Despite known deficiencies in global sanc-
11 tions implementation, the pace of United States
12 sanctions designations with respect to the Demo-
13 cratic People’s Republic of Korea has slowed notice-
14 ably, even as relevant United States law, including
15 the North Korea Sanctions and Policy Enhancement
16 Act of 2016 (22 U.S.C. 9201 et seq.) and the Asia
17 Reassurance Initiative Act of 2018 (Public Law
18 115–409), mandates the imposition of United States
19 sanctions for behaviors described in the Panel of Ex-
20 perts report, including human rights violations and
21 malign activities in cyberspace.

22 **SEC. 102. SENSE OF CONGRESS.**

23 It is the sense of Congress that—

24 (1) the United States is committed to the
25 peaceful pursuit of the complete, verifiable, and irre-

1 versible dismantlement of the illicit weapons pro-
2 grams of the Democratic People's Republic of Korea
3 through a combination of pressure and engagement;

4 (2) meaningful advancement in relations be-
5 tween the United States and the Democratic Peo-
6 ple's Republic of Korea is directly contingent on sig-
7 nificant progress by the Democratic People's Repub-
8 lic of Korea toward dismantling its weapons of mass
9 destruction and associated delivery systems, ceasing
10 its human rights violations, complying with United
11 Nations Security Council resolutions, repatriating
12 United States citizens and the citizens of other
13 countries, instituting political openness, and estab-
14 lishing financial transparency; and

15 (3) the Democratic People's Republic of Korea
16 should immediately resume efforts to identify and
17 return the remains of members of the Armed Forces
18 of the United States killed in action during the Ko-
19 rean War, and should immediately return to the
20 United States the U.S.S. Pueblo, illegally captured
21 by the Democratic People's Republic of Korea on
22 January 23, 1968.

1 **SEC. 103. ADDRESSING THE EVOLVING THREATS POSED BY**
2 **AND CAPABILITIES OF THE DEMOCRATIC**
3 **PEOPLE’S REPUBLIC OF KOREA.**

4 (a) IN GENERAL.—Not later than 60 days after the
5 date of the enactment of this Act, and every 180 days
6 thereafter until the date that is 2 years after such date
7 of enactment, the Director of National Intelligence, in con-
8 sultation with the Secretary of State and the Secretary
9 of Defense, and, as appropriate, the Secretary of the
10 Treasury and the Administrator of the Drug Enforcement
11 Administration, shall brief the appropriate congressional
12 committees on—

13 (1) the evolving threats posed by and capabili-
14 ties of the Democratic People’s Republic of Korea;
15 and

16 (2) United States efforts to mitigate and re-
17 spond to those threats and capabilities.

18 (b) ELEMENTS.—Each briefing under subsection (a)
19 shall address the following:

20 (1) An assessment of the status of the nuclear
21 and ballistic missile programs of the Democratic
22 People’s Republic of Korea, including what elements
23 constitute such programs, and any technological ad-
24 vancements, disruptions, or setbacks to such pro-
25 grams during—

1 (A) in the case of the first such briefing,
2 the 60-day period preceding the briefing; and

3 (B) in the case of any subsequent such
4 briefing, the 180-day period preceding the brief-
5 ing.

6 (2) An assessment of the sources, methods, and
7 funding mechanisms of the Democratic People's Re-
8 public of Korea for procuring critical components for
9 its nuclear and ballistic missile programs, including
10 liquid and solid rocket fuels and components, naviga-
11 tion and guidance systems, computer and electrical
12 components, and specialized materials.

13 (3) An assessment of—

14 (A) the cyber capabilities of the Demo-
15 cratic People's Republic of Korea, including its
16 efforts to conduct cyber and corporate espio-
17 nage, to commit illicit commercial and financial
18 activities through international cyber systems,
19 and to suppress opposition to and spread propa-
20 ganda in support of its nuclear and ballistic
21 missile activities; and

22 (B) any foreign entities that may be en-
23 hancing the capacity of the Democratic People's
24 Republic of Korea to conduct malicious cyber-

1 enabled activities, including by providing inter-
2 net infrastructure.

3 (4) A summary of activities of the Democratic
4 People’s Republic of Korea relating to evading sanc-
5 tions imposed by the United States or the United
6 Nations Security Council, including an assessment
7 of the sourcing, manufacture, trade, or distribution
8 of methamphetamines, narcotics (including opioids
9 such as fentanyl), and other illicit substances and
10 any associated precursor chemicals, including by
11 state-owned entities, other entities (including univer-
12 sities), and individuals, for the purpose of financing
13 or otherwise supporting the nuclear and ballistic
14 missile programs of the Democratic People’s Repub-
15 lic of Korea.

16 **SEC. 104. BRIEFING ON UNITED STATES ENGAGEMENT**
17 **WITH THE DEMOCRATIC PEOPLE’S REPUBLIC**
18 **OF KOREA.**

19 Not later than 30 days after the date of the enact-
20 ment of this Act, and regularly thereafter until the date
21 that is 2 years after such date of enactment, the Secretary
22 of State shall brief the appropriate congressional commit-
23 tees on the status of any United States diplomatic engage-
24 ment with the Government of the Democratic People’s Re-
25 public of Korea, including with respect to efforts to secure

1 the release of United States citizens detained in the Demo-
2 cratic People's Republic of Korea.

