

Feds Target Rodman for Kim Bling

January 24, 2014



Dennis Rodman was already having a rotten month, between the trip to rehab and the global condemnation for cozying up to a dictator. Now things may be about to get much worse. The U.S. Treasury Department is investigating whether he violated the law that prohibits the importing of luxury goods into North Korea.

On his third and most recent trip to Pyongyang this month, Rodman [reportedly](#) brought several gifts for the young Kim's 31st birthday. They allegedly included hundreds of dollars' worth of Irish Jameson whiskey, European crystal, an Italian suit, a fur coat, and an English Mulberry handbag for Kim's wife, Ri Sol-ju.

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But these gifts, reportedly worth more than \$10,000, may not have been all. Michael Spavor, a Beijing-based consultant who facilitated and [joined Rodman's trip](#), [tweeted](#) a photo of Rodman apparently displaying several bottles of his own brand "[Bad Ass Vodka](#)" for Kim Jong Un and his wife.

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These gifts could be more than tasteless. They could also put Rodman in legal jeopardy. They appear to be violations of [United Nations Security Council Resolutions 1718](#), adopted in 2006, and [UNSCR 2094](#), adopted in 2013.

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Perhaps more importantly, Rodman may have violated an American law called the International Emergency Economic Powers Act (IEEPA), as implemented by [Executive Order 13551](#), which President Obama signed in 2010, which makes it a violation of U.S. law for any person determined by the Treasury and State Departments "to have, directly or indirectly, imported, exported, or reexported luxury goods to or into North Korea."

The Treasury Department, in consultation with the State Department, is currently looking into the allegations that Rodman violated that law, one U.S. official told The Daily Beast. It's unclear whether the inquiry has included the participation of the Department of Justice, which would be brought in to prosecute any violations.

"Treasury cannot comment on possible investigations," said Hagar Chemali, spokesperson for the Treasury Department's Office of Terrorism and Financial Intelligence (TFI). Typically, TFI's Office of Foreign Assets Control would be in charge of sanctions busting investigations.

Rodman could have applied for an export license for the goods, although export licenses for North Korea must meet strict criteria and luxury goods are [specifically excluded](#) from the list of items that could receive licenses, according to federal regulations.

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"The Department is aware of the media allegations that Dennis Rodman may have transported luxury goods to North Korea. Our regulations require a license for the export or reexport to North Korea of all U.S.-origin items except food and certain medicines," Eugene Cottilli, spokesman for the Commerce Department's Bureau of Industry and Security, told The Daily Beast. "We do not comment on possible or pending investigations. We have no further comment at this time."



Former NBA basketball player Dennis Rodman is followed by journalists as he arrives at the Capital I ...

According to [federal regulations](#), "luxury goods" as defined by this law include "luxury automobiles; yachts; gems; jewelry; other fashion accessories; cosmetics; perfumes; furs; designer clothing; luxury watches; rugs and tapestries; electronic entertainment software

equipment; recreational sports equipment; tobacco; wine and other alcoholic beverages; musical instruments; art; and antiques and collectible items, including but not limited to rare coins and stamps are subject to a general policy of denial."

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In other words, "Bad Ass Vodka" and high-end handbags are off-limits.

The [regulations state](#) that the civil penalties for such a violation could be up to \$250,000 or twice the value of the illicit transaction. The maximum criminal penalty Rodman could face, if prosecuted and convicted, is a \$1 million fine and up to 20 years in prison. Rodman could also be placed on a list of Specially Designated Nationals (SDNs), who can have their property and assets in the United States frozen by the government, although that measure is typically reserved for foreign entities, not American citizens.

Rodman is out of the public eye—at least for the moment. His agent, Darren Prince, [issued a statement](#) this month stating Rodman had entered an undisclosed New Jersey rehabilitation clinic to treat alcohol abuse.

"Dennis Rodman came back from North Korea in pretty rough shape emotionally. The pressure that was put on him to be a combination 'super human' political figure and 'fixer' got the better of him," Prince said. "His drinking escalated to a level that none of us had seen before."

Prince did not respond to requests for comment from The Daily Beast.

On Jan. 9, Rodman's publicist issued a statement on his behalf apologizing for a [CNN rant](#) during which Rodman implied that Kenneth Bae, an American prisoner in North Korea, was responsible for his own imprisonment.

Rodman's January visit to Pyongyang was in part to celebrate [Kim Jong Un's birthday](#) as well as to bring several other former NBA players to North Korea for what Rodman has called "basketball diplomacy." Several of those players have faced criticism for participating in Rodman's trip.

David Asher, the State Department's coordinator for North Korea from 2001-2005, told the Daily Beast that if Rodman did in fact bring luxury items into North Korea, that would be a clear violation of the law, subject to prosecution.

"The sanctions law is very clear about luxury goods," he said. "It does look to me that there is a potential violation here and if true, it's a sanctionable offense."

Rodman's trip has been a significant distraction from the real issues of North Korean nuclear brinksmanship and illicit activity, not to mention their gross human rights violations, Asher said.

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"It's not ping pong diplomacy, it's yo-yo diplomacy conducted by a bunch of yo-yos."

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