

Background

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Curtailing North Korea's Illicit Activities

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On May 31, 2003, a new multilateral approach to limiting North Korea's threatening behavior was quietly launched in Poland when President George W. Bush announced the Proliferation Security Initiative (PSI), a heightened effort to disrupt the proliferation of weapons of mass destruction (WMD) and related delivery systems via sea, air, and land.¹ Since then, the 11-member group has met twice to review the legal basis for action, establish channels for intelligence sharing, and write a statement of principles. Current members include Australia, France, the United Kingdom, Germany, Italy, Japan, the Netherlands, Poland, Portugal, Spain, and the United States.

Plans call for member states to strengthen trade inspections, share information about suspected shipments, and step up searches and seizures of ships, planes, and vehicles suspected of smuggling WMD and related missile delivery systems.² Existing national and international laws provide sufficient basis for most of the PSI's objectives. Other measures that require legal clarification can be pursued with the full support of nations involved. For now, closer international coordination and stricter enforcement can successfully launch this effort to curb dangerous proliferation.

1. John R. Bolton, "U.S. Efforts to Stop the Spread of Weapons of Mass Destruction," testimony before the Committee on International Relations, U.S. House of Representatives, June 4, 2003, at www.state.gov/t/us/rm/21247.htm.
2. Proliferation Security Initiative, "Chairman's Statement," Brisbane Meeting, July 9–10, 2003, at www.dfat.gov.au/globalissues/psi/index.html.

- North Korea's increased criminal behavior poses a serious security challenge to Asian and U.S. interests.
- North Korea has demonstrated an ability to exploit porous borders and the open international trading system to export counterfeit currency, weapons, and illegal drugs.
- A multilateral effort to curb illegal activities will effectively cut off critical sources of funds to the North Korean regime, limiting its ability to develop nuclear weapons.
- The United States should urge its allies in Asia and Europe to adopt immediate measures to curtail North Korea's proliferation of WMD, missiles, arms, drugs, and counterfeiting.

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While the PSI does not explicitly target illicit activities beyond proliferation of WMD, organized interdiction efforts will counter illegal trade, such as narcotics smuggling and counterfeiting. North Korea has been one of the primary instigators of such activities in Asia. Indeed, PSI members such as Japan and Australia have already begun to apply their domestic laws stringently to halt North Korean violations. Even non-PSI members, such as Taiwan, are joining these multilateral efforts. On August 8, Taiwanese authorities detained and confiscated 158 barrels of phosphorus pentasulfide, a chemical used to produce rocket fuel, from a North Korean vessel docked in Taiwan.³

Some critics of the PSI argue that these efforts are tantamount to an act of war, will only raise the level of tension, and increase the possibility of military conflict. They argue that the United States and its allies in Asia should instead pursue diplomatic means to pressure North Korea to end its nuclear programs and curb its dangerous proliferation activities.

However, these critics do not consider that diplomacy is not an either-or proposition. In fact, the only way in which the United States and its allies can hope to achieve a successful diplomatic effort is to back it up with a united, multilateral show of strength. The PSI is thus one of the necessary steps that Washington should pursue to build a “coalition of the willing” to send the unequivocal message to the Kim Jong-Il regime that Pyongyang’s illegal activities, such as exporting drugs and counterfeit money, will no longer be tolerated.

Curtailling North Korea’s ability to earn hard currency from illegitimate and dangerous activities is one of the only effective ways to convince Pyongyang to abandon such pursuits and instead embrace legal international trade. Further economic pressure on the regime will also strengthen the position

of the U.S. and its allies—South Korea, Japan, and Australia—in convincing North Korea that pursuing nuclear programs will increase rather than lessen its isolation and privation.

North Korea’s Challenge

North Korea’s missile and nuclear capabilities and its proliferation activities threaten not just Asia, but the entire world. Moreover, North Korea’s flagrant violations of international treaties, as well as agreements with the United States and South Korea, threaten global efforts to curb the spread of WMD.⁴

North Korea’s increased criminal behavior also poses a serious security challenge to Asian and U.S. interests. Without a viable and functioning economy, Kim Jong-Il has chosen to dedicate its international trade to dangerous and illegal activities, such as arms sales, currency counterfeiting, drug smuggling, and human trafficking.

