Policies and Patterns

State-Abetted Transnational Crime in Cambodia as a Global Security Threat

JACOB SIMS MAY 2025

Humanity Research Consultancy

Local insights, global impact

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About the Author

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Cover photo by an anonymous source, showing the Kaibo (KB) complex in Sihanoukville. Cover design by Sarina Patterson.

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As one interviewee aptly noted *"Cambodian civil society is almost fully lost. We can't just create more brave journalists and rights defenders out of thin air."* This report is dedicated to that embattled community—past, present, and hopefully future—and its efforts in pursuit of a free and equitable Cambodia.

Executive Summary

Transnational organized cybercrime is now the world's fastest growing and "most dangerous illegal industry."[1] Criminal syndicates are luring unsuspecting job seekers from over 70 countries and forcing them—alongside willing criminals—to perpetrate sophisticated fraud schemes targeting virtually every global jurisdiction, at scale.[2] This is likely already the top form of financial crime impacting Americans and, given the dizzying pace of growth, the harms are only projected to rise.[3] As Interpol Secretary General Jurgen Stock stated, "just about anyone in the world can fall victim."[4]

The epicenter for this industry is Southeast Asia, particularly Cambodia, Myanmar, and Laos. In these countries alone, the cybercriminal labor force easily exceeds 350,000 people.[5] Conservative estimates place annual revenue generated by regional scam syndicates between $50 and 75 billion.[6] **This makes transnational fraud perhaps the most dominant economic activity in the entire Mekong sub-region—equivalent to nearly half of total GDP in the primary host countries.**

At the same time, the crime syndicates and their opaque transnational linkages are amassing even more dangerous political power. Regional elites are implicated neck deep and, in certain contexts, the industry appears "too big to fail." The dominance and global reach of this criminal economy now poses grave security risks that go well beyond the billions of dollars lost by scam victims. The magnificent flow of laundered proceeds is flooding global markets. China's opaque ties to the industry as well as the mode of its law enforcement response are subverting international norms and raising geopolitical concerns. Moreover, the unprecedented centrality of the state-crime nexus in this problem-set is revealing gaps in the ability of conventional diplomatic engagement to achieve foreign policy objectives or ensure domestic security. **From this vast array of risks, the industry is earning its label as "the most powerful criminal network of the modern era."**[7]

While Myanmar and Laos boast towering scam economies, one country stands above its peers in terms of likely scale and long-run durability: Cambodia.

Understanding the "Perfect Storm"

Rivaled only by Myanmar, Cambodia is likely the absolute global epicenter of next-gen transnational fraud in 2025 and is certainly the country most primed for explosive growth going forward. Scamming has become an enormously profitable domestic industry, likely unparalleled in the Kingdom's history. Formal estimates range from $12.5 to $19 billion dollars per year, equivalent to as much as 60% of GDP and significantly eclipsing the country's largest formal sector, the garment and textiles industry (see Figure 1 on page 5). Yet, despite its unprecedented scale and harm, this phenomenon remains significantly under-explored.

Without denying the regionally interconnected nature of the industry, this study focuses on the particularly important case of Cambodia. Drawing on relevant scholarly, policy, and popular literature and open source data—as well as in-depth interviews and supporting evidence gathered from over 50 experts, diplomats, academics, journalists, and civil society actors—the analysis is guided by three core questions. *What key factors drive the emergence and persistence of trafficking and transnational cybercrime in Cambodia? What barriers impede effective countermeasures? And what policy measures are needed to combat the status quo in this particular context?*

Key Takeaways

Literature, interviewees, and corresponding evidence are virtually unanimous: endemic corruption, reliable protection by the government, and co-perpetration by party elites are the primary enablers of Cambodia's trafficking-cybercrime nexus and pose the chief barriers to combating the industry's explosive growth. Cambodian state institutions systematically and insidiously support and protect the criminal networks involved in transnational fraud and related human trafficking. Evidence for "policies and patterns" of state involvement is widespread, highly visible, and egregious (see Appendix B for a comprehensive taxonomy of activities). Beyond all other factors, this is the prime driver for the scam industry's emergence, growth, and durability.

Vertically integrated criminal industries are in no way at odds with or subversive to the CPP's ruling strategy. Rather, elite criminality is a core feature of the ruling party's DNA, and scamming is simply the newest and most profitable iteration. Cambodia's extreme dependence on criminally derived profits as a patrimonial resource is a long-documented feature of the formation and remarkable durability of the CPP. Transnational fraud is one of Cambodia's many state-abetted criminal interests—but its staggering scale and profitability have rendered this industry particularly important to the CPP's ruling strategy. The most convincing explanation of that strategy from the literature (and the one widely supported by respondents to this study) is that the CPP maintains power not thanks to popular consent to its legitimacy, but due to a highly effective and pragmatic suppression of domestic dissent (Loughlin, 2024). This coercive function is monetized and sustained by the extractive and predatory activities (chief among them, scam profits) of a consolidated elite patronage network. This network—tightly controlled by former Prime Minister Hun Sen and his family—purchases the loyalty of the state's security forces, preempting the emergence of (1) any meaningful opposition to an unpopular ruling strategy and (2) any momentum for reforms, as either pose existential threats to the ruling coalition's grip on power.

The Cambodian state-party faces new external threats, as the harms of its transnational cybercrime industry are felt globally. So far, it has mostly deflected these via manipulation of geopolitical power struggles, public misinformation campaigns, and repression of activists. The literature on Cambodia documents a long history of effective manipulation of international concerns in defense of the CPP's ruling strategy. This dates back to the country's UN-mediated roots, extends through decades of aid dependence, and has led into a renewed era of great power maneuvering. In the CPP's scam-trafficking era, the state-party has leveraged its full resources to (1) shield its perpetrators from transnational accountability, (2) deflect and obscure the nature of its criminal activities and culpability, and (3) silence local voices who pose threats to the industry.

The significant influx of sophisticated Chinese criminals in recent decades has injected new capacity and capital into Cambodia's state-abetted criminal undertakings. But this has not undermined Cambodia's existing power structures—the Cambodian People's Party remains firmly in the driver's seat and is principally culpable for the country's degraded trajectory. As criminals were pushed out by reforms in China and pulled in by the gravitational force of Cambodia's fully criminalized political-economic environment, their presence and capital infusion has served to ossify CPP dominance. This imported criminal class primarily serves as a source of extralegal capital and talent for the regime. However, the economic dependence of Cambodia's ruling elite on a sophisticated class of criminals presents the possibility of a fundamental shift in the relationship and its own set of strategic risks to a broader rules-based international order.

Interpreting China's response to the Cambodian scam economy requires evaluation of its component parts, defying attempts to classify China as either an entirely disruptive or enabling force. China's response as a whole is ambiguous, with specific agencies and actors playing different roles. For instance, clear linkages exist between some organized criminals and the upper echelons of the Chinese Communist Party, and these corrupted ties could plausibly offer those criminals shelter from Chinese state actions. Conversely, China clearly recognizes strategic threats emerging from this industry in Cambodia and is responding accordingly. First hand accounts suggest that the resulting Chinese law enforcement responses appear to have had a displacement effect, leading to greater targeting of English-speaking scam victims. Additionally, China now appears to be leveraging the crisis to generate support for its Global Security Initiative (GSI) model of regional security, which poses its own challenges to norms-based models. Moreover, Chinese and Western diplomats alike appear to have tempered their respective law enforcement efforts to hold high-level Cambodia-based perpetrators accountable, in an effort to maintain influence in Phnom Penh.

Conversely, Cambodia's gambling sector and financial system have anything but an ambiguous relationship with the industry. Cambodia's gambling sector serves as an industrial scale "mixer" that systematically cleans an incredible volume of illicit money and launders it into Cambodia's profoundly compromised formal financial sector. Additionally, Cambodia maintains strong advantages as a transnational cybercrime host country, thanks to the country's dollarized economy and its delisting from FATF's anti-money laundering grey list in 2022 as well as its strong telecoms network and improving road infrastructure.

Beyond the government, Cambodia is a tale of two "communities" when it comes to countering this phenomenon. With very few exceptions, the "international community"—well-funded counter-trafficking NGOs, bilateral aid agencies, and international organizations—has been rendered nearly impotent in efforts to disrupt this industry in Cambodia, given its reliance on relationships with compromised officials and its commitment to reform ideals incompatible with Cambodia's existing political environment. Conversely, the "local civil society" community—grassroots volunteer response networks, human rights watchdogs, and independent media—have been and remain the lynchpin of an embattled response. These heavily repressed and poorly funded groups have been and remain the primary source of available evidence on the lead perpetrators, their networks, and their modes of operation. Such local civil society actors are also the ones most vulnerable to funding cuts or freezes, as observed in the early months of 2025. Concerningly but unsurprisingly, this community also bears a disproportionate burden of legal and physical risks. These risks have always been high in Cambodia but are now rapidly escalating, bringing this community (and their efforts to disrupt this phenomenon) near the point of extinction.

Core Policy Recommendation: Coordinated Harm Minimization

Given the unworkability of near-term domestic reforms in Cambodia and the significant security implications of the status quo, **the central recommendation emerging from this report is for the international community to urgently mobilize a coordinated strategy of harm minimization focused on the Cambodian People's Party's state-cybercrime nexus.**

Such a strategy will require commitment from a broad interagency and intergovernmental coalition to constrain the spillover harms of the Cambodian regime's predatory activities, using a range of unilateral and multilateral interventions. As such a strategy takes shape, six principles should be prioritized:

1. Identify and pursue areas of mutual interest across agencies and partners;
2. Limit the opportunities for Cambodian state-criminal legitimization;
3. Constrain the profitability and operations of egregious perpetrators using various accountability measures (see Appendix A for proposed targets);
4. Increase the barriers to state-affiliated money laundering into the global financial system;
5. Invest urgently in data collection and the preservation of civil society; and
6. Provide conditioned pathways into viable economic alternatives over the longer term,

Each of these recommendations are treated with depth and specificity in Chapter 6 of the report.