3 **SEC. 105. BRIEFING AND STRATEGY RELATING TO USE OF**
4 **ROCKET FUELS FOR BALLISTIC MISSILES BY**
5 **THE DEMOCRATIC PEOPLE'S REPUBLIC OF**
6 **KOREA.**

7 (a) BRIEFING REQUIRED.—

8 (1) IN GENERAL.—Not later than 90 days after
9 the date of the enactment of this Act, the Director
10 of National Intelligence, in conjunction with the Sec-
11 retary of State, shall brief the appropriate congres-
12 sional committees on the use by the Democratic Peo-
13 ple's Republic of Korea of unsymmetrical dimethyl
14 hydrazine, solid fuels, and other rocket fuels to
15 power its ballistic missiles.

16 (2) ELEMENTS.—The briefing under paragraph
17 (1) shall include the following:

18 (A) An assessment of each type of rocket
19 fuel the Democratic People's Republic of Korea
20 uses, or potentially may use, to power its bal-
21 listic missiles, including the chemical precu-
22 sors, production process, and required produc-
23 tion equipment for each such type of rocket
24 fuel.

1 (B) With respect to each such type of
2 rocket fuel, an assessment of the following:

3 (i) Whether the use of that type of
4 rocket fuel by the Democratic People's Re-
5 public of Korea is prohibited under United
6 Nations Security Council resolutions, other
7 multilateral sanctions imposed with respect
8 to the Democratic People's Republic of
9 Korea, or sanctions imposed by the United
10 States with respect to the Democratic Peo-
11 ple's Republic of Korea.

12 (ii) Whether the Democratic People's
13 Republic of Korea imports that type of
14 rocket fuel as a finished product or im-
15 ports chemical precursors and manufac-
16 tures the finished product.

17 (iii) The countries from which the
18 Democratic People's Republic of Korea im-
19 ports that type of rocket fuel as a finished
20 product or from which the Democratic
21 People's Republic of Korea imports the
22 chemical precursors and equipment to
23 manufacture that type of rocket fuel.

24 (iv) The size and locations of the
25 Democratic People's Republic of Korea's

1 stockpiles, if any, of that type of rocket
2 fuel.

3 (v) Whether that type of rocket fuel
4 can be attributed to its original exporter
5 based on unique chemical signatures or
6 other relevant identifying information.

7 (b) STRATEGY REQUIRED.—The Secretary of State,
8 in consultation with the heads of relevant agencies, shall
9 develop a diplomatic strategy to end the transfer of all
10 rocket fuels and chemical precursors for rocket fuels to
11 the Democratic People’s Republic of Korea.

12 (c) SENSE OF CONGRESS.—It is the sense of Con-
13 gress that the United States Ambassador to the United
14 Nations should introduce a resolution to the United Na-
15 tions Security Council to request that the Panel of Experts
16 on the Democratic People’s Republic of Korea established
17 by United Nations Security Council Resolution 1874
18 (2009) investigate the importation and manufacture by
19 the Democratic People’s Republic of Korea of rocket and
20 ballistic missile fuels, including unsymmetrical dimethyl
21 hydrazine, solid fuels, and other fuels or their chemical
22 precursors.

1 **SEC. 106. BRIEFING AND STRATEGY RELATING TO EFFORTS**
2 **BY THE RUSSIAN FEDERATION TO BLOCK EN-**
3 **FORCEMENT OF UNITED NATIONS SANC-**
4 **TIONS.**

5 (a) BRIEFING REQUIRED.—

6 (1) IN GENERAL.—Not later than 90 days after
7 the date of the enactment of this Act, the Secretary
8 of State shall brief the appropriate congressional
9 committees on the efforts of the Russian Federation
10 to undercut enforcement of United Nations sanc-
11 tions with respect to the Democratic People’s Re-
12 public of Korea, with particular focus on the limit
13 set by the United Nations Security Council on the
14 supply, sale, or transfer to the Democratic People’s
15 Republic of Korea of all refined petroleum products
16 in excess of an aggregate amount of 500,000 barrels
17 during any 12-month period beginning on or after
18 January 1, 2018.

19 (2) ELEMENTS.—The briefing under paragraph
20 (1) shall include the following:

21 (A) An assessment of the likelihood that
22 the patterns of behavior illustrated by Annexes
23 1–3 to the March 5, 2019, report of the Panel
24 of Experts established pursuant to United Na-
25 tions Security Council Resolution 1874 (2009),

1 including efforts of the Russian Federation to
2 dismiss findings, will continue.

3 (B) A description of steps being taken to
4 ensure, despite the opposition of the Russian
5 Federation, a timely decision by the United Na-
6 tions Security Council to act to halt all refined
7 petroleum product exports to the Democratic
8 People’s Republic of Korea in each 12-month
9 period that the limit described in paragraph (1)
10 is exceeded.

11 (C) A description of any other United Na-
12 tions sanctions with respect to the Democratic
13 People’s Republic of Korea being disregarded or
14 actively undercut by the Russian Federation.