North Korea’s gross national product fell from \$22.3 billion in 1995 to \$15.7 billion in 2001, mainly because of economic mismanagement, floods, and severe drought. In 2001, exports from legitimate businesses totaled just \$650 million, while income from illegal drugs ran between \$500 million and \$1 billion.⁵ In addition, Pyongyang earned more than \$560 million from missile sales and circulated more than \$100 million in counterfeit U.S. currency in the global economy. According to a February 1999 Congressional Research Service report, “conservative estimates” indicate that North Korea’s criminal activity “generated about \$86 million in 1997—\$71 million from drugs and \$15 million from counterfeiting.”⁶

The North Korean people have suffered one of the worst humanitarian disasters in recent history. For more than a decade, North Korea has been experiencing an ongoing food crisis that has resulted in the starvation deaths of as many as two

3. Robert Marquand, “Ship’s Seizure Sends Warning to North Korea,” *The Christian Science Monitor*, August 12, 2003.

4. In addition to violating the 1994 Geneva Accords or Agreed Framework, which called for North Korea to freeze its plutonium nuclear program in Yongbyon in exchange for two civilian light-water reactors, North Korea’s pursuit of nuclear programs violates the Nuclear Non-Proliferation Treaty (NPT), the Joint Declaration on Denuclearization of the Korean Peninsula, and the International Atomic Energy Agency (IAEA) safeguards agreement.

5. “Drug Money: Heroin Busts Point to Source of Funds for North Koreans,” *The Wall Street Journal*, April 23, 2003.

6. Raphael Perl, “North Korean Drug Trafficking: Allegations and Issues for Congress,” *Congressional Research Service Report for Congress*, September 14, 1999.

million people. China faces a humanitarian emergency with an estimated 100,000 to 200,000 North Korean refugees already in the border area. Decades of economic mismanagement and the lack of any promising reforms ensure that the humanitarian crisis will only become more desperate.

Given the authoritarian controls in place throughout North Korea, illegal activities are not conducted by a rogue organization operating independently of the government: They are sanctioned and run by the regime itself. Since 1977, more than 20 North Korean diplomats, agents, and trade officials have been implicated, detained, or arrested in drug-smuggling operations in more than a dozen countries, including Egypt, Venezuela, India, Germany, Nepal, Sweden, Zambia, Ethiopia, and Laos.⁷ According to William Bach, a director in the Bureau for International Narcotics and Law Enforcement Affairs at the U.S. Department of State:

[F]or some 30 years, officials of the DPRK have been apprehended for trafficking in narcotics and other criminal activity, including passing counterfeit U.S. notes. Since 1976, there have been at least 50 arrests or drug seizures involving North Koreans in more than 20 countries around the world.⁸

Evidence that the North Korean regime is responsible for directing and engaging in these activities can be found in Division 39 of the Korean Worker's Party. This infamous institution, headquartered in Pyongyang, was established in the mid-1970s by the regime to fund Kim Jong-Il's political career. It is now an extensive organization

that operates many illegal activities under the auspices of the Daesong Group, the Daesong Bank,⁹ and the Vienna-based Golden Star Bank.¹⁰ Some reports indicate that it has generated cash assets as large as \$5 billion, secreted in banks in Macao and Switzerland. Since Division 39 produces a steady flow of hard currency for Kim Jong-Il and his regime, interdicting its illegal activities would have a significant impact on cutting off funds.

Drug Production and Trafficking. The North Korean regime has been involved in illegal drug production and trafficking since the 1970s, but these efforts increased in the 1990s as the country's economic situation worsened. Drugs cost little to produce and reap the largest profits.

According to estimates, North Korea has anywhere from 4,200 to 7,000 hectares under poppy cultivation. An anonymous North Korean defector testified in May before the U.S. Senate Committee on Governmental Affairs that in 1997, Kim Jong-Il ordered each collective farm in North Korea to grow 25 acres of poppies, the basis for heroin production.¹¹ In April 1999, South Korea's National Intelligence Service charged that North Korea had refined 50 tons of opium the previous year, along with five tons of morphine and heroin, for sale abroad. This was a significant increase from the production of three tons of opium in 1992.¹²

In the late 1990s, heroin production was supplemented by methamphetamine production, partly to compensate for a drought-induced slump in opium production, but also to satisfy a growing demand in Japan. Methamphetamine is simpler to produce than heroin, but its production depends on the importation of expensive raw materials such as

7. Perry Bacon, "Kim's Rackets," *Time*, June 2, 2003.

8. William Bach, testimony before the Subcommittee on Financial Management, the Budget, and International Security, Committee on Governmental Affairs, U.S. Senate, May 20, 2003.