This harm-minimizing strategy will itself need to be integrated into broader U.S. and partner strategies to address the scam crisis, given the significant and escalating national security risks. Key components to a holistic national strategy should include:

1. High-level, executive branch oversight to ensure alignment and appropriate prioritization across law enforcement, intelligence, foreign affairs, and foreign assistance agencies;
2. Dramatically increased federal funding and focus dedicated to initiatives that measurably disrupt the transnational cybercriminal industry and protect domestic constituencies;
3. Determination of private sector responsibilities vis-à-vis industry harms and introduction of policy instruments to compel effective private sector action; and
4. Support for and collaboration with citizen-driven initiatives that raise awareness and catalyze effective capacity and knowledge transfers with aligned global partners.

Introduction

The Elephant in the Room

Cambodia's Annual Anti-Human Trafficking Day Ceremony, usually a low-key affair, was boosted in December 2024 by impassioned speeches from the country's top two ranking officials. Prime Minister Hun Manet took the stage to endorse the government's commitment to combating trafficking. He was followed by Deputy Prime Minister and Minister of the Interior, Sar Sokha, who stressed the complexity of human trafficking and the sophistication of the involved criminals as far outstripping the technical capacity of the government to respond.

Both underscored the transnational nature of human trafficking and criminal networks, rightly characterizing this as a global problem not resolvable by a single country. The premier in particular homed in on the adjacent scourge of fake news which, he suggested, had not only undermined trafficking responses, but also irreparably tarnished the Kingdom's reputation.

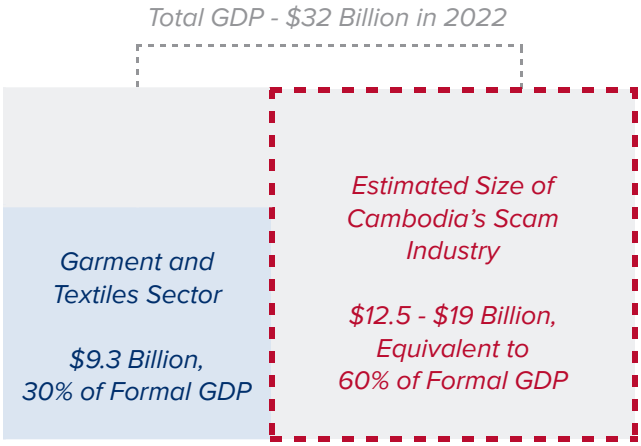
Each speech hit a plurality of the counter-trafficking terms and concepts *du jour*, signaled a desire for enhanced international partnership, and were met with ovation by a large audience of government officials, Western diplomats, and counter-trafficking NGO staff. The proceedings concluded with an award bestowed by the Prime Minister upon one of the country's largest and most respected counter-trafficking NGOs.

All standard fare, save one inconvenient reality: both the Prime Minister and the Deputy Prime Minister—as well as many members of their families, their closest business partners, and an astonishing array of Cambodia's elite-captured state institutions—are deeply and directly implicated in the growth, durability, and flourishing of the most significant human trafficking and transnational crime racket in recent history.

Cambodia is a major global hub for transnational organized crime, a broad set of activities which take myriad forms. Yet, in recent years, a single criminal industry has eclipsed all others in terms of its gross impact as well as the space it occupies in public discourse: *human trafficking-fueled transnational organized cybercrime*.

As of early 2025, Cambodia is a top location—if not the premier global center—for large-scale, sophisticated scamming operations. Recent research suggests that the Cambodian organized cybercrime industry boasts a workforce of over 150,000 people and is enjoying an explosive growth trajectory.[8] Evidence of widespread human trafficking in the industry is legion: courageously relayed by survivors, painstakingly catalogued by local civil society, researched and reported in hundreds of local, regional, and global media stories, and relentlessly denounced by Cambodian government spokespeople.

Figure 1. Cambodia's Scam Industry at Scale



The magnificent scale of the likely profits signals a potential rationale for such denials. Scamming has become an enormously profitable domestic industry, likely unparalleled in the Kingdom's history. Formal estimates range from $12.5 to $19 billion dollars per year, equivalent to as much as 60% of the country's formal GDP.[9] Cambodia's largest licit industry, by way of comparison, is the garments and textiles sector with an estimated 2022 gross revenue of approximately $9.3 billion in exports.[10]

These estimates, while endorsed by multiple UN and U.S. government agencies, are undoubtedly rough.[11] Moreover, there are outstanding questions about the nature of this lucrative crime wave and ongoing debates over how to combat and curtail its globally reaching damage. Yet, some facts are well established.

For instance, it is not a matter of public debate whether Hun To, a cousin of Prime Minister Hun Manet, sits on the board of directors at Huione Group—a shadowy multinational corporation that serves as the foundational connective tissue for Cambodia's transnational cybercriminal industries and hosts "the largest online illicit marketplace in history."[12] Through its connections to and tolerance of Huione's activities, the Prime Minister's family and the state institutions they control offer substantial and sustained material operational support to a vast landscape of linked criminal enterprises and human traffickers.

Figure 2. Breakdown of Revenue Estimates for Cambodia's Scam Industry[9]

$12.5 billion in yearly scam revenues
estimated by UNODC in 2023 and USIP in 2024 using 2022 govt. supplied labor force estimates

100,000 workers	**X**	**$350 expected revenue per worker per day**

$19 billion in yearly scam revenues
estimated by this study using 2024 USAID CTIP labor force estimates

150,000 workers	**X**	**$350 expected revenue per worker per day**

Similarly, it is not a controversy whether Deputy Prime Minister Sar Sokha himself was one of two principal co-investors in the construction of one of the largest and most notorious scam compounds in the country; that his father-in-law also owns at least one significant compound; or that these criminal family businesses have evaded accountability, despite their substantial visible profile.[13] It is not in doubt that the other investor in Sokha's Jinbei casino, Chen Zhi (CEO, Prince Group Holdings), is a notorious PRC-originating organized criminal who also doubles as a cabinet-level advisor to the current and former Prime Ministers and has become a major patron of the long-ruling Cambodian People's Party.[14]

It is not a mystery that, among Cambodia's Inter-Ministerial Task Force to Combat Scams (established rapidly in February 2025, following acute pressure from China),[15] these connections to established criminals and the scam industry writ large are more the rule than the exception.[16] Indeed, official public records documenting scam compound ownership provide perhaps the most damning rebuttal to the open-handed and collaborative counter-trafficking rhetoric offered by the Prime Minister and the Deputy Prime Minister at Cambodia's most recent Anti-Human Trafficking Day Ceremony. The reliable defense of these elites by wide-ranging compliant state apparatus is equally striking.[17]

While fragmented and inconsistent, international reaction to this massive predatory industry has doubtless posed problems for Cambodia's criminally invested ruling elite. Since 2022, the Kingdom has been the relentless subject of scrutiny and concern across the region and the world as key bilateral partners face mounting security concerns related to the significant number of their citizens trapped in the compounds or the scam losses befalling their constituencies. Yet, thus far, this pressure has not amounted to a course reversal, and the industry continues to enjoy explosive growth.

The principal response of the government—caught as it is between elite interests and international pressure—has been described poignantly as a continuous spiral of "denial, repression, and cover-up."[18] The repression component of this equation has featured particularly heavily, with locally situated reporting on the issue now effectively eliminated.

This neutralization of genuine counter-trafficking advocacy now exists paradoxically with the presence of 100+ international counter-trafficking NGOs registered as operating in the Kingdom.[19] Yet this community has remained, with few exceptions, conspicuously defocused from Cambodia's raging phenomenon of forced criminality. Indeed, it was from an exemplar of these silenced ranks that the 2024 awardee was selected for honor.

In many ways, the macabre theatre of suspended disbelief that played out at the 2024 Anti-Human Trafficking Day Ceremony is emblematic of the dynamics of the broader phenomenon confronting Cambodia's diplomatic, development, and counter-trafficking spaces. On one hand, with evidence now at the point of overwhelming, it seems that the regime's room to maneuver may be narrowing. On the other, the state-party has: (1) secured virtually absolute control over domestic information flows; (2) honed a masterful ability to manipulate concerned international actors; and (3) when push comes to shove, demonstrated a willingness to undermine its bilateral relationships to protect the criminal investments of its ultra-elite. With the drawback of U.S. foreign assistance in early 2025 (which had funded the majority of Cambodian and regional trafficking-cybercrime nexus research and response), the situation has become even more dire.[20]

Moreover, and transcending contemporary funding trends, the Cambodian People's Party (CPP) is one of the world's most durable ruling coalitions, boasting a long history of agile deflection and pragmatic force when its core interests are threatened. Given the soaring global harms emanating from the predatory nature of these interests today, a deeper applied understanding of the enabling context for human trafficking-fueled cybercrime in Cambodia is urgently needed.

Study Aims and Core Themes

Cambodia's trafficking and organized crime landscape is marked by a complex interplay of political, economic, and cultural contingencies at the domestic, regional, and global level. Yet despite its staggering costs, the phenomenon remains significantly under-explored in the literature.

Existing countermeasures appear to be hindered by, among other factors, systemic top-to-bottom corruption and government co-perpetration; entrenched foreign and domestic criminal networks; the opacity and criminalization of the gambling industry; a highly repressed civil society; and a fragmented, inconsistent international response.

This reality and the vast global harms emanating from the status quo suggest an urgent need for further investigation. Such analysis will provide critical insights into the systems driving this phenomenon and the obstacles to effective interventions, thus informing more aligned, contextualized, and sustainable solutions.

The principal aim of this study is therefore to address three core research questions.

1. What are the key factors—political, economic, social, cultural, or otherwise—driving the emergence and persistence of trafficking and transnational cybercrime in Cambodia?
2. What barriers impede effective countermeasures?
3. What policy responses might help to combat the status quo in this particular context?

The core research questions are addressed in five substantive chapters which evaluate:

1. *The influence of the domestic political-economic environment on transnational criminal development and durability in Cambodia*. This chapter explores state formation and contemporary power dynamics in Cambodia. It pays particular attention to how elite patronage and personalist networks have become embedded with transnational criminal networks that traffic foreign nationals for the purpose of cyber-criminal activity.