15 (b) STRATEGY REQUIRED.—The Secretary of State,
16 in consultation with the heads of relevant agencies, shall
17 develop a diplomatic strategy to counter efforts by the
18 Russian Federation to undercut enforcement of United
19 Nations sanctions, including the limit described in sub-
20 section (a)(1), with respect to the Democratic People’s Re-
21 public of Korea.

22 **SEC. 107. APPROPRIATE CONGRESSIONAL COMMITTEES**
23 **DEFINED.**

24 In this title, the term “appropriate congressional
25 committees” means the Committee on Foreign Relations

1 of the Senate and the Committee on Foreign Affairs of
2 the House of Representatives.

3 **TITLE II—MEASURES TO AD-**
4 **DRESS THE THREATS POSED**
5 **BY AND CAPABILITIES OF**
6 **THE DEMOCRATIC PEOPLE’S**
7 **REPUBLIC OF KOREA**

8 **SEC. 201. REPORT ON EFFECTING A STRATEGY TO DIP-**
9 **LOMATICALLY AND ECONOMICALLY PRES-**
10 **SURE THE DEMOCRATIC PEOPLE’S REPUBLIC**
11 **OF KOREA.**

12 (a) IN GENERAL.—Not later than 90 days after the
13 date of the enactment of this Act, and every 180 days
14 thereafter, the Secretary of State shall submit to the ap-
15 propriate congressional committees a report on actions
16 taken by the United States to diplomatically and economi-
17 cally pressure the Democratic People’s Republic of Korea.

18 (b) ELEMENTS.—Each report required by subsection
19 (a) shall include the following:

20 (1) A description of the actions taken by the
21 Secretary of State to consult with governments
22 around the world, with the purpose of inducing those
23 governments to diplomatically and economically
24 pressure the Democratic People’s Republic of Korea.

1 (2) A description of the actions taken by those
2 governments to implement measures to diplomati-
3 cally and economically pressure the Democratic Peo-
4 ple’s Republic of Korea.

5 (3) A list of countries the governments of which
6 the Secretary has determined to be noncooperative
7 with respect to implementing measures to diplomati-
8 cally and economically pressure the Democratic Peo-
9 ple’s Republic of Korea.

10 (4) A plan of action to engage with, and in-
11 crease cooperation with respect to the Democratic
12 People’s Republic of Korea by, the governments of
13 the countries on the list required by paragraph (3).

14 (c) FORM OF REPORT.—Each report required by sub-
15 section (a) shall be submitted in unclassified form but may
16 include a classified annex.

17 **SEC. 202. AUTHORIZATION TO ALTER UNITED STATES RE-**
18 **LATIONS WITH COUNTRIES ENABLING THE**
19 **DEMOCRATIC PEOPLE’S REPUBLIC OF**
20 **KOREA.**

21 (a) IN GENERAL.—The Secretary of State may take
22 such actions as are necessary to induce countries on the
23 list required by section 201(b)(3) to take measures to dip-
24 lomatically and economically pressure the Democratic Peo-
25 ple’s Republic of Korea.

1 (b) ACTIONS INCLUDED.—Actions described in sub-
2 section (a) may include—

3 (1) reduction of the diplomatic presence in the
4 United States of countries on the list required by
5 section 201(b)(3); and

6 (2) reduction of the diplomatic presence of the
7 United States in those countries.

8 (c) CONSULTATION.—Not less than 15 days before
9 taking any action under subsection (a), the Secretary shall
10 consult with the appropriate congressional committees
11 with respect to the action.

12 (d) SENSE OF CONGRESS.—It is the sense of Con-
13 gress that inaction by certain countries in the Indo-Pacific
14 region to reduce cooperation with the Democratic People’s
15 Republic of Korea hinders the deepening of strategic rela-
16 tionships with the United States.

17 **SEC. 203. AUTHORIZATION TO TERMINATE OR REDUCE**
18 **UNITED STATES FOREIGN ASSISTANCE TO**
19 **COUNTRIES ENABLING THE DEMOCRATIC**
20 **PEOPLE’S REPUBLIC OF KOREA.**

21 (a) IN GENERAL.—The Secretary of State may ter-
22 minate or reduce United States foreign assistance to coun-
23 tries on the list required by section 201(b)(3).

24 (b) ASSISTANCE INCLUDED.—Assistance terminated
25 or reduced under subsection (a) may include—

1 (1) assistance under chapter 4 of part II of the
2 Foreign Assistance Act of 1961 (22 U.S.C. 2346 et
3 seq.; relating to the Economic Support Fund);

4 (2) military assistance provided pursuant to
5 section 23 of the Arms Export Control Act (22
6 U.S.C. 2763; relating to the Foreign Military Fi-
7 nancing Program); and

8 (3) assistance provided under chapter 5 of part
9 II of the Foreign Assistance Act of 1961 (22 U.S.C.
10 2347 et seq.; relating to international military edu-
11 cation and training).

12 (c) CONSULTATION.—Not less than 15 days before
13 taking any action under subsection (a), the Secretary shall
14 consult with the appropriate congressional committees
15 with respect to the action.

