Report of Note: Risky Business: A System-Level Analysis of the North Korean Proliferation Financing System

- Arms Control Today

Risky Business: A System-Level Analysis of the North Korean Proliferation Financing System
by David Thompson, C4ADS, June 2017

The pace of North Korea’s missile testing has accelerated in recent months, bringing a further urgency to resolving the threat posed by leader Kim Jong Un’s nuclear arsenal. This study from C4ADS, a nonprofit organization working on conflict and security issues, seeks to contribute to that effort by providing insight on measures to disrupt North Korea’s weapons of mass destruction (WMD) and missile programs. Pyongyang relies on a complex overseas network to provide needed inputs for its weapons programs, ranging from sophisticated technologies to mundane products such as switches and relays. In 2016, C4ADS released its first investigation of North Korea’s overseas networks and called for a more detailed understanding of how these channels operate. This follow-up study is intended to be a resource for policymakers in crafting a more targeted, effective sanctions regime. Using open source data, the report finds North Korea’s funding and procurement network to be centralized, limited, and vulnerable. As a result, the report argues that North Korea’s supply channels are ripe for disruption, countering the narrative that sanctions are an ineffective policy response due to North Korea’s “closed” economy. The open source information in this report should be a useful resource for disrupting North Korea’s overseas network because information derived from classified sources cannot be used to prosecute sanctions violators.—TYLER RODGERS