2. *The interplay of international and domestic "push" and "pull" factors on Cambodia's vulnerability to transnational crime*. This chapter analyzes the factors driving long-term, large-scale criminal migration (primarily from China) and the potential role of this migration in fostering the conditions necessary to stimulate large-scale and long-term transnational criminal activity in Cambodia.

3. *The specific role of technology, gambling, and money laundering infrastructure in facilitating and sustaining transnational criminal growth in Cambodia*. This chapter traces the emergence and evolution of the gambling industry in Cambodia, as well as the business models behind the industry's facilitation of adjacent criminal industries like trafficking-fueled cybercrime.

4. *The role of the international community and domestic civil society in generating resilience to transnational crime in Cambodia*. This chapter examines post-reconstruction aid dependency; the emergence of civil society in Cambodia and its current health; the role of civil society as a buffer against organized crime proliferation; and the potential consequences of the current trajectory of civil society in Cambodia.

5. *The observed mechanisms of kleptocracy and the co-option of state institutions that further Cambodia's trafficking-transnational cybercrime industry*. This chapter proposes a taxonomy of the evidenced policies and patterns of Cambodian state institutions, indicative of a direct supportive role to human traffickers and transnational cybercriminals flourishing in Cambodia.

Chapter 6 concludes with recommendations focused around mobilizing a coherent response to Cambodia's transnational cybercrime industry.

Data Sources and Methodology

The analysis proceeds from two data sources: (i) Desk Research; and (ii) Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs).

Desk Research

Using academic papers, government reports, media articles, policy documents, previous research on related topics, and open source data, the research team conducted a landscape analysis of the current status and gaps in knowledge on the research questions, with particular attention to the five selected themes. This desk study also helped refine the final list of targeted key stakeholders for interviews and focus groups, as well as questions to include in the interview script (see Appendix C.

Key Informant Interviews and Focus Group Discussions

Through semi-structured key informant interviews (KIIs) and focus group discussions (FGDs), the research team surfaced insights from 51 individuals and groups with specialized knowledge of the core research questions. Participants were identified through a purposive sampling approach and drawn from four primary categories: (1) 15 academics and journalists; (2) 14 local civil society actors; (3) 16 international observers/analysts; and (4) 6 survivors of trafficking for forced criminality.

The questionnaire found in Appendix C served as a guide to the interviewers. However, in line with semi-structured interview techniques, adaptations were made by the interview team to account for interviewee context and area of expertise. While all interviewees had a chance to respond to core questions on each theme, the balance of the interview time and the nature of follow-up questions varied based on responses.

In the original study design, interviews with 10-15 Cambodian Provincial and National officials were also planned. A Cambodian Affiliate Researcher with strong

connections to and knowledge of the sector was recruited to source and conduct these interviews in Khmer. However, shortly before the interview phase of the research commenced, the Cambodian Affiliate Researcher was arrested and imprisoned on charges widely suggested by observers to be directly related to his reporting on the core study issue area of human trafficking and transnational cybercrime in Cambodia.[21] Though the Cambodian Affiliate Researcher was eventually released, the research team, in consultation with its Research Advisory Council (RAC), determined the risks of continuing with a locally-situated researcher were too high, given the questionnaire's sensitivity and the rapidly deteriorating conditions for civil society. For these reasons, no interviews with Cambodian government officials were conducted and no locally-based affiliate researchers were involved in study design or implementation.

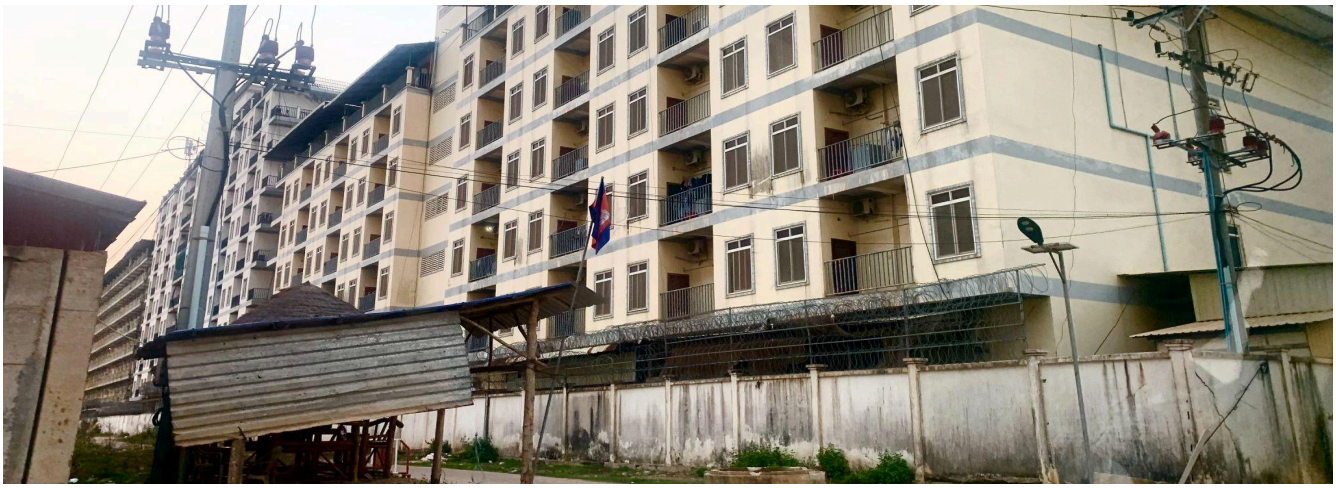
Ethical Considerations

The research team, in conjunction with its RAC, recognized the inherent risks associated with conducting research on the topic of trafficking for forced criminality in Cambodia. Since the participation of individuals in this study was key to its success, actionable steps were taken to safeguard both participants and the research team from assessed risks while simultaneously maintaining the study's integrity.

Some of the identified risks that could potentially impact participants in the KIIs and FGDs were: (i) retraumatization and/or identification of human trafficking survivors, (ii) adverse reaction or backlash from government officials or powerful individuals if informants are identified, and (iii) risks associated with the participation of minors and other vulnerable/marginalized persons.

To mitigate these risks, ethical guidelines for the study were established and centered around established practices of informed consent, confidentiality and data management, cultural sensitivity, and communication of findings to respondents where appropriate.

Given the sensitive nature of the research topic and the networks of influence connected with human trafficking for forced criminality in Cambodia, risks to the research team were also recognized, including: (i) adverse reaction, backlash, or harassment of in-country researchers by government officials or powerful individuals, and (ii) travel restrictions or blacklisting of named researchers. These risks were taken into account when planning research and dissemination activities and ultimately featured prominently in the decision to limit the research scope, as discussed above.



Henghe Bavet City is a large, heavily-secured scam compound on the Vietnam border, placed under sanctions by the U.K. in 2023 for serious human rights abuses. Companies under Heng He Group list Hun To (Prime Minister Hun Manet's cousin) as a director, as well as Chinese nationals linked to the group convicted by a Singapore court of laundering over $2 billion, including from fraudulent gambling sites. As of May 2025, construction to expand the compound has continued unabated, despite sanctions and successful prosecutions. Photo by Lindsey Kennedy, used with permission.

CHAPTER 1

Corrupted and Coercive

Cambodia's Domestic Political and Economic Enabling Environment

At the outset of each key informant interview, the interviewer posed a summarized version of the core research questions as an introductory query: *"In your estimation, why did this criminal industry arise in Cambodia, and what allows it to persist at scale?"* Interviewees offered a rich array of factors for consideration. However, across all 51 conversations with leading scholars, experts, diplomats, journalists, and civil society actors, every respondent cited a single common driver: *endemic corruption*.

The scholarly and policy literature overwhelmingly concur: Cambodia is widely recognized as one of the most degraded environments for the rule of law globally.[22] Yet, corruption takes many forms and functions in contexts around the world. Increased specificity about its role in the formation and sustenance of a particular criminal industry in a particular context, such as Cambodia, is needed to understand and respond effectively.

A central goal of this study is to evaluate the influence of Cambodia's domestic political-economic enabling environment on transnational criminal development and durability. As interviewees and the literature both identified corruption (particularly elite patronage) as central to this environment, it will be a key focus of the report. Chapter 2 explores how Chinese criminals have been *pushed* out of China by a combination of reforms and hegemonic aspirations and *pulled* in by the attraction of Cambodia's corrupted and permissive governance environment. Chapter 3 addresses how technological advancements, particularly in the gambling industry, are being used to obscure corrupt financial flows into and out of the country. Chapter 4 discusses how corruption has neutralized neo-colonial efforts to generate reforms and how corrupt incentives now suffocate the remnants of an internationally installed domestic civil society. Lastly, Chapter 5 evaluates the various *forms* corruption takes in protecting organized cybercrime and related trafficking networks in Cambodia. It catalogues and analyzes the specific manifestations of state institutional co-option by the industry, as observed by interviewees and documented in the literature.

Among other tasks, this initial chapter looks at the *function* of corruption—what ends it serves and why it developed as it has in the Kingdom. Particular attention was paid to the history and degree to which elite patronage and personalist networks have become involved in trafficking foreign nationals for the purpose of cyber-criminal activity. In constructing this analysis, the research team engaged the literature and key informants on state formation and contemporary power dynamics in Cambodia. The resulting discussion offers a theoretical framework and a historical context for how the status quo emerged.

Coercion: A Framework for Understanding Cambodian State Formation, CPP Dominance, and the Contemporary Political-Economic Environment More Broadly

Cambodia's political landscape has been dominated for over four decades by Hun Sen's Cambodian People's Party (CPP). With political opposition thoroughly dismantled and the dynastic succession of Hun Manet completed in 2023, the stage appears set for many more years of unchallenged CPP rule to come. While explanations for the emergence and remarkable durability of the CPP range from the cultural to the clientelist, perhaps the most convincing and well-aligned with the perspective of respondents to this study is the level of *coercion*.