16 (d) SENSE OF CONGRESS.—It is the sense of Con-
17 gress that inaction by certain countries in the Indo-Pacific
18 region to reduce cooperation with the Democratic People’s
19 Republic of Korea hinders the deepening of strategic rela-
20 tionships with the United States.

21 **SEC. 204. APPROPRIATE CONGRESSIONAL COMMITTEES**

22 **DEFINED.**

23 In this title, the term “appropriate congressional
24 committees” means—

1 (1) the Committee on Foreign Relations and
2 the Committee on Appropriations of the Senate; and

3 (2) the Committee on Foreign Affairs and the
4 Committee on Appropriations of the House of Rep-
5 resentatives.

6 **TITLE III—STRATEGY TO END**
7 **USE OF NORTH KOREAN LA-**
8 **BORERS BY OTHER COUN-**
9 **TRIES**

10 **SEC. 301. STRATEGY TO END USE OF NORTH KOREAN LA-**
11 **BORERS AND HUMAN RIGHTS VIOLATIONS.**

12 (a) IN GENERAL.—Not later than 60 days after the
13 date of the enactment of this Act, the Secretary of State
14 shall brief the appropriate congressional committees on a
15 strategy for leveraging the sanctions imposed pursuant to
16 section 302B of the North Korea Sanctions and Policy
17 Enhancement Act of 2016 (22 U.S.C. 9241b) to convince
18 countries that import North Korean laborers in a manner
19 described in section 104(b)(1)(L) of that Act (22 U.S.C.
20 9214(b)(1)(L)) to end that practice.

21 (b) APPROPRIATE CONGRESSIONAL COMMITTEES
22 DEFINED.—In this section, the term “appropriate con-
23 gressional committees” means—

1 (1) the Committee on Foreign Relations and
2 the Committee on Banking, Housing, and Urban Af-
3 fairs of the Senate; and

4 (2) the Committee on Foreign Affairs and the
5 Committee on Financial Services of the House of
6 Representatives.

7 **SEC. 302. AMENDMENT OF REPORTING REQUIREMENT RE-**
8 **GARDING STRATEGY TO PROMOTE NORTH**
9 **KOREAN HUMAN RIGHTS.**

10 (1) IN GENERAL.—Section 302(b) of the North
11 Korea Sanctions and Policy Enhancement Act of
12 2016 (22 U.S.C. 9241(b)) is amended—

13 (A) in paragraph (2), by striking “and” at
14 the end;

15 (B) in paragraph (3), by striking
16 “104(b)(1)(M).” and inserting “104(b)(1)(L);
17 and”;

18 (C) by adding at the end the following new
19 paragraphs:

20 “(4) a list of countries that have not repatri-
21 ated to the Democratic People’s Republic of Korea—

22 “(A) all nationals of the Democratic Peo-
23 ple’s Republic of Korea earning income in their
24 jurisdictions; and

1 “(B) all safety oversight attachés of the
2 Democratic People’s Republic of Korea; and

3 “(5) for each country on the list required by
4 paragraph (4)—

5 “(A) a list of the entities that employ sig-
6 nificant numbers of nationals of the Democratic
7 People’s Republic of Korea earning income in
8 the jurisdiction of that country; and

9 “(B) an assessment of which national or
10 local government agencies and officials are in-
11 volved in facilitating the work, presence, or au-
12 thorization for work of nationals of the Demo-
13 cratic People’s Republic of Korea earning in-
14 come in the jurisdiction of the country and of
15 safety oversight attachés of the Democratic
16 People’s Republic of Korea.”.

17 (2) FREQUENCY OF REPORTS CLARIFIED.—Sec-
18 tion 302(a) of the North Korea Sanctions and Policy
19 Enhancement Act of 2016 (22 U.S.C. 9241(a)) is
20 amended by striking “periodically” and inserting
21 “every 120 days”.

1 **TITLE IV—ENHANCING SANCTIONS WITH RESPECT TO THE**
2 **DEMOCRATIC PEOPLE’S RE-**
3 **PUBLIC OF KOREA**

5 **SEC. 401. SANCTIONS RELATED TO ENABLERS OF THE**
6 **DEMOCRATIC PEOPLE’S REPUBLIC OF**
7 **KOREA.**

8 Section 104(d) of the North Korea Sanctions and
9 Policy Enhancement Act of 2016 (22 U.S.C. 9214(d)) is
10 amended to read as follows:

11 “(d) APPLICATION TO CERTAIN PERSONS, SUBSIDI-
12 ARIES, AND AGENTS.—The designation of a person under
13 subsection (a) or (b) and the blocking of property and in-
14 terests in property under subsection (c) shall apply with
15 respect to a person who is determined—

16 “(1) to be owned or controlled by, or to have
17 acted or purported to have acted for or on behalf of,
18 directly or indirectly, any person whose property and
19 interests in property are blocked pursuant to this
20 section; or

21 “(2) to knowingly assist, sponsor, or provide
22 significant financial, material, or technological sup-
23 port to or for a person designated under—

24 “(A) subsection (a) or (b);

25 “(B) an applicable Executive order; or

1 “(C) an applicable United Nations Security
2 Council resolution.”.