9. Jay Solomon and Hae Won Choi, "Money Trail: In North Korea, Secret Cash Hoard Props Up Regime," *The Wall Street Journal*, July 14, 2003.

10. An Austrian Interior Ministry report charges that the Golden Star Bank in Vienna is being used as a base for North Korean secret services. "There are detectable efforts by the North Korean secret services to place its agents in diplomatic and non-diplomatic positions in Austria. The camouflage for these activities is Europe's only established branch of the North Korean state bank, as well as martial arts clubs established around the country." Michael Leidig, "Austria Accuses North Korean Bank of Being Spy HQ," *The Daily Telegraph* (London), July 23, 2003.

11. Bacon, "Kim's Rackets."

12. John Pomfret, "Macao: North Korean Crime Center," *The International Herald Tribune*, April 26, 1999.

ephedrine, a common ingredient in allergy medication. In 1998, Thai police stopped an Indian shipment of 2.5 tons of ephedrine bound for Pyongyang.¹³ In 1999, substantial amounts of North Korean methamphetamine were seized in Japan, South Korea, and Taiwan.

Japan, as one of the world's largest methamphetamine markets, with an estimated 600,000 addicts consuming more than \$15 billion annually, is an attractive target for North Korea. The Japanese government reports that North Korea is the largest exporter of illegal drugs to Japan, accounting for an estimated 43 percent of all imports¹⁴ and providing a possible \$7 billion cash profit for the North Korean regime, according to the U.S. Department of State.¹⁵ The latest Japanese customs figures report that 2,473 pounds of methamphetamines from North Korea were seized during the three-year period ending in 2001.¹⁶ This is second only to China, which seized 3,916 pounds during the same period.¹⁷

Australia has also been a target of North Korean drug trafficking. On April 20, 2003, Australian authorities charged the captain and crew of a North Korean cargo ship with smuggling \$48 million worth of heroin, which was brought ashore to Melbourne.¹⁸

In addition, there is evidence that North Korean opium trafficking has changed the face of the Russian drug trade. In the mid-1990s, Russia's Interior Ministry reported that North Korea had displaced Central Asia as the major source of opium entering Russia.¹⁹

Counterfeiting. In recent years, a surge of counterfeit U.S. dollars has been flooding the Asian and European markets. Many of these counterfeit bills can be traced to North Korea's state mint, the Pyongyang Trademark Printing House, or the No. 62 Factory. A North Korean defector reports that all the mint's senior officials have been dispatched directly from the Ministry of Public Security, which constructed the mint in 1981. The Public Security Ministry fully controls management and operations of the mint.²⁰

The counterfeit greenbacks, or "supernotes," printed at the mint are of high quality because the regime purchased a \$10 million Intaglio printing press of the same type used by the U.S. Bureau of Engraving and Printing.²¹ These fake bills both profit the regime and destabilize the U.S. economy by undermining the stability of the U.S. dollar.²² In 1999, the U.S. Congressional Research Service estimated that Pyongyang was printing at least \$15 million a year in counterfeit U.S. bills.²³

13. Bacon, "Kim's Rackets."

14. This figure is according to Ryosuke Matsuoka, Deputy Director of the Drug Control Division of the National Police Agency of Japan. David Ibison, "Pyongyang's Spy Ship Reveals a Dark Secret," *The Financial Times*, May 28, 2003.

15. Bach, testimony before the Subcommittee on Financial Management, the Budget, and International Security.

16. One reason North Korea has been able to penetrate the illegal Japanese drug market is its connections to the Japanese mafia. Examination of a North Korean ship that was salvaged off the coast of Japan by Japan's Coast Guard after it was sunk during an exchange of fire in 2001, revealed that the supposed fishing vessel had 4,000 horsepower engines and a top speed of 30 knots. On it was found a Toshiba mobile phone, which revealed what Japan's National Police Agency describes as calls to "known gangland operatives." This provides the most graphic evidence yet that North Korea is trafficking in drugs and operating in partnership with Japanese criminal gangs to distribute them in Japan. Ibison, "Pyongyang's Spy Ship Reveals a Dark Secret."

17. Mari Yamaguchi, "Drug Trade Offers North Korea Easy Fix," *The Washington Times*, March 14, 2003.

18. Jamie Tarabay, "Australia Charges North Korean Ship's Crew in Drug Case," *The Wall Street Journal*, April 22, 2003.

19. Sophie Quinn-Judge and Shim Jae Hoon, "Opiate of the Party: North Korea Fuels Opium Boom in Russia," *Far Eastern Economic Review*, December 5, 1996.