In his 2024 monograph *The Politics of Coercion*, Neil Loughlin describes a ruling coalition which has maintained power by marrying a highly criminalized economic engine to a loyal and powerful coercive state apparatus via a unipolar elite patronage network. The first principles of this elite-dominated union are to defend itself against challenges to its dominance, which arise from what Loughlin terms a "profound state-society schism."[23]

In other words, the CPP reigns over the domestic political and economic landscape not because of popular consent to its legitimacy, but due to a highly effective and pragmatic suppression of domestic dissent. This coercive function is monetized and sustained by the extractive and predatory economic activities of a consolidated elite patronage network that is tightly controlled at the top by Hun Sen and his family. This network, in turn, purchases the loyalty of the state's security forces, thereby preempting the emergence of meaningful opposition to an unpopular ruling strategy.

"More Evolution than Revolution": On the Emergence of Organized Cybercriminal Dominance in Cambodia

Multiple international observers interviewed for this study noted the reality that the elite patronage network has been dependent on an array of criminal activities since the CPP's inception, and that the contemporary explosion of organized cybercrime is simply the most recent economic innovation.

Throughout the CPP era, skill shortages, elite extractive economic practices, and the endemic graft of state resources by party officials have combined to stunt the economic output of Cambodia's labor force. This constraint, combined with the resource-intense nature of Cambodia's patronage system, has driven party elites toward investment in criminal activities. These activities are, in turn, reliably protected by the state coercive apparatus which is dependent upon their rents as a patrimonial resource.

Though this regime-sustaining function of elite criminal-economic investment remains a constant and defining force in Cambodia's political economy, its particular characteristics are by no means static.[24] Over time, CPP patronage networks have expanded, from smuggling and gun running to natural resource appropriation and rent-seeking to the current focus on gambling and adjacent criminal industries.

In the 1990s and 2000s, key CPP patronage networks developed primarily out of commercial concessions to and state-enforced land grabs by the political-business elite. These concessions spanned multiple sectors, including logging, energy, transport, leases of public buildings, and casino operations.[25] Simultaneously, corrupt bureaucratic maneuvering allowed a well-connected inner elite to take advantage of a messy privatization scheme. This led to a consolidation of economic power and to the forcible displacement of tens of thousands of marginalized and indigenous Cambodians.[26] During this period, illegal logging operations proved a particularly lucrative investment for the elite and a source of kickbacks to party functionaries.[27]

By no means have the Kingdom's land grabs and patronage-supported or extralegal natural resource extraction ceased in recent years. Rather, as the needs of the regime have shifted, additional instruments of patronage power consolidation have emerged to augment the core function of Hun family-monopolized political and economic dominance.

For instance, after the 2013 elections, the emergence of the Cambodia National Rescue Party (CNRP) as a credible threat to CPP single-party rule shook the party elite into an even tighter consolidation of power within principally Hun-centric familial networks.[28] Resource rents alone proved insufficient in buying an election.[29] Accordingly, the CPP doubled down on the dynastic tradition of intermarriage among elite families to secure patronage power.[30]

Additionally and critically, Ly Yong Phat (a Sino-Cambodian senator and businessman), Try Pheap (a logging tycoon and adviser to the previous prime minister), and Hing Bun Hieng (a general and commander of the Hun family bodyguard unit)—among other key patrons in the CPP's various resource extraction rackets—began establishing new relationships with foreign investors.[31] This pivot has allowed them to translate their economic and familial ties to the Hun family into significant ventures in the gambling and cybercrime sectors which now play an expanded role in propping up CPP patronage networks.

The Rise of Criminal FDI

In the years leading up to the acceleration of the cybercrime industry in Cambodia, quick liquidity for the patronage network was particularly vital to the CPP. Cambodia's tourism, textiles, and agricultural industries were all seriously impacted by COVID-related economic contractions and sluggish recovery. This economic disruption came at the precise moment when Hun Sen needed to unlock capital to solidify an elite power base ahead of his planned dynastic succession which materialized in August 2023.[32]

Table 1. Timeline of Key Events

1993 - 2010s	Emergence of logging patronage networks that benefit key CPP officials
1995	Post-UNTAC formalization of gambling, NagaWorld gets license
1996	Law on the Suppression of Gambling mandates that Cambodian nationals cannot gamble within the country
2003	Bokor Resort and Sihanoukville receive gambling permits to compete with border casinos in Vietnam and Thailand
2006	Appointment of leading magnates as CPP senators
2013	Strong electoral showing by Cambodia National Rescue Party, CPP retrenchment
2014	Chinese authorities begin a crackdown on domestic criminal and gambling networks, driving more operations to Cambodia.
2016	Cambodia invests in expanding 4G networks, attracting online gambling operations from Philippines and Macau
2017	Online gambling expands rapidly in Sihanoukville
2018	Government publicly embraces gambling as an economic engine.
2019	Nominal crackdown on online gambling by Hun Sen
2020 - 2021	COVID-19 lockdowns accelerate transition to/visibility of trafficking fueled scamming
2022	Initial estimates of massive scale emerge. Police conduct sporadic 'raids' on prominent scam compounds, tipping off most operators in advance. Raided locations reopen within months. Repression against local reporting/activism begins.
2023	Dynastic handover of the Prime Minister's office from Hun Sen to Hun Manet. Sporadic raids continue as industry grows. Repression accelerates.
2024 - 2025	Initial U.K./U.S. sanctions. Sporadic raids continue with no accountability for lead perpetrators as industry continues rapid expansion and increased targeting of English-language victims. Silencing of local reporting/activism virtually complete.

"Junyiwang Real Estate Property Management Co., Ltd." is an alias for the Pacific Real Estate Property Management Company, which has been implicated in scam compounds in the country's southwest. In 2022, local Cambodian media captured footage from a mass escape from a Pacific Real Estate compound, in which dozens rushed through casino gates and swam across a river to flee into Vietnam. As of May 2025, the compound remains operational. Photo by an anonymous source, used with permission.

Paradoxically, alongside the tightening of patronage networks along Hun familial lines over the last decade, the CPP has simultaneously diversified its sources of capital. As one interviewee noted, "the oligarchs don't care where the funds come from, so long as resources flow to sustain the networks upholding the system."

> *"The oligarchs don't care where the funds come from, so long as resources flow to sustain the networks upholding the system."*

Chinese investors have long been a key economic stakeholder in Cambodia, accounting for 43.9% of foreign direct investment (FDI) between 1994 and 2021,[33] but their economic focus and value to the regime has shifted in recent years.[34] In parallel, with the shift in industry focus, Chinese investors have moved capital to Cambodia in pursuit of manufacturing, tourism, and infrastructure profits[35] as well as laundered asset storage.[36]

Among the most notable of these foreign investors is Chen Zhi, a Chinese-born tycoon who has significant outstanding legal trouble in China and runs Prince Group Holdings.[37] Prince Group is ubiquitous in Cambodia, managing investments ranging from apartments and casino developments to film productions and even an airline that is now seeking a NASDAQ listing.[38] Notably, Prince Group is also an exemplar of Chinese investors with strong ties to gambling-turned-cyber scamming operations reliant on human trafficking and modern slavery.[39]

Such investors do not operate in a vacuum. Rather, they are integrated directly with the dominant elite patronage network of the CPP. As one interviewee noted, "given what Cambodia is, you would have to be reckless as an investor *not* to have some serious insurance paid into these networks." For instance, Chen Zhi was a direct business partner with Deputy Prime Minister Sar Sokha in the development of the Jinbei casino and scamming megaplex. He has also served in formal advisory roles, both to the Ministry of Interior (under Sar Kheng previously and now Sar Sokha) and directly to former Prime Minister Hun Sen.

Further investigation is needed to determine the exact dynamics of these relationships, but it is clear that investors like Chen Zhi are both ready sources of capital for patronage[40] and also pragmatic foreign agents maneuvering within the highest ranks of the CPP elite.[41] These dynamics will be discussed in greater depth in Chapter 2.

Beyond "Compound Capitalism": State Co-Perpetration in Criminal Industries and Implied Constraints on Domestic Intervention

In support of efforts to understand and potentially respond to the unprecedented criminal epidemic now raging in Cambodia, interviewees repeatedly stressed not just the breadth but the depth of state involvement in organized crime. As one respondent from local civil society put it, "this government isn't just going to take the envelope. They want to co-perpetrate." This notion reflects the active role that state-aligned elites play in the cyber-enabled fraud space, as well as in the heavily corrupted environment which defines Cambodia's broader political economy. Given Loughlin's conception of a tightly consolidated ruling class, a refusal by the CPP elite to divest from their various criminal-economic monopolies may well be considered a matter of political survival.

> *"This government isn't just going to take the envelope. They want to co-perpetrate."*

Another respondent from an international NGO operating in Cambodia suggested that, over an array of industries, "the most liable perpetrators in almost every case of human trafficking are those sitting at the top of the Cambodian government." The active state role in organized crime and the absolute capture of the justice system by a criminalized state-party has led to a situation whereby "low-level brokers and the occasional token elite can be pursued legally, but never the kingpins," according to this respondent—an observation strongly supported by public domain evidence.

This status quo, and its evidenced durability throughout the CPP era, profoundly undermines the case for local justice system reform and locally situated counter-kleptocracy responses as viable or responsible options in Cambodia. While capacity constraints certainly mark the Cambodian public justice system, these are profoundly over-shadowed by elite incentives which stand in existential opposition to reform outcomes. Moreover, given the tight consolidation of the ruling elite, "meaningful champions" needed to overcome kleptocratic tendencies are difficult to identify.

> *"The most liable perpetrators in almost every case of human trafficking are those sitting at the top of the Cambodian government."*

Perceived champions of anti-human trafficking efforts in Cambodia who have sporadically emerged over the years have all "eventually proven themselves compromised, insufficiently influential, or both," according to one interviewee—a sentiment shared by other local civil society and long-time international observers. Among the names cited by interviewees as having been co-opted by the regime or unable to meaningfully influence it were: Anti-Corruption Unit Head Om Yentieng; National Committee for Counter Trafficking (NCCT) Head Chou Bun Eng; Anti-Human Trafficking and Juvenile Police General Chiv Phally and Ministry of Justice Official Meach Sithyka Jessica. Interviewees also mentioned a host of reform-based civil society actors (e.g., Transparency International's former Executive Director) who later defected to the CPP and transitioned into roles as state-party mouthpieces.

