Seoul: North Korean hackers stole $1.2B in virtual assets

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In this photo provided by the North Korean government, North Korean leader Kim Jong Un, bottom center, attends a ruling party congress in Pyongyang, North Korea, on Jan. 12, 2021. North Korean hackers have stolen an estimated 1.5 trillion won ($1.2 billion) in cryptocurrency and other virtual assets in the past five years, more than half of it this year alone, South Korea's spy agency said Thursday, Dec. 2022. Credit: Korean Central News Agency/Korea News Service via AP, File

North Korean hackers have stolen an estimated 1.5 trillion won ($1.2 billion) in cryptocurrency and other virtual assets in the past five years, more than half of it this year alone, South Korea's spy agency said Thursday.

Experts and officials say North Korea has turned to crypto hacking and other illicit cyber activities as a source of badly needed foreign currency to support its fragile economy and fund its nuclear program following harsh U.N. sanctions and the COVID-19 pandemic.

South Korea's main spy agency, the National Intelligence Service, said North Korea's capacity to steal digital assets is considered among the best in the world because of the country's focus on cybercrimes since U.N. economic sanctions were toughened in 2017 in response to its nuclear and missile tests.

The U.N. sanctions imposed in 2016-17 ban key North Korean exports such as coal, textiles and seafood and also led member states to repatriate North Korean overseas workers. Its economy suffered further setbacks after it imposed some of the world's most draconian restrictions against the pandemic.

The NIS said state-sponsored North Korean hackers are estimated to have stolen 1.5 trillion won ($1.2 billion) in virtual assets around the world since 2017, including about 800 billion won ($626 million) this year alone. It said more than 100 billion won ($78 million) of the total came from South Korea.

It said North Korean hackers are expected to conduct more cyberattacks next year to steal advanced South Korean technologies and confidential information on South Korean foreign policy and national security.

Earlier this month, senior diplomats from the United States, South Korea

and Japan agreed to increase efforts to curb illegal North Korean cyber activities. In February, a panel of U.N. experts said North Korea was continuing to steal hundreds of millions of dollars from financial institutions and cryptocurrency firms and exchanges.

Despite its economic difficulties, North Korea has carried out a record number or missile tests this year in what some experts say is an attempt to modernize its arsenal and boost its leverage in future negotiations with its rivals to win sanctions relief and other concessions.