The Third Floor

The Third Floor refers to the two (2) central departments contained within the Korean Workers’ Party as well as staff of Kim Jong-il’s Personal Secretariat. It is tasked with coordinating intelligence collection, earning foreign currency for the KWP Central Committee, managing some of Kim Jong-il’s financial resources and acquiring good from abroad.

The term Third Floor refers to the original location of these offices—on the third floor Kim Jong-il’s office building in the KWP Central Committee Office Complex in Haebangsan-dong, Central District, Pyongyang. The Third Floor is technically subordinate to the KWP Central Committee. However, it is tied directly to Kim Jong-il’s network in the Central Party. Some Third Floor personnel overlap with Kim Jong-il’s Personal Secretariat.

The Third Floor currently consists of two offices (or bureaus):

Office #35

Office #35 is also known as the External Investigations and Intelligence Department. It manages and coordinates intelligence from other KWP Central Committee and NDC entities tasked with intelligence collection, analysis and operations concerning South Korea. It has ties to the Operations Department, United Front Department and the State Security Department. Office #35 has been implicated in weapons and narcotics trafficking to earn foreign currency and in support of its operations. The last known director was Kwon Hui-gyong, a former DPRK Ambassador to Russia and former deputy director of the KWP International Affairs Department. 1

1 It is alleged that Office #35 was migrated during the recalibration of the National Defense Commission in 2009.
Offices #38 and #39

It is not clear whether Offices #39 and #38 merged into one entity, possibly as Office #39.

Office #39 is the primary manager of legitimate and illicit companies that earn foreign currency for the KWP and DPRK security apparatus. Office #39 began as a subunit (section) of the KWP Finance and Accounting Department in the mid-1970’s which traded in the country’s gold reserves. It became an independent KWP Department in 1988. Office #39’s companies are has been implicated in cigarette bootlegging, documents and insurance fraud, currency counterfeiting and narcotics manufacturing and trafficking (poppies and methamphetamine).²

Office #39 also ensures foreign currency earning enterprises remit a percentage of their revenue to Kim Jong-il. Reports from former employees identify Office #39 (and Office #38) as being located near Kim Il-Sung Square in Kyongrim-dong in the Central District of Pyongyang. The last known director of Office #39 was Kim Tong-un. A member of the KWP Central Committee and 12th SPA, Mr. Kim (a geologist by training) has been its manager since its inception in the 1970’s. Since 1998, Jon Il-chun has been Office #39’s senior deputy director. Kim Tong-un is also President and Jon Il-chun Vice President of the Taesong Economic Group.

Office #38 is responsible for managing Kim Jong-il’s finances. It also links to the Main Office of Secretaries in the Personal Secretariat. It acquires every manner of goods from abroad, including appliances and technology such as Ipods, televisions, video (DVD/VHS) players, automobiles, speedboats, furnishings and fixtures for his homes, as well as foodstuffs and alcohol. Some of these goods are KJI and the Kim Family and

² Office #39 front companies include: Maebong General Trading Corporation; Unha General Trading Corporation; Samcholri General Trading Corporation; Unpyol General Trading Corporation; Kumnung General Trading Corporations
other goods are given to Party and Army elites. Office #38 also manages overseas Korean restaurants and hotels. These entities remit revenue and goods to Pyongyang. The last known director of Office #38 was Rim Sang-jong.