Combined, these factors suggest an exceedingly low likelihood of meaningful Cambodian government reform. Yet despite the clear perspective of the literature and experts on the local political economy, much contemporary and historic donor funding has been predicated on aspirations for local government reform. The vast majority of counter-trafficking NGO programming in the country follows suit. Chapter 4 will discuss in greater depth how this funding and

programmatic strategy has served to legitimize bad faith responses by the government and, over time, systematically undermine the security and functioning of local civil society.

In their seminal paper on the online scam industry in Southeast Asia, Franceschini, Bo, and Ling draw upon Quinn Slobodian's conception of capitalism as "working by punching holes in the territory of the nation-state, creating zones of exception with different laws and often no democratic oversight."[42] Ultimately, the authors suggest that "four elements—exceptionality, labor segregation, forceful data extraction, and reliance on desperate workers—constitute what we call 'compound capitalism.'"[43]

These factors are all certainly present in Cambodia's industry, but it bears noting that "exceptionality" in the case of Cambodia is not merely "paradoxically enabled by local and national state actors" but appears to be in lockstep with the state-party's ruling strategy writ large.[44] In Loughlin's account of the CPP, and in the overwhelming view of the respondents to this study, there is no "shadow state" operative in Phnom Penh. Impunity and exceptionality certainly exist, but they are granted directly by state institutions themselves. Accordingly, corruption in this industry does not play a subversive role, but instead, corrupt and outright criminal activities directly contribute to core state aims. In other words, the presence of the industry is not only "a perforation of state sovereignty" but also wholly necessary for the continued survival of a highly durable and predatory state-party.[45]

It is in this light that corruption and state involvement in organized crime take on a quality particular to the CPP ruling coalition. The timeliness of the industry's rise in response to domestic political needs; the ready availability of domestic and foreign capital; and its sheer scale—which now likely dramatically outstrips *all other domestic industries*—represent a unique value proposition to the regime. Taken together, these factors help explain the claim, made by multiple interviewees, that CPP leadership may now view the cybercrime industry and its coerced labor force as vital, potentially existential, ingredients to ensure their self-perpetuation.

Dubbed the "King of Koh Kong", Cambodian Senator Ly Yong Phat has directed development in this area on the Thai border for decades. Despite being subject to U.S. Treasury Department sanctions for his involvement in the online scam industry and serious human rights abuses, operations continue at his known scam compounds and construction continues on this enormous complex, stretching out behind his flagship hotel in Koh Kong town. Photo by Erin West/Operation Shamrock, used with permission.

CHAPTER 2

Criminal FDI

Regional Migration and Importation of Criminals to Cambodia

"The Prince Group bills itself as one of Cambodia's hottest conglomerates, with interests in everything from real estate to film production. It was founded a little under a decade ago by Chen Zhi, a politically connected Chinese émigré who became a naturalized Cambodian in 2014. Chinese court documents have termed his conglomerate a "notorious transnational online gambling criminal group" and alleged at least 5 billion yuan ($700 million) of its revenue came from illegal online gambling."[46]

A defining feature of the Cambodian scam industry is the dominant presence of criminals arriving from China. While criminals of other nationalities certainly operate in Cambodia, this study's interviews with survivors, as well as other sources, confirm that the vast majority of scam operational management is Chinese. Accordingly, this chapter will focus principally on Chinese criminal migration and importation to Cambodia. Further investigation into the dynamics of Japanese, Korean, Taiwanese, Indonesian, Thai, and Vietnamese criminal networks in Cambodia—which all play significant minority roles in the industry—are also warranted.

While the reality of large-scale China-to-Cambodia criminal migration is well-established, there is far less agreement among interviewees or in the literature on the timeline of the migration; its precise drivers; or the nature of its relationship to the Chinese state. For instance, the literature documents the arrival of casinos, Chinese migrants, and criminal networks, but is unclear which of these served as the anchor group, or why the operations focused on Sihanoukville, other than the looser restrictions there. The most conclusive study in this regard is Franceschini and Ry's recent history of Sihanoukville, which dives into the city's past as a recipient of an early Chinese oil project and its emergence after 1990 as a key deep-water port.[47]

Rigorous research on Chinese criminal migration to Southeast Asia, and Cambodia in particular, is an emerging field. Accordingly, evaluations of the scale, origin, and driving factors vary significantly between different authors.

To date, investigative journalists have played a vital role in uncovering the identities and activities of specific Chinese nationals involved in these activities—including, among others, Dong Lecheng, the owner of Golden Sun Sky Entertainment and a scam operator sanctioned by the UK; Xu Aimin, a naturalized Cambodian citizen wanted in China who operates a vast empire in Cambodia with gambling, real estate, hotels, water and road infrastructure interests; Chen Zhi, a Chinese-born tycoon who has faced legal trouble in China and runs Prince Group Holdings, a criminally-linked Cambodian conglomerate; and She Zhijiang, a gambling tycoon currently detained in Thailand fighting extradition to China.[48]

Beyond journalistic efforts, some of the most expansive studies in this field were authored by Tower and Clapp in their multi-year investigations of the expansion of Chinese criminal networks across Southeast Asia. They trace the growth of online gambling in Cambodia to Sihanoukville in 2017, when gambling crackdowns in the Philippines led operators to flee to Cambodia.[49] This account contrasts somewhat with a study by Enze

Han, who instead tracks the rise of Chinese gangs in Cambodia to a Chinese government crackdown in early 2018 on "gangsters and evil forces in Chinese society."[50]

Regardless, there is general agreement that a significant early draw pulling Chinese gambling networks to Cambodia appears to have been a desire to "circumvent Chinese laws against gambling."[51] Cambodia may have been especially attractive to online operators due to its lack of effective enforcement of gambling regulations, despite the ostensible existence of laws prohibiting Cambodian citizens from gambling since 1996. Then, in August 2019, Hun Sen "issued a directive banning online gambling."[52]

This online gambling "ban" had a perverse effect, albeit one consistent with the portrait of Cambodia's political-economic environment offered in Chapter 1. Instead of eliminating the industry, the ban served to further concentrate it into the hands of a criminally inclined local elite, who possessed the influence necessary to subvert the formal legal system via activities which ultimately yielded significant benefits to the state-party, in the form of elite patronage. In the words of one civil society observer, the primary impact of the ban was to "emancipate the Cambodian gambling industry from the bonds of legality." This development and its wide-ranging consequences will be discussed in greater depth in Chapter 3.

> *"Criminals are pushed out by closing space in their home countries and pulled in by Cambodia's highly criminalized operating environment."*

Another interviewee stated more explicitly that "criminals are *pushed* out by closing space in their home countries and *pulled* in by Cambodia's highly criminalized operating environment." It is now time to turn to the key mechanisms involved in that "pull."

Investment for Citizenship Scheme: Cambodia's Criminal Talent Importation Pipeline

Cambodia's "investment for citizenship" scheme appears to have played a pivotal role in facilitating large-scale elite criminal migration to the Kingdom over the years. From 2009 to 2023, recipients of citizenship were published by the government and include a lengthy list of known criminals. More recently, as international scrutiny has intensified, the government has obscured this naturalization data, removing a source of much-needed transparency.[53] The removal of this data from the public record "helps to obscure the nature of the relationship between Cambodian state actions and those criminals, as well as the sheer volume of monied crime actors Cambodia has absorbed in recent years."[54]

Once attained, Cambodian citizenship has offered criminals a safe haven for continued criminal activity. The case of She Zhijiang may be instructive here. She is one of the most notorious criminals in the region and likely awaits harsh penalties if extradited to China. Throughout his detention in Thailand, he has lobbied consistently and publicly for deportation to Cambodia.[55] This would be illogical, if he thought he would then immediately be handed over to Chinese law enforcement. This case underscores a point made by several interviewees: that although China clearly wields significant influence over Cambodia both politically and economically, this influence is by no means absolute. Specifically, it is decidedly not a foregone conclusion that Cambodia will bow to Beijing on issues of its well-connected criminals. According to one interviewee, "it all depends on how badly (or if) China wants them and, equally important, how influential they are in Cambodia's political-criminal landscape."

For years, She was involved in a vast and lucrative array of Cambodia-based and regional criminal operations, operating with impunity. He was wanted by China during much of this time but wielded a Cambodian passport, helping him move more easily around ASEAN and evade apprehension. She is also not alone. In a much-publicized $2 billion Singapore money-laundering case in 2023, nine of the ten crime bosses originating from Fujian held Cambodian

passports.[56] After mild sentences, eight of these criminals were quietly deported back to Cambodia. One was later deported to China, but the remaining seven reintegrated seamlessly back into their criminal businesses without further legal difficulties.

> *"There exists an entire demographic of Chinese criminal investors and kingpins enjoying not just impunity, but significant influence in Cambodia."*

Again, these are not outlier cases. As one interviewee reminded the research team, "there exists an entire demographic of Chinese criminal investors and kingpins enjoying not just impunity, but significant influence in Cambodia." The most powerful of these serve as personal advisors to the Prime Minister or in other positions of influence, despite ongoing and serious legal troubles in China and elsewhere. This situation creates clear enforcement challenges for Beijing. It also implies the potential existence of "mixed incentives and mutual opportunity,"[57] given the deep access to the Cambodian ruling elite that well-financed criminals such as Chen Zhi, She Zhijiang, Xu Aimin, Dong Lecheng, and others could potentially offer to the Chinese Communist Party.

An alleged scam center in Khan Mean Chey, in southeast Phnom Penh. Photo by an anonymous source, used with permission.

China's Role: Disruptor, Enabler, or Both?