3 **SEC. 402. MODIFICATION OF PENALTIES RELATING TO**
4 **SANCTIONS.**

5 Section 104(f) of the North Korea Sanctions and Pol-
6 icy Enhancement Act of 2016 (22 U.S.C. 9214(f)) is
7 amended to read as follows:

8 “(f) PENALTIES.—

9 “(1) PROHIBITED CONDUCT.—It shall be un-
10 lawful for any person—

11 “(A) to engage in, conspire or attempt to
12 engage in, or cause any of the conduct de-
13 scribed in paragraphs (1) through (14) of sub-
14 section (a);

15 “(B) to knowingly evade or avoid a prohi-
16 bition on such conduct or the imposition of a
17 sanction or penalty relating to such conduct; or

18 “(C) to violate, attempt to violate, conspire
19 to violate, or cause a violation of any license,
20 order, regulation, or prohibition issued to carry
21 out this section.

22 “(2) CIVIL PENALTIES.—A person who engages
23 in an unlawful act described in paragraph (1) shall
24 be subject to a civil penalty in an amount not to ex-
25 ceed the greater of—

1 “(A) \$500,000; or

2 “(B) an amount that is twice the amount
3 of the transaction that is the basis of the viola-
4 tion with respect to which the penalty is im-
5 posed.

6 “(3) CRIMINAL PENALTIES.—A person who
7 willfully engages in an unlawful act described in
8 paragraph (1) shall, upon conviction, be fined not
9 more than \$1,000,000 and, in the case of an indi-
10 vidual, imprisoned for not more than 20 years, or
11 both.

12 “(4) RULE OF CONSTRUCTION.—The civil and
13 criminal penalties under paragraphs (2) and (3) for
14 engaging an unlawful act described in paragraph (1)
15 shall be imposed with respect to a person without re-
16 gard to whether the President has designated the
17 person for the imposition of sanctions under this
18 section or pursuant to the International Emergency
19 Economic Powers Act (50 U.S.C. 1701 et seq.).”.

20 **SEC. 403. ENHANCEMENT OF CARGO SCREENING CRITERIA.**

21 Section 205(c)(1) of the North Korea Sanctions and
22 Policy Enhancement Act of 2016 (22 U.S.C. 9225(c)(1))
23 is amended—

24 (1) in subparagraph (B), by striking “; or” and
25 inserting a semicolon;

1 (2) in subparagraph (C), by striking the period
2 and inserting “; or”; and

3 (3) by adding at the end the following:

4 “(D) originates in a jurisdiction or a geo-
5 graphical area that the Secretary determines is
6 otherwise of concern with respect to evasion of
7 sanctions mandated with respect to North
8 Korea.”.

9 **SEC. 404. ENFORCEMENT OF UNITED NATIONS SANCTIONS**
10 **WITH RESPECT TO CRUDE OIL AND REFINED**
11 **PETROLEUM PRODUCTS.**

12 (a) IN GENERAL.—Title II of the North Korea Sanc-
13 tions and Policy Enhancement Act of 2016 (22 U.S.C.
14 9221 et seq.) is amended by inserting the following:

15 **“SEC. 212. ENFORCEMENT OF UNITED NATIONS SANCTIONS**
16 **WITH RESPECT TO CRUDE OIL AND REFINED**
17 **PETROLEUM PRODUCTS.**

18 “(a) IN GENERAL.—The President shall impose one
19 or more of the sanctions described in subsection (c) on
20 a person described in subsection (b).

21 “(b) PERSON DESCRIBED.—A person described in
22 this subsection is a person that—

23 “(1) the President determines knowingly, on or
24 after the date of the enactment of the Leverage to
25 Enhance Effective Diplomacy Act of 2019, directly

1 or indirectly, supplies, sells, or transfers crude oil to
2 any entity or instrumentality of the Government of
3 North Korea or any person representing that gov-
4 ernment; and

5 “(2) is organized under the laws of a jurisdic-
6 tion that the President determines to have exported
7 more than the aggregate amount of 4,000,000 bar-
8 rels of crude oil during any 12-month period to
9 North Korea.

10 “(c) SANCTIONS DESCRIBED.—The sanctions de-
11 scribed in this subsection are the following:

12 “(1) ASSET BLOCKING.—The President may
13 block and prohibit all transactions in all property
14 and interests in property of a person described in
15 subsection (b) if such property and interests in prop-
16 erty are in the United States, come within the
17 United States, or are or come within the possession
18 or control of a United States person.

19 “(2) BAN ON INVESTMENT IN EQUITY OR
20 DEBT.—The President may, pursuant to such regu-
21 lations or guidelines as the President may prescribe,
22 prohibit any United States person from investing in
23 or purchasing significant amounts of equity or debt
24 instruments of the person described in subsection
25 (b).

1 “(3) EXCLUSION OF CORPORATE OFFICERS.—
2 The President may direct the Secretary of State to
3 deny a visa to, and the Secretary of Homeland Secu-
4 rity to exclude from the United States, any alien
5 that the President determines is a corporate officer
6 or principal of, or a shareholder with a controlling
7 interest in, the person described in subsection (b).