20. "North Korea's State Mint Counterfeited Dollars," Kyodo News Agency, January 17, 2000.

21. "The Wiseguy North Korea Has Embarked on a Global Crime Spree," *U.S. News and World Report*, February 15, 1999.

22. John Cooley, "The False Money Weapon," *The Christian Science Monitor*, January 15, 2002.

23. Perl, "North Korean Drug Trafficking."

Weapons and Arms Sales. Although not illegal under international law, North Korea's weapons and missile sales are of grave concern to the international community. As the world witnessed in December 2002, when the Spanish Navy intercepted a North Korean ship carrying parts for a dozen Scud missiles to Yemen, current international law permits the sale and transfer of missiles. Compliance with the multilateral Missile Technology Control Regime (MCTR) is voluntary.

According to U.S. government analysts, North Korea raised \$560 million from missile sales in 2001 alone.²⁴ Secretary of Defense Donald Rumsfeld has described North Korea as the world's "single biggest proliferator of ballistic missiles."²⁵ North Korea has exported significant equipment, parts, materials, and technical expertise related to ballistic missiles to South America, the Middle East, South Asia, and North Africa.²⁶

In 1993, Iran sought to acquire 150 Nodong-1 missiles and paid North Korea \$500 million for further missile development as well as technology for nuclear weapons.²⁷ Zaire also concluded a \$100 million deal for North Korean missiles in 1994.²⁸ More recently, Pyongyang and Tehran are reportedly in talks to export North Korean Taepodong-2 long-range ballistic missiles to Iran and jointly develop nuclear warheads.²⁹

Even U.S. allies are culpable in contributing to North Korea's missile and arms programs. In testimony before a U.S. congressional committee in May 2003, for example, a North Korean defector claimed that 90 percent of parts and material used in manufacturing Scud, Nodong, and Taepodong missiles in North Korea originated in Japan.³⁰

The positive news is that the Japanese government has taken steps to curb these exports by tightening trade rules. On May 8, 2003, the government raided Meishin, a Tokyo trading company owned by a North Korean. The company tried to illegally export three specialized power-supply devices, costing approximately \$6,000 each, that could have aided North Korea's nuclear program or been used in missile-launch devices. Officials said the components, destined for a Thai company serving as a conduit to North Korea, were seized on a ship in Hong Kong.³¹

North Korea's ability to exploit porous borders and the open international trading system presents a serious challenge to prohibiting its illegal and dangerous proliferation activities. This is why the implementation of a strategy such as the PSI, which is designed to implement existing laws and regulations, will be an effective start in pressuring the North Korean regime beyond existing sanctions. As a U.S. Department of Defense official has stated:

[The Pentagon] is able to provide support to our partner nations in the form of training for law enforcement and military personnel, intelligence initiatives that include collection, processing, and analysis, infrastructure to support counter-drug efforts, and command and control systems that ensure our allies can communicate and coordinate operations among their own agencies and with U.S. law enforcement and the military. The Department of Defense and its agency counterparts are fully capable and ready to support regional partners with the

24. Richard Lloyd Parry, "Weapons Sales Are Hard Cash Lifeline for Crippled Country," *The Times* (London), December 12, 2002.

25. "Black-Market Exports Boost North Korean Economy," *The Baltimore Sun*, April 13, 2003.

26. Central Intelligence Agency, "North Korea Not Backing Off from Missile Exports," April 10, 2003, as cited in *Geostrategy-Direct*, April 22, 2003.

27. *U.S. News and World Report*, March 29, 1993, p. 18; *The Washington Times*, March 19, 1993, p. A2.

28. *Le Point*, January 28, 1995, p. 19.

29. "North Korea and Iran in Nuclear Warhead Pact," *Sydney Morning Herald*, August 6, 2003.

30. "Northeast Asia Report," *Geostrategy-Direct*, June 3, 2003.

31. Sachiko Sakamaki and Doug Struck, "Japan Cracks Down on Firms Tied to North Korea," *The Washington Post*, May 21, 2003.

training, facilities, intelligence means, and organization experience to counter the threat of illicit trafficking from North Korea.³²

The cooperative efforts of the PSI stop short of a full-scale quarantine or sanctions against North Korea. Such provocative actions would be tantamount to an act of war and need at least the support and consent of Japan and South Korea, since these two American allies would be most immediately threatened by a North Korean response. Moreover, no quarantine would be effective without the full cooperation of China and Russia. It is unlikely at this time that either of these countries would support full-scale U.S. quarantine efforts.