There was significant disagreement among interviewees regarding China's role (or, rather, roles) as a disrupter and/or enabler of the industry. The majority of interviewees noted China's role as historically unhelpful in combating the movement of criminals to the region or in disrupting the scam industry. However, a minority of interviewees suggested that China's efforts are underappreciated in Western circles due to language barriers and underlying bias.

Interviewees were also divided on precisely how much responsibility can reasonably be placed on the Chinese government. On one hand, several respondents noted that limitations on effective action are not unique to China and that international actors, both Western and Chinese, face constraints. China's reluctance to go after politically connected criminals in Cambodia was raised by numerous respondents, with various rationales assigned. Most commonly, interviewees cited as factors the corruption of Chinese law enforcement; corrupt ties between ranking CCP officials and scam kingpins; and Chinese law enforcement being blocked by powerful state-owned enterprises. All of these have a reasonable evidence base. However, several interviewees also suggested that Western law enforcement is limited in its ability to effectively go after elite criminals in Cambodia by its own political-diplomatic "status quo maintenance" considerations. One interviewee even cited sources within both the U.S. and Chinese government who allegedly confirmed ongoing investigations into scam-invested oligarch Chen Zhi, "but his ties to the [Hun] family mean that taking actions would create problems both governments are reluctant to stir up."

The most significant examination to date of the question of PRC involvement in Cambodia's scam industry is found within a 2024 U.S. Institute of Peace (USIP) Senior Study Group Final Report which, among other tasks, synthesized and documented evidence on the centrality of criminal networks to China's bilateral relations with Southeast Asian countries. The position of the paper on this debate can be summed up via an instructive quote: "The relationship between these criminal groups and the Chinese government is a confusing complex of mixed incentives and mutual opportunity, leading Chinese law enforcement to focus on some of the Chinese-origin criminals behind the scamming networks but not on others."[58] Several recent studies have directly[59] and indirectly[60] criticized a perceived overstating by the USIP Senior Study of the Chinese government's likely role enabling the criminal industry, a perspective also shared by a minority of interviewees.

Beyond the debate over whether response constraints are due to corruption or conflicting internal politics, many interviews also noted the strong geopolitical ties between Cambodia and China, with several citing these as a factor influencing the industry's growth. Several observers argued that Cambodia's pronounced geopolitical deference to China and the strong CCP ties held by some of the industry's top criminals may be related. One such observer noted as evidence the "large number of managers of state-owned enterprises being sent to Cambodia where they were given carte blanche to expand business," whereby many of these businesses ended up becoming overtly criminal in nature.

Other interviewees downplayed the centrality of high-level party connections, as well as on the purported role of Chinese state-owned enterprises, and instead focused more on the economic incentives guiding the criminals themselves. "These deals made fortunes. You could go from being a small player in China to being a big player in Cambodia," said one interviewee. Several others also noted how China's vast population makes it easy for pushed-out criminal enterprises to disrupt smaller systems. As one interviewee said, "China is such a big country. All you need is a small shift to totally upend things in a small environment like Cambodia."

> *"It is far more productive to look at component parts of Chinese state-affiliated action, than to attempt visualizing China's response to-date as part of any overarching strategy."*

Observers did agree, mostly, that the observed signals of PRC state involvement do not amount to evidence of anything like a cohesive strategy or "grand conspiracy" by the CCP. Instead, the Chinese government's actions are often fragmented and driven by competing interests. As one scholar suggested, "it is far more productive to look at component parts of Chinese state-affiliated action, than to attempt visualizing China's response to-date as part of any overarching strategy." Indeed, alongside being a key enabler, the Chinese government has, in many ways, been the chief antagonist to the unfettered flourishing of Cambodia's scam economy.

In this light, the conceptual framework of "mixed incentives" is apt. On one hand, Beijing clearly benefits in some respects from the criminal networks in its neighbors. The USIP Study convincingly identifies both: (1) alignment of the PRC-originating criminal elite with the local elite in Cambodia and (2) the ties of some of the elite criminals back to the CCP.[61] Among other explanations for regional geopolitical alignment to China, it can be argued that corrupted governments, like Cambodia's CPP, appear happy to "align closely with China politically in exchange for Beijing ignoring lucrative criminal activity."[62]

On the other hand, the number of identified scam criminals with closely evidenced ties to the CCP is actually quite small against the backdrop of a massive regional criminal industry. While many interviewees were alarmed by the existence of these ties, others questioned how significant a factor this handful of party-affiliated criminals really is in the bigger picture.

It is also true that Chinese nationals are victims of these operations twofold: as the financial targets of the scams themselves and as much of the trafficked labor force enslaved by the criminal gangs.[63] Moreover, the scam industry inherently generates massive capital outflow and reputational harm, both counter to China's interests. A study by Enze Han expands on this contradiction, arguing that "creating lawlessness in Cambodia is certainly not the intention of the Chinese government. Yet, we can connect the dots, and the picture is that Chinese domestic crackdown on gangsters has had the unintended consequence of driving these criminals away from China to neighbouring states such as Cambodia."[64]

PRC Hegemony as a Window to Seek Reform?

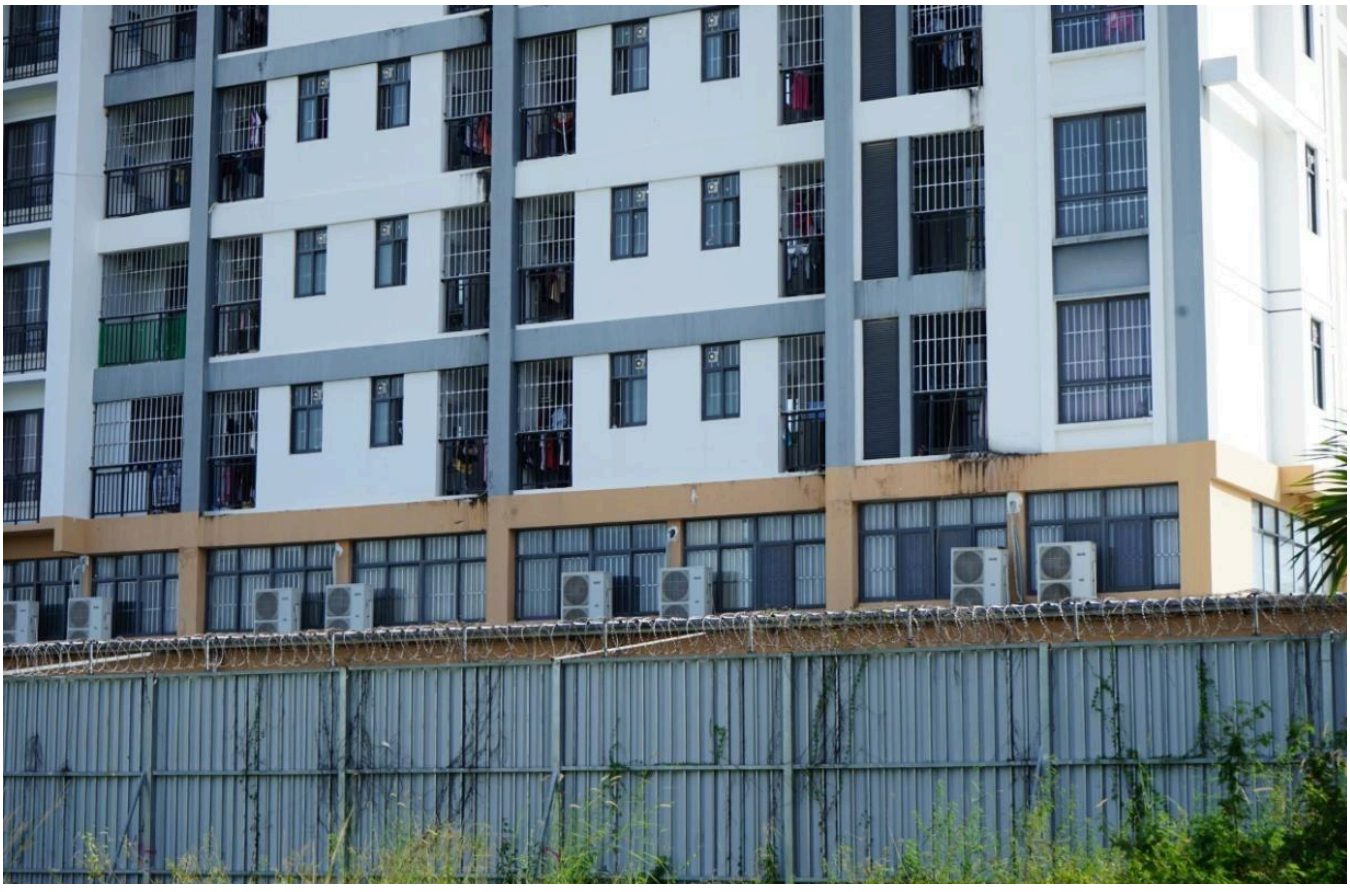
This range of incentives implies at least the possibility of Chinese influence as a vehicle for reform or at least harm minimization vis-à-vis the scam industry in Cambodia. To this end, the primary intervention requests interviewees had for China fell into three primary categories: (1) consistent enforcement and extradition against high-level perpetrators; (2) transparency about the victim identification process for those repatriated out of the compounds; and (3) sharing of intelligence with international law enforcement partners.

Interviewees' perspectives on the likelihood of China taking these actions were mixed on several grounds. When it came to the first recommendation, "mixed incentives" and CCP-aligned elite criminals were again perceived as a major constraint. While these criminal networks primarily targeted Chinese nationals for many years, the range of target nationalities has broadened significantly in recent years. Moreover, it was an open question for many interviewees whether this trend will eventually reduce Beijing's scrutiny of overseas scamming operations, given the "China First" approach of the response thus far. For instance, recent analysis from USIP suggests that Chinese pressure on the industry has consistently resulted in increased targeting of Western populations by the syndicates.[65] Other interviewees saw promise here, again, given the significant reputational harm the scam industry is doing to the PRC domestically, regionally, and globally.