8 “(4) SANCTIONS ON PRINCIPAL EXECUTIVE OF-
9 FICERS.—The President may impose on the prin-
10 cipal executive officer or officers of the person de-
11 scribed in subsection (b), or on persons performing
12 similar functions and with similar authorities as
13 such officer or officers, any of the sanctions under
14 this subsection.

15 “(d) WAIVERS.—

16 “(1) EFFORTS TO ENFORCE UNITED NATIONS
17 LIMITS.—The President may waive the application
18 of sanctions under subsection (a) if the President
19 certifies to Congress that the jurisdiction described
20 in subsection (b)(2) is applying appropriate effort
21 to—

22 “(A) fulfill its obligation under inter-
23 national law to prohibit its nationals, individ-
24 uals otherwise subject to its jurisdiction, enti-
25 ties incorporated in its territory or subject to its

1 jurisdiction, and vessels flying its flag from fa-
2 cilitating or engaging in ship-to-ship transfers
3 to or from North Korea-flagged vessels of any
4 goods or items that are being supplied, sold, or
5 transferred to or from North Korea, including
6 refined petroleum products and coal; and

7 “(B) reduce, towards the limit established
8 by the United Nations Security Council, the ag-
9 gregate amount of crude oil exported from or
10 re-exported through the jurisdiction to North
11 Korea.

12 “(2) NATIONAL SECURITY.—The President may
13 waive the application of sanctions under subsection
14 (a) if the President certifies to Congress that the
15 waiver is important to the national security interest
16 of the United States.

17 “(3) BRIEFING REQUIRED.—If the President
18 waives the application of sanctions under paragraph
19 (1) or (2), the President shall brief the following
20 committees on the waiver:

21 “(A) The Committee on Banking, Hous-
22 ing, and Urban Affairs and the Committee on
23 Foreign Relations of the Senate.

1 coties including opioids such as fentanyl, and other illicit
2 substances,”.

3 **SEC. 406. REPORT ON CERTAIN ENTITIES CONDUCTING**
4 **BUSINESS WITH THE DEMOCRATIC PEOPLE’S**
5 **REPUBLIC OF KOREA.**

6 (a) IN GENERAL.—Not later than 90 days after the
7 date of the date of the enactment of this Act, the Presi-
8 dent shall submit to the appropriate congressional com-
9 mittees a report that includes the following:

10 (1) A list of entities that, during the 12-month
11 period preceding submission of the report, have im-
12 ported or exported any goods, services, or technology
13 to or from the Democratic People’s Republic of
14 Korea valued at more than \$100,000,000.

15 (2) A list of entities in the People’s Republic of
16 China, the Russian Federation, and other countries
17 outside of the Democratic People’s Republic of
18 Korea that are known to employ significant numbers
19 of laborers from the Democratic People’s Republic of
20 Korea.

21 (3) For each country that hosts significant
22 numbers of such laborers, a list of specific economic
23 sectors in which such laborers are most commonly
24 used.

1 (b) FORM.—The report required by subsection (a)
2 shall be submitted in unclassified form, but may include
3 a classified annex.

4 (c) BRIEFING.—The President shall brief the appro-
5 priate congressional committees, in a classified setting if
6 necessary, not later than 30 days after the delivery of the
7 report required by subsection (a) on whether the entities
8 identified in subsection (a)(2) meet the criteria for des-
9 ignation for the imposition of sanctions under applicable
10 provisions of law.

11 **SEC. 407. ENHANCING THE REVIEW PROCESS FOR**
12 **CHANGES TO SANCTIONS AND RULEMAKING.**

13 Section 208 of the North Korea Sanctions and Policy
14 Enhancement Act of 2016 (22 U.S.C. 9228) is amended
15 by adding at the end the following:

16 “(e) CERTIFICATION REQUIREMENT FOR REMOVAL
17 OF CERTAIN PERSONS FROM THE LIST OF SPECIALLY
18 DESIGNATED NATIONALS AND BLOCKED PERSONS.—

19 “(1) IN GENERAL.—On and after the date of
20 the enactment of the Leverage to Enhance Effective
21 Diplomacy Act of 2019, the President may not re-
22 move a person described in paragraph (2) from the
23 list of specially designated nationals and blocked
24 persons maintained by the Office of Foreign Asset
25 Control of the Department of the Treasury unless

1 and until the President submits to the appropriate
2 congressional committees a certification described in
3 paragraph (3) with respect to the person.

4 “(2) PERSONS DESCRIBED.—A person de-
5 scribed in this paragraph is a person the property
6 and interests in property of which are blocked pur-
7 suant to the International Emergency Economic
8 Powers Act (50 U.S.C. 1701 et seq.) under this Act,
9 an applicable Executive order, or an applicable
10 United Nations Security Council resolution.

11 “(3) CERTIFICATION DESCRIBED.—A certifi-
12 cation described in this paragraph with respect to a
13 person is a certification that the person is not en-
14 gaging in conduct—

15 “(A) for which the person was included on
16 the list of specially designated nationals and
17 blocked persons by the Office of Foreign Assets
18 Control; or

19 “(B) that violates applicable United States
20 or international laws.

