Congress of the United States
House of Representatives
Washington, DC 20515

January 22, 2024

The Honorable Janet Yellen
Secretary
U.S. Department of Treasury
1500 Pennsylvania Ave, NW
Washington, DC 20220

Dear Secretary Yellen and Blinken,

We write today to urge the Department of the Treasury's Office of Foreign Assets Control (OFAC) to investigate possible sanctions evasion activity conducted by [redacted], a major subsidiary of a leading Chinese tech company, [redacted]. According to information reviewed by the Committees, [redacted] provided information technology (IT) software and payment services to entities affiliated with the North Korea Ministry of Foreign Affairs and other North Korean entities that have been designated on the OFAC Specially Designated Nationals (SDN) List. The Committees also request that you investigate [redacted] provision of IT products and services to the PRC government's Xinjiang surveillance system – the Integrated Joint Operations Platform – to determine whether the company should be designated for sanctions under any of Treasury's sanctions authorities and programs.

[redacted] provides online marketing and payment services as well as Integration Platform as a Service (iPaaS) tools that facilitate the integration of various applications, systems, and data across an organization. iPaaS serves as a middleware solution, connecting disparate technologies and enabling communication between them, playing a critical role in IT infrastructure—simplifying complex integrations and streamlining data flows.

Publicly available information reviewed by the Committees reveals that [redacted] operates a system called [redacted] that provides IT and online payment services to companies that materially support North Korean sanctions evasion activity. One such company is Shenyang Jiangshan Picturesque Art Co., Ltd. (SJPA). SJPA, which uses [redacted] software, sells products manufactured by a fully controlled subsidiary of the North Korean government—Mansudae Overseas Project Group of Companies (Mansudae). Mansudae is a fully controlled subordinate of the North Korea KWP Central Committee Propaganda and Agitation Department, and it is sanctioned by Treasury under Executive Order 13722 "for having engaged in, facilitated, or been responsible for…revenue [generation] for the Government of North Korea or the Workers' Party of Korea…Some of the revenue generated is used by the Munitions Industry Department."[1] Mansudae is also sanctioned by the United Nations and the European Union.[2]

Additional information reviewed by the Committees has revealed that SJPA also "cooperates" with the North Korean Ministry of Foreign Affairs and other sanctioned North Korean government officials. We therefore request that OFAC urgently investigate [redacted] provision of IT and payment services to SJPA to identify any possible violations of U.S. and allied sanctions against North Korea.

[redacted] also has concerning ties to the PRC military and other Chinese companies designated by Treasury. For example:

- [redacted] owns a joint venture with [redacted] which is on the Non-SDN Chinese Military-Industrial Complex Companies (NS-CMIC) List.

- [redacted] also partners with [redacted]—also on the NS-CMIC List—on surveillance technology. The two companies operate the "[redacted]," which is designed "[redacted]."[3] [redacted]."[4]

- [redacted] has sold millions of dollars of products and services to Leon Technology Company Limited, which is on both the NS-CMIC List and the BIS Entity List. According to the Department of the Treasury, Leon Technology Company Limited "actively support[s] the biometric surveillance and tracking of ethnic and religious minorities in China, particularly the predominantly Muslim Uyghur minority in Xinjiang…Leon Technology is one of the key companies that helped the PRC build the

[1] EO 13722 prohibits the exportation and re-exportation of goods, services (including financial services), and technology to North Korean-affiliated entities.

[2] *See* www.press.un.org/en/2022/sc14983.doc.htm#:~:text=2017%20(amended%20on%2026%20July%202022%20Other%20information:%20Mansudae%20Overseas,for%20the%20Government%20of%20the.

[3] *See* [redacted]

[4] [redacted]

Integrated Joint Operations Platform, a surveillance system in Xinjiang."[5] [redacted] has directly supported the Integrated Joint Operations Platform.[6]

Over the last several months, the Committees have been jointly investigating the partnership between Ford Motor Company (Ford) and Contemporary Amperex Co. Limited (CATL). As part of our investigation, we have reviewed portions of Ford's signed agreements with CATL. One such agreement provides that [redacted] will be providing IT tools and applications at Ford's new factory in Michigan.

A cursory review of publicly available information uncovered [redacted] connections to the North Korean sanctions evasion activity as well as the company's support of the Xinjiang genocide. It is indefensible for Ford to use the same cloud integration and data provider that is linked to North Korean Ministry of Foreign Affairs sanctions evasion activity. Indeed, this also poses significant cybersecurity risks given [redacted] ongoing relationships with PRC military companies, including the potential for malicious actors to exploit the very connections and data flows iPaaS tools are designed to facilitate. The same company that is actively supporting the PRC's surveillance state will have the capability to embed backdoors, spyware, and other forms of malware within Ford's iPaaS infrastructure, compromising the confidentiality and integrity of Ford's sensitive information and posing risk to American's data privacy rights.

According to a North Korea Sanctions & Enforcement Actions Advisory by the U.S. Department of State, the Treasury, and Homeland Security:

> "**OFAC has authority to impose sanctions on any person** determined to, among other things: **have engaged in** at least one significant importation from or **exportation to North Korea** of any goods, services, or **technology** [and] **have sold, supplied, transferred** or purchased, directly or indirectly, **to or from North Korea** or any person acting for or on behalf of the government of North Korea or the Workers' Party of Korea, metal, graphite, coal, or **software**, where any revenue or goods received may **benefit the government of North Korea** or the Workers' Party of Korea."[7]

Therefore, we respectfully request that you investigate [redacted] for its sale, transfer, and exportation of IT products to support North

[5] *Treasury Identifies Eight Chinese Tech Firms as Part of the Complex Military-Industrial Complex*, U.S. DEP'T OF THE TREASURY (Dec. 16, 2021) *available at* www.home.treasury.gov/news/press-releases/jy0538

[6] *China's Algorithms of Repression*, HUMAN RIGHTS WATCH (May 1, 2019) *available at* www.hrw.org/report/2019/05/01/chinas-algorithms-repression/reverse-engineering-xinjiang-police-mass.

[7] North Korea Sanctions & Enforcement Actions Advisory, *Risks for Businesses with Supply Chain Links to North Korea*, U.S. DEP'T OF STATE, THE TREASURY, AND HOMELAND SECURITY (July 23, 2018) *available at www.*ofac.treasury.gov/sanctions-programs-and-country-information/north-korea-sanctions.

Korean sanctions evasion activity. The Committees also request that you investigate [redacted] provision of IT products and services to entities that build, support, operate, and/or benefit from the PRC government's Integrated Joint Operations Platform to determine whether the company warrants designation under the Uyghur Human Rights Policy Act.

Please provide the Committees by February 5, 2024 with a written notice regarding your decision to designate [redacted]. If you decide against designation, please provide the Committees with a follow-up briefing to explain your reasoning.

To make arrangements to deliver a response, please contact Select Committee on China staff at (202) 308-8977 and Energy and Commerce staff at (202) 225-3641.

Thank you for your attention to this important matter and prompt reply.

Sincerely,

Cathy Mc Rodgers

Mike Gallagher
Chairman
House Select Committee on the CCP

Cathy McMorris Rodgers
Chair
House Committee on Energy and Commerce