With regards to the second recommendation (around increased transparency for those repatriated out of the compounds), at least 60,000 Chinese nationals have been removed from regional scam compounds and forcibly returned to China, at the time of writing. The majority of these were extracted from Myanmar compounds, though Cambodian forced deportations comprise a significant minority. Among these were only a few isolated cases where individuals were transparently and formally classified by the Chinese government as victims. This reality emerges from an imperative in the PRC's model of law enforcement which emphasizes the projection of strength through large-scale raids and the quiet leaving in place of elite

perpetrators who might later serve the interests of the party.[66] Centering widespread claims of victimization would have the potential to undermine both aims, problematizing the image of Chinese law enforcement success and calling into question the role of complicit local elite actors in perpetuating crimes against Chinese nationals—for instance, legally embattled Prince Group Holding's Chen Zhi in Cambodia.[67] Interviewees were generally pessimistic about the odds of stronger victim identification emerging from PRC law enforcement efforts—both due to the above factors and China's broader track record on human rights.

For the third recommendation (to share intelligence internationally among law enforcement), most interviewees were skeptical about the likelihood of meaningful data sharing or U.S.-China collaboration on the issue more broadly. Despite significant areas of mutual concern, Western and Chinese law enforcement approaches are seen as incompatible, and the U.S. holds significant concerns over expanding China's Global Security Initiative-related surveillance in the region. At the same time, some interviewees suggest that collaboration between international stakeholders may not merely be the best among multiple options but in fact the only viable option for achieving meaningful progress against these criminal groups. With mutual antagonism deeply baked into the existing relationship, this perspective suggests a bleak outlook.



A confirmed scam center in a large condo complex known as Borey Boao in Phnom Penh's Mean Chey District. Photo by an anonymous source, used with permission.

Kokang 2.0 in Cambodia?

The best example to date of a productive Chinese law enforcement response against powerful scam actors was around the "big four" families of Myanmar's Kokang region. According to one international observer with specific knowledge of the situation:

"In Myanmar, the scam lords had an immediate adversary who spoke Chinese and who invested a significant amount of resources into exposing the lifestyles and ridiculous corruption of those four on social media. This attracted Chinese police to deal with it. The location was also right on the Chinese border. There was also a very strong military force that wanted to take over the territory. Effectively, China saw that it could get a significant win without doing a lot of dirty work."

This was juxtaposed against the situation of Chen Zhi, flagged by several interviewees. He is, on balance, a more sophisticated, mobile, and well-resourced criminal actor, with several sources reporting that he only still spends minimal time in Cambodia, despite Prince's overpowering corporate presence there. Moreover, Chen monitors social media much more closely, and Chinese media have not targeted to the same degree as they did Kokang families. According to one interviewee:

"Chen Zhi and Prince play hardball. "Powerful" in the Cambodian context is the wrong word. He's at the very top of the pyramid. Chen Zhi may now be as powerful as members of the Hun family. No one in the country wants to go after him. He's the funder for ASEAN events hosting foreign dignitaries…He has his hands in every pie. The Cambodian state is telling the Chinese state "He's too important, don't touch him" and so far, they've listened. There may be a point where Prince does harm to too many Chinese, but that point hasn't arrived yet and he's been able to insulate himself from that thus far."

While the assertions made by this interviewee were not affirmed by all interviewees, this quote appears to balance the two dominant perspectives on China's role vis-à-vis the Cambodian government.

On one hand, criminals with strong ties to Beijing exist who are exerting significant influence over the Cambodian government. Yet, it is also true that the Cambodian government remains a dynamic actor with high agency, protecting its sources of criminal FDI and charting its own path, albeit a degrading one.

The authors of this study argue that significant nuance is needed when approaching this topic to avoid (1) painting Phnom Penh into an outmoded neocolonial box that under-values regime agency or (2) neglecting the potent hegemonic possibilities hanging over a ruling coalition now heavily dependent on opaque and predatory Chinese capital.

Yet, at its core, the evidence simply does not suggest that Chinese criminals—ongoing debates on their relationship to the Chinese state notwithstanding—have somehow "overrun" a hapless Cambodian state-party. While it remains to be seen whether the balance of interests will eventually shift in a direction misaligned with the aims of the Cambodian People's Party, or, more specifically, its top family, there is no evidence of this having yet materialized.

It is the strong conclusion of this study that the criminal and coercive ruling coalition that has dominated the Kingdom's fortunes for over four decades remains very much in the driver's seat today. Accordingly, the Cambodian ruling party elite must be viewed as the most centrally culpable, high-agency drivers of this crime—both within and increasingly beyond their sovereign borders, such as through Huione's expansive regional role. The evidence suggests that CPP elite are now substantially abetted and technologically supported in this criminal undertaking by a sophisticated international criminal professional class. Yet, it would be wrong to assess that these imported criminals enjoy a welcoming operating environment in Cambodia due to the ignorance or ambivalence of their hosts. Rather, the state-party explicitly permits them to operate as economic partners due to the massive flows of patrimonial resources captured from their activities.

Despite their protestations to the contrary, the Cambodian state-party is not a victim in this situation, nor are they merely opportunistically corrupt. The scam industry—along with all its attendant actors, capital, and, as the next section will discuss, technologies—can only rightly be viewed as an existential and closely guarded regime interest.

CHAPTER 3

Tools of the Trade

Technology, Gambling, and Money Laundering Infrastructure

According to a January 2025 report by blockchain analytics firm Elliptic, a shadowy Cambodian holding company with ties to the highest levels of the country's elite is now "the largest online criminal marketplace in history" by a healthy margin.[68] Huione Group—widely regarded as the connective tissue of Cambodia's massive elite-driven scam industry—boasts a flourishing digital forum dedicated to criminal activities; online gambling platforms; and a suite of related money laundering services for scam industry practitioners. With more than $24 billion in funds traced through Huione Guarantee over the last three-and-a-half years, it now dramatically eclipses Hydra—the largest ever darknet market, which generated just $5 billion during six years of criminal operations.[69]

Huione as a portrait of next-generation criminal dominance underscores both the relative profitability of cybercrime vis-à-vis the drug trade (the origin of most of Hydra's revenues) and, just as importantly, the magnificent scale of operations that can be achieved when elite criminals enjoy reliable state backing. Hun To, one of Huione's directors, is the cousin of sitting Prime Minister Hun Manet.

That tie does not appear to be incidental, as the Cambodian government moved quickly to defend the party-linked corporation when scrutiny befell it earlier this year.[70] While one of Huione's subsidiaries (Huione Pay) had its Cambodian banking license quietly revoked in March 2025, the marketplace (Huione Guarantee) remains active, and no law enforcement action has materialized against the firm or its executives.

Beyond Huione, a wide array of technological innovation is now being deployed by the criminal networks underpinning the regional scam industry. Any coherent response will require a close look at the responsibility of the private sector for the ways its products are being systematically instrumentalized by criminal syndicates to inflict globally reaching harm.

For instance, major tech platforms and their adjacent encrypted messaging services are the primary vehicles for fraudulent labor recruitment and for the identification and manipulation of scam targets. The adoption of generative AI renders recruitment and scam approaches more convincing via the use of deep fakes, enhanced translation services, and partial automation of scam processes. The investment potential of crypto currency is often used to lure potential victims into the scam, and crypto exchanges are a vital component of the money laundering infrastructure itself.[71]

While popularly associated with "pig butchering," a review of the literature reveals that these tactics both pre-date and significantly transcend that scheme and now appear in a vast array of investment scams, asset recovery scams, job scams, law enforcement impersonations, virtual kidnappings, sextortion, loan scams, parcel delivery scams, and business email compromise scams, among others.[72]

Sihanoukville has become a hub for illegal online gambling, scamming, and trafficking operations. Pictured here in 2024, the massive KaiBo (KB) complex is one of the city's most notorious enclaves. Xu Aimin, co-owner of KB Hotel and Casino, is a naturalized Cambodian citizen wanted in China who operates a vast gambling and real estate empire in Cambodia. As of May 2025, the complex remains operational. Photo by an anonymous source, used with permission.

Examined in light of the full suite of organized cybercrime, perhaps the private sector space most profoundly co-opted by criminal networks is the gambling industry. Previous research clearly calls for more analysis "on online gambling platforms, junkets, cyber fraud, and the connection to money laundering, underground banking, and other forms of organized crime,"[73] suggesting that these mechanisms are key to facilitating the industry's continued growth.[74]

> *"[It is] a perfect storm for durable, globally reaching organized crime, unrivaled in the modern era."*

This chapter contributes to that analysis by synthesizing the literature and furthering it with respondents' perspectives on the history of the Cambodian gambling industry and its pivot into outright criminality. When coupled with Cambodia's extant political environment—detailed in Chapters 1 and 2—this pivot has created what one interviewee referred to as "a perfect storm for durable, globally reaching organized crime unrivaled in the modern era."

A Brief History of Gambling in Cambodia

Gambling has existed in Cambodia for centuries and has been linked to foreign interests for much of its history.[75] In 1949, while still under the French Protectorate, King Norodom Sihanouk began to explore a casino as a potential source of national revenues.[76] In 1962, the post-independence government pursued this by opening an upscale casino in the Bokor Hill Settlement area.[77] The Khmer Rouge opposed public gambling, but smaller operations persisted in the borderlands.[78]

Early in the post-UNTAC era, more than a dozen casinos were active in Phnom Penh, though most were unlicensed.[79] In 1995, the government issued NagaWorld the first casino license in Cambodia's history. The license granted Lip Keong Chen, a Malaysian of Chinese ancestry, the rights to operate a gambling monopoly in a 200 km exclusive zone around Phnom Penh.[80] The upshot of this exclusive zone was that another operation, the Holiday Club Casino, focused its attention on a new casino in Poipet, a town along the border with Thailand that developed into a gambling hub.[81]

These initial permits were quickly followed by the 1996 Law on the Suppression of Gambling, which mandates that Cambodian nationals cannot gamble within the country. This law has only ever been selectively enforced.[82]

The ownership of casinos in Cambodia was internationalized in 2006, when NagaWorld Entertainment City was listed on the Hong Kong Stock Exchange.[83] Major Chinese casino operators began business in the hub of Sihanoukville as early as 2014, with high rollers from Macau fleeing money laundering and gambling crackdowns.[84]

Interviewees and the literature agree that Cambodia has been and continues to be an appealing destination for both casino operators and organized crime, due to lax oversight on casinos and a friendly climate for money laundering and trafficking operations.[85]

> *"It's never really clear which casinos are licensed or not licensed, given the lack of government reporting."*

Accordingly, the number of registered casinos in Cambodia, as well as Southeast Asia more broadly, has exploded over the past decade. The United Nations Office on Drugs and Crime (UNODC) documented "over 340 licensed and unlicensed physical or land-based casinos in 2022" in Southeast Asia, to say nothing of online operations.[86] An interviewee active in Cambodia's domestic civil society supported this notion, stating that "it's never really clear which casinos are licensed or not licensed, given the lack of government reporting." This dearth of proper regulation and transparency provides an opportunity for casinos to become centers for money laundering and organized crime, with little to no risk of accountability.