21 “(4) FORM.—A certification described in para-
22 graph (3) shall be submitted in unclassified form,
23 but may include a classified annex.

1 “(f) CERTIFICATION REQUIREMENT FOR REMOVAL
2 OF DESIGNATION OF NORTH KOREA AS A JURISDICTION
3 OF PRIMARY MONEY LAUNDERING CONCERN.—

4 “(1) IN GENERAL.—The President may not ter-
5minate the designation of North Korea as a jurisdic-
6tion of primary money laundering concern pursuant
7to section 5318A of title 31, United States Code,
8unless the President submits to the appropriate con-
9gressional committees a certification described in
10paragraph (2) with respect to North Korea.

11 “(2) CERTIFICATION DESCRIBED.—A certifi-
12cation described in this paragraph is a certification
13that the Government of North Korea—

14 “(A) is no longer using state-controlled fi-
15nancial institutions and front companies to con-
16duct transactions that support the proliferation
17of weapons of mass destruction and ballistic
18missiles;

19 “(B) has instituted sufficient bank super-
20vision and controls with respect to anti-money
21laundering and combating the financing of ter-
22rorism;

23 “(C) is cooperating with United States law
24enforcement and regulatory officials in obtain-

1 ing information about transactions originating
2 in or routed through or to North Korea; and

3 “(D) is no longer relying on the illicit and
4 corrupt activity of high-level officials to support
5 its government.

6 “(3) FORM.—The certification described in
7 paragraph (2) shall be submitted in unclassified
8 form, but may include a classified annex.

9 “(g) APPLICABILITY OF CONGRESSIONAL REVIEW OF
10 CERTAIN AGENCY RULEMAKING RELATING TO NORTH
11 KOREA.—Notwithstanding any other provision of law, any
12 rule to amend or otherwise alter any provision of part 510
13 of title 31, Code of Federal Regulations, that is published
14 on or after the date of the enactment of the Leverage to
15 Enhance Effective Diplomacy Act of 2019 shall be deemed
16 to be a rule or major rule (as the case may be) for pur-
17 poses of chapter 8 of title 5, United States Code, and shall
18 be subject to all applicable requirements of that chapter.”.

19 **SEC. 408. REINFORCING GLOBAL EXPORT CONTROLS.**

20 There are authorized to be appropriated to the Sec-
21 retary of State such sums as may be necessary to assess
22 and, where necessary, to enhance the adequacy of the ex-
23 port control regimes of United Nations member countries,
24 including through the use of action plans to encourage and
25 assist countries in adopting and using authorities nec-

1 essary to enforce sanctions and export controls required
2 by United Nations Security Council resolutions.

3 **SEC. 409. ADDITIONAL RESOURCES TO DETECT EVASION**
4 **OF SANCTIONS TARGETING THE DEMO-**
5 **CRATIC PEOPLE'S REPUBLIC OF KOREA.**

6 (a) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated to the Secretary of State
8 and the Secretary of the Treasury such sums as may be
9 necessary to enhance the ability of the Department of
10 State and the Department of the Treasury to detect eva-
11 sion of sanctions targeting the Democratic People's Re-
12 public of Korea, including through actions described in
13 subsection (b).

14 (b) ASSIGNMENT OF DETAILEES.—The Secretary of
15 the Treasury should assign one additional detailee to each
16 United States embassy or consulate in each country that
17 the Secretary, in consultation with the Secretary of State,
18 assesses to be commonly linked to evasion of sanctions tar-
19 geting the Democratic People's Republic of Korea.

20 (c) SENSE OF CONGRESS.—It is the sense of Con-
21 gress that the United States should devote additional mar-
22 itime patrol and reconnaissance aircraft to areas known
23 to be associated with maritime forms of sanctions evasion
24 by the Democratic People's Republic of Korea, including
25 ship-to-ship transfers of refined petroleum products, oil,

1 coal, and other goods and the export of arms by the Demo-
2 cratic People’s Republic of Korea, to enhance the capa-
3 bility of the United States to detect and publicize such
4 activities.

5 **SEC. 410. BRIEFING ON EVASION OF SANCTIONS TAR-**
6 **GETING THE DEMOCRATIC PEOPLE’S REPUB-**
7 **LIC OF KOREA.**

8 (a) IN GENERAL.—Not later than 180 days after the
9 date of the enactment of this Act, and annually thereafter
10 until the date that is 5 years after such date of enactment,
11 the Secretary of State and the Secretary of the Treasury
12 shall brief the appropriate congressional committees re-
13 garding evasion of sanctions targeting the Democratic
14 People’s Republic of Korea.

15 (b) ELEMENTS.—Each briefing required by sub-
16 section (a) shall—

17 (1) cover each country described in section
18 409(b) by discussing any known or suspected cases
19 or types of sanctions evasion that implicate that
20 country; and

21 (2) be based on the input of detailees assigned
22 as described in that section.

1 **SEC. 411. BRIEFING ON ILLICIT USE OF VIRTUAL CUR-**
2 **RENCIES BY THE DEMOCRATIC PEOPLE'S RE-**
3 **PUBLIC OF KOREA.**

4 (a) IN GENERAL.—Not later than 180 days after the
5 date of the enactment of this Act, the Secretary of the
6 Treasury shall brief the appropriate congressional commit-
7 tees on the illicit use of virtual currencies by the Demo-
8 cratic People's Republic of Korea.