A multilateral effort to curb illegal activities will, however, effectively cut off critical sources of funds to the North Korean regime. This will have the important effect of not only limiting Pyongyang's ability to invest in nuclear weapons programs and its military, but—more significant—sending the strong message that the international community will no longer tolerate threatening and destabilizing activities. As the United States prepares for the six-party talks (with North Korea, China, Japan, South Korea, and Russia) to discuss an end to Pyongyang's nuclear program, such a united stance is critical to achieving success.

Halting North Korean trafficking in drugs and counterfeit money will not prevent the threat posed by that regime's acquisition of a nuclear weapons arsenal, but it will send the unequivocal message to Pyongyang that continuing such activities imperils the survival of the regime.

Stepping Up the Pressure on North Korea

The United States should urge its allies in Asia and Europe, including Asian countries not currently members of the PSI, to adopt immediate measures to curtail North Korea's proliferation of WMD, missiles, arms, drugs, and counterfeiting in the region.

China's role will be especially critical but remains questionable. Although China has officially declared

that it is "fully opposed to proliferation" and will not allow its border with North Korea be used as a "back door" to evade international sanctions designed to prevent North Korea from exporting WMD, China has also expressed strong disapproval of the PSI.³³ In the past, China has been North Korea's partner in the proliferation of missiles and nuclear programs technology to Pakistan and Iran and continues to turn a blind eye to North Korea's illegal activities. Thus, China's official statements notwithstanding, the PSI should scrutinize Chinese actions and insist on Chinese enforcement of multilateral interdiction. It is likely that any naval and air interdictions of North Korean shipments will be largely ineffective without China's cooperation in halting land transports out of North Korea across the Chinese border.

Interdicting North Korea's illicit economic activities not only serves the national security interests of the countries in the region, but also promotes stability in Asia. Interested countries can diminish North Korea's ability to profit from these harmful activities by:

- **Sharing intelligence and data** on North Korean shipments and transfers of goods through cooperation with the intelligence, customs, and law enforcement agencies, and with the militaries, of the relevant countries to coordinate interdiction of illicit goods.
- **Cracking down on North Korean "front companies" and diplomatic missions** that are used as conduits for illegal activities. This may include urging countries that have diplomatic relations with Pyongyang to suspend those relations unless illegal activities cease.
- **Working with financial institutions** in relevant countries to limit transactions that support illegal North Korean activities.
- **Convincing North Korea to abandon illegal exports and pursue legal trade.** Japan and South Korea currently have small but significant legal trade with North Korea. North Korea's legal trade with Japan is approximately \$240 million annually, and its legal trade with South Korea is

32. Andre Hollis, Deputy Assistant Secretary of Defense for Counter-Narcotics, testimony before the Subcommittee on Financial Management, the Budget, and International Security, Committee on Governmental Affairs, U.S. Senate, May 20, 2003.

33. Statement by Liu Jieyi, Director of Arms Control and Disarmament at the Foreign Ministry of China. Quoted in John Pomfret, "China Wary of Weapons Searches," *The Washington Post*, August 23, 2003.

approximately \$640 million annually. Legal trade should be the only way that North Korea earns money, but if Pyongyang persists in illegal activities and its threatening behavior in the region, Tokyo and Seoul should be persuaded to cut off legal trade.

- **Encouraging South Korea to join the PSI.** South Korea's reluctance to join the PSI stems from its fear of unnecessarily pressuring North Korea at a sensitive time. But South Korea would benefit more from its early involvement in this multilateral effort where it could contribute to developing the initiative's parameters. Moreover, South Korea's involvement would send a strong unequivocal message to North Korea that its proliferation activities will not be tolerated by anyone in the region.

Conclusion

The PSI will significantly enhance the ability of the U.S. and its allies to combat dangerous and destabilizing activities conducted by countries such as North Korea. As the United States enters into critical talks with North Korea to end its development of nuclear programs, it must do so from a position of strength.

Pyongyang will be persuaded to change its behavior not by the mere eloquence of American and allied arguments, but by the resolve of their actions. Peaceful efforts will not succeed without muscular diplomacy to support the unconditional and multilateral position that a nuclear North Korea will not be tolerated.