9 (b) ELEMENTS.—The briefing required by subsection
10 (a) shall—

11 (1) to the extent possible, provide an estimate
12 of the amount of fiat currency that the Democratic
13 People's Republic of Korea has been able to generate
14 as of the date of the briefing through conversion of
15 virtual currency obtained by illicit means including
16 cyberattacks;

17 (2) describe known pathways through which the
18 Democratic People's Republic of Korea executes
19 such conversions, with an emphasis on identifying
20 virtual currency exchanges used by the Democratic
21 People's Republic of Korea or its agents; and

22 (3) cover any known instances of purchases of
23 goods or services by the Democratic People's Repub-
24 lic of Korea using virtual currency without con-
25 verting that currency to fiat currency before the pur-
26 chases.

1 **SEC. 412. BRIEFING ON CROSS-BORDER FLOWS OF**
2 **FENTANYL AND OTHER ILLICIT SUBSTANCES.**

3 (a) **IN GENERAL.**—Not later than 180 days after the
4 date of the date of the enactment of this Act, the Sec-
5 retary of the Treasury shall brief the appropriate congres-
6 sional committees on the methods by which the Demo-
7 cratic People’s Republic of Korea produces and exports
8 methamphetamines and other narcotics, including opioids
9 such as fentanyl.

10 (b) **ELEMENTS.**—The briefing required by subsection
11 (a) shall—

12 (1) provide estimates of the amounts of illicit
13 substances exported by the Democratic People’s Re-
14 public of Korea and the associated revenues;

15 (2) describe known pathways through which the
16 Democratic People’s Republic of Korea procures pre-
17 cursors for and conducts exports of such substances,
18 with particular focus on exports into the People’s
19 Republic of China; and

20 (3) assess the extent to which such pathways
21 differ from pathways used by the Democratic Peo-
22 ple’s Republic of Korea to export arms and other
23 goods the export of which is prohibited.

1 **SEC. 413. BRIEFING ON UNITED STATES CITIZENS DE-**
2 **TAINED BY THE DEMOCRATIC PEOPLE'S RE-**
3 **PUBLIC OF KOREA.**

4 (a) **IN GENERAL.**—Notwithstanding any other provi-
5 sion of law, not later than 30 days after the date of the
6 enactment of this Act, and every 180 days thereafter until
7 the date that is 2 years after such date of enactment, the
8 Secretary of State shall brief the appropriate congres-
9 sional committees on United States citizens detained by
10 the Government of the Democratic People's Republic of
11 Korea, including United States citizens who are also citi-
12 zens of other countries.

13 (b) **ELEMENTS.**—Each briefing required by sub-
14 section (a) shall, to the extent practicable and appropriate,
15 include, with respect to each United States citizen de-
16 tained by the Government of the Democratic People's Re-
17 public of Korea, the following:

18 (1) The name of the United States citizen.

19 (2) A description of the circumstances sur-
20 rounding the detention of the United States citizen.

21 (3) An assessment of the health and welfare of
22 the United States citizen.

23 (4) An assessment of whether any United
24 States Government officials or foreign government
25 officials have been provided access to the United
26 States citizen.

1 “(L) The evasion of sanctions targeting
2 the Democratic People’s Republic of Korea by
3 or involving the People’s Republic of China.”.

4 **SEC. 415. EXCEPTION RELATING TO IMPORTATION OF**
5 **GOODS.**

6 (a) IN GENERAL.—No provision affecting sanctions
7 under this title or an amendment made by this title shall
8 apply to sanctions on the importation of goods.

9 (b) GOOD DEFINED.—In this section, the term
10 “good” means any article, natural or manmade substance,
11 material, supply or manufactured product, including in-
12 spection and test equipment, and excluding technical data.

13 **SEC. 416. APPROPRIATE CONGRESSIONAL COMMITTEES**
14 **DEFINED.**

15 In this title, the term “appropriate congressional
16 committees” means—

17 (1) the Committee on Foreign Relations and
18 the Committee on Banking, Housing, and Urban Af-
19 fairs of the Senate; and

20 (2) the Committee on Foreign Affairs and the
21 Committee on Financial Services of the House of
22 Representatives.

23 **SEC. 417. EFFECTIVE DATE.**

24 The amendments made by this title shall take effect
25 on the date of the enactment of this Act and apply with

1 respect to conduct engaged on or after such date of enact-
2 ment.

3 **TITLE V—MISCELLANEOUS**

4 **SEC. 501. AUTHORITY TO CONSOLIDATE REPORTS AND**
5 **BRIEFINGS.**

6 Any reports or briefings required to be submitted to
7 Congress under this Act or any amendments made by this
8 Act that are subject to a deadline for submission con-
9 sisting of the same unit of time may be consolidated into
10 a single report or briefing. The consolidated report or
11 briefing shall contain all information required under this
12 Act or any amendment made by this Act with respect to
13 the reports comprising such consolidated report or brief-
14 ing.

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