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Incidents of North Korean Drug Trafficking

2003

- **April.** The Australian navy seized a North Korean cargo ship attempting to smuggle in approximately 110 pounds of heroin (\$50 million).††

2002

- **July.** Taiwan authorities apprehend nine men attempting to smuggle 79 kg of heroin (\$9 million–\$12 million) from North Korea.†
- **January.** Japanese authorities seize 150 kg of methamphetamine aboard a ship. North Korean officials are involved in the transfer.***

2001

- **May.** An ethnic Korean with Chinese citizenship is arrested for attempting to smuggle 30 kg of North Korean methamphetamine into South Korea.***
- **April.** Taiwan police make two seizures of methamphetamine (65.6 kg and 42 kg, worth a total of \$3 million) originating from North Korea.***
- **February.** Japanese authorities seize 250 kg of amphetamine-type stimulant (ATS) from a suspected North Korean boat.**

2000

- **December.** Taiwan authorities seize 134 kg of heroin reportedly originating from North Korea.**

1999

- Japanese officials seize more than 2 metric tons of illicit amphetamine-type drugs. One seizure (565 kg of methamphetamine) is the largest in Japan's history.**
- **May.** Taiwan's Ministry of Justice seizes 157 kg of amphetamine produced in North Korea and exported to Taiwan.*
- **April.** Japanese law enforcement officials arrest 13 people and seize 100 kg of methamphetamine believed to be from North Korea.*

1998

- **December.** Chinese officials arrest a North Korean consulate employee and seize 9 kg of opium produced in North Korea.*
- **October.** German police arrest a North Korean deputy ambassador and seize heroin believed to be manufactured in North Korea.*
- **August.** Japanese officials seize 200 kg of methamphetamine produced in North Korea.*
- **July.** Two North Korean diplomats stationed in Syria are arrested while trying to smuggle in 500,000 capsules of psychotomimetics (stimulants).*†
- **January.** Egyptian police arrest a North Korean diplomat attempting to smuggle 500,000 tablets of rohypnol into Egypt.*
- **January.** Russian law enforcement officials arrest two North Korean diplomats and seize 35 kg of cocaine.*

1997

- **July.** A North Korean lumberjack is arrested in Havarovsk, Russia, while attempting to sell 5 kg of opium.*†
- **May.** Chinese officials arrest a North Korean businessman in Dandung City for trying to sell 900 kg of methamphetamine.*†
- **April.** Japanese officials arrest three individuals and seize 60 kg of methamphetamine. The drugs originated from the North Korean port of Nampo.*

1996

- **November.** Vladivostok law enforcement officials arrest a North Korean diplomat and seize 22 kg of opium.*
- **March.** South Korean police seize 3.6 kg of crystal methamphetamine smuggled in from North Korea.*

1995

- **July.** Chinese police arrest an agent of the National Security and Intelligence Bureau of North Korea for smuggling 500 kg of heroin.*†

- **July.** Zambian police arrest a North Korean diplomat and seize 2.4 kg of cocaine.*
- **February.** Russian officials arrest two North Koreans and seize 8 kg of heroin. The shipment is the first installment of a total shipment of 2.2 tons of heroin.*
- **January.** Chinese officials arrest two North Koreans and seize 6 kg of opium. One is an executive of the Macao-based trading house run by the North Korean military.*

1994

- **August.** Russian law enforcement agents arrest a North Korean intelligence agent who is attempting to sell heroin to the Russian mafia.*
- **July.** Chinese officials arrest two North Korean embassy officials on charges of smuggling 6 kg of North Korea-produced opium through the North Korean embassy.*
- **July.** Russian customs officials arrest a North Korean and seize 200g of opium.*
- **June.** Russian police arrest two North Koreans for attempting to sell 8.25 kg of heroin (\$250,000). One is a member of North Korea's Social Security Ministry.*

Sources:

*North Korea Advisory Group, "Report to the Speaker, U.S. House of Representatives," November 1999.

**U.S. Department of State, Bureau for International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report* (cited hereafter as INCSR), 2000, at www.state.gov/g/inl/rls/nrcrpt/2000.

***INCSR, 2002, at www.state.gov/g/inl/rls/nrcrpt/2002.

†INCSR, 2003.

††"Drug Money: Heroin Busts Point to Source of Funds for North Koreans," *The Wall Street Journal*, April 23, 2003.

*†Robert Gallucci, "Drugs, Counterfeiting, and Weapons Proliferation: The North Korea Connection," statement before the Committee on Governmental Affairs, U.S. Senate, May 20, 2003.