While these conditions have long existed in Cambodia, significant exacerbating factors were introduced in 2019 and 2020, with Cambodia's crackdown on online gambling and the onset of the COVID-19 pandemic.

The Impact of COVID-19

The literature and interviewees generally agree that COVID-related lockdowns and economic contractions supercharged the transition from casino operations to cyber scamming operations and human trafficking.[87] Precisely how great a role COVID-19 played in the growth of Cambodia's scam industry and in which ways remains somewhat of a debate. In particular, some interviewees expressed skepticism about the relative weight assigned in public discourse to COVID-19, as opposed to other factors.

However, it is irrefutable that COVID-19 dramatically stunted physical casino tourism, completely disrupting the industry across the Mekong region's various hubs. In Cambodia specifically, this magnified the impacts of the August 2019 directives issued by Hun Sen cracking down on online gambling.[88] The directives sparked an exodus of 10,000 Chinese workers and shut down many casinos, decimating the economy for local restaurants, construction workers, and delivery drivers.[89]

These factors, combined with spiking labor vulnerabilities, appear to have played a material role in the explosive growth of Cambodia's scam industry. For instance, COVID-related economic contractions were repeatedly noted by scam survivors as a compounding force which increased the appeal of such opportunities.

UNODC and others assert that gambling groups had been planning to make the transition to online operations and toward cybercrime for a while. In this view, COVID-19 merely accelerated the process.[90] The portfolios of Chinese casino moguls pre-pandemic confirm that this transition was underway, but there has been limited study of the stages of this process or the precise mechanisms of how COVID-19 interacted with the transition. Regardless of the relative impact of COVID-19, the trend toward increasing criminalization of the Cambodian gambling sector worsened significantly around the start of the pandemic.

This motivational quote was displayed in the office area of a scam compound behind Thansur Sokha casino on Bokor Mountain, which was briefly vacated in April 2023 when scam groups fled ahead of a leaked police raid. Materials left behind detailed how the scam worked; survivors trafficked here allege extreme violence and torture. The compound remains operational as of May 2025. Photo by Lindsey Kennedy, used with permission.

The Great Emancipation: A Criminally Involved Gambling Industry Shifts to Outright Cybercrime

Though the precise role of COVID-19 is in question, most interviewees and the literature agree that cyber scams began their transition from a visible but small-scale activity to the only reliable source of revenue in the city after the 2019 online gambling ban in 2019.

This process of "emancipation from the bonds of legality," as one interviewee put it, was helped by the rapid conversion of empty casinos (owned and protected by some of the most powerful people in the country) into fortresses for industrialized, human trafficking-fueled scamming.[91] The scale of operations broadened elites' recognition of profitability, which pushed the trend past the point of no return. As one industry observer stated, "once pig butchering was implemented at scale, it was so much more lucrative than gambling that it just took over the entire casino landscape."

Trafficking survivors interviewed for this study also commented on the role of Cambodia's gambling industry in explaining large-scale cybercrime labor force recruitment. Gambling is a massive, labor-intensive industry, so the existence of a gambling industry in a country offers plausibility to fraudulent job promises.

A local civil society observer stated that "almost every larger [scam] compound in Cambodia has a link back to a casino." Critically, these are not always physical linkages. The number of identified Cambodian scam compounds now dramatically outstrips recognized casinos, with new scam compounds popping up constantly, according to multiple eyewitness accounts and local civil society observers. The referenced "linkages" are frequently via ownership structures, business connections, the documented use of related online gambling products at these sites, or other indirect mechanisms.

Scamming is not novel in Cambodia's criminal landscape when it comes to the gambling industry. The issuance of casino licenses in gambling centers like Sihanoukville has also coincided with surges in other forms of crime.[92] There are numerous documented instances of Macau-based gangsters arriving to open casinos and commercial operations in Cambodian cities.[93] Syndicates have used casinos for drug trafficking, including the Sam Gor syndicate, which transported large quantities of methamphetamine between networks of casinos, and the Hongmen Association, which is known to use crypto currencies to launder money and has co-opted elites in Malaysia and Cambodia.[94]

International observers consistently noted the vital role of gambling and money laundering infrastructure in the scale and intractability of scam compounds, among others in Cambodia. One key explanation offered by interviewees for these persistent gambling-criminal linkages is the gambling industry's secondary banking system which facilitates casino operations and frequently serves as a "mixer"—co-mingling funds from different sources and making them difficult to track.

Industry experts who were interviewed noted as well that "gambling is a high volume, 24/7 cash business" and one that is able to "justify large cash flows." Moreover, "once funds get processed through a legal or illegal casino, there's no way a court is able to confirm whether the funds belong to a predicate offense."

In general, physical casino infrastructure was described by interviewees as a legal, fiscal, and regulatory shield. "Law enforcement can't see the money. When they can see it, they can't seize the money. Their hands are tied," said one interviewee. In a country like Cambodia, the situation is compounded, whereby "you have a malign symbiotic relationship emerging between a criminalized state and an industry custom made to help it wash its hands."

Observers also suggested that the presence of such an unregulated industry, with all its access to capital and tech innovations, was overwhelmingly likely to increase corruption in already criminalized political environments like Cambodia. "It's like blackmarket Tesla moving in. What else are they going to do?" asked one interviewee. Beyond endemic corruption and gambling-specific infrastructure, Cambodia has many of the other preconditions for large-scale, labor-intensive organized cybercrime. "High speed internet is there. Space to keep people is there, thanks to the massive speculative real estate boom. The security apparatus is there," noted one interviewee. More broadly, interviewees suggested that a crime-ridden society, particularly a dollarized one, offers a plausible rationale for lost money and other collateral damage.

> *"The place is custom-made for such a thing to thrive."*

As one interviewee summed up, "it's a perfect storm. The place is custom-made for such a thing to thrive.

Crackdowns, Cover-Ups, and Unanswered Questions About a Meaningful Response

In September 2022, the Cambodian police raided a number of scam compounds, appearing to crack down for the first time on the enterprises.[95] However, it soon became apparent that most of the operations were tipped off ahead of the police raids. The vast majority of raided compounds reopened just two months later, according to multiple eyewitnesses interviewed for this study.

> *"It was the sham crackdowns themselves that are most directly responsible for taking this from a relatively straightforward law enforcement challenge to something truly insidious and intractable."*

While Cambodia's state-controlled media outlets and some international reporting suggested that this law enforcement action led to industry displacement into Myanmar, there is no credible evidence to support this claim. Rather, the aftermath of the raids and the brief compound closures in Sihanoukville directly preceded

significant observed infrastructure investments and the explosion of identifiable compounds—owned by party elites and widely dispersed across the country. As one local civil society observer suggested, “it was the sham crackdowns themselves that are most directly responsible for taking this from a relatively straightforward law enforcement challenge to something truly insidious and intractable.”

The shift or expansion from gambling into cybercrime now presents significant challenges to judicial and law enforcement officials across Southeast Asia. UNODC argues that "responses to the problem of trafficking in persons for forced criminality in Southeast Asia have, to date, been ad hoc and failed to dismantle the TOC [transnational organized crime] groups.”[96] Furthermore, with the internationalization of criminal enterprises and their frequent use of shell companies, compliance networks cannot keep up with the constant movement of actors, even when there are well-documented links to Cambodian criminal enterprises.[97] The literature remains very limited on the sorts of interventions and coordination that could work to prevent and counter these issues.

The unfettered rise of Cambodia’s scam industry is deeply connected to significant violence, including kidnappings, shootouts, and murders across the country,[98] as well as regional instability and global human and financial security threats.[99] Ye Minn Thein, Former Minister Counsellor of Myanmar to the UN, identifies “the interplay of online gambling, illegal banking, and human trafficking” as potent ingredients in “a pervasive threat that transcends national boundaries.”[100]

Given the globally reaching harms and the complexities of mounting an effective response, key stakeholders frequently call for collaboration between researchers, civil society, and the Cambodian government. Yet, there is limited discussion of the risks of sharing information with or otherwise legitimizing Cambodian authorities who are directly incentivized to misuse research to tip off criminals, innovate the criminal process, and/or repress activists.

According to several interviewees with privileged knowledge of the topic, there is strong evidence that such malign outcomes have already materialized repeatedly in the course of “collaboration” with the Cambodian government around forced criminality, environmental crime, and other core political-economic interests of the regime.

Indeed, for over three years now, Cambodian government officials have consistently “responded to pushes against the scamming and “illegal online gambling” industry with repressive actions including the imprisonment of activists helping rescue captive workers, shuttering media outlets, and issuing threats against a host of media and civil society groups,” according to a USIP Senior Study Group report on the topic.[101] This systematic campaign of repression—rightly viewed both as the pragmatic protection of a core interest of the ruling coalition and as a component of the deeper erosion of the relationship between Cambodia and the West—is the focus of the next chapter.

CHAPTER 4

Cambodian Civil Society

The Erosion of the CPP's Negotiated Settlement with a Rights-Based Order

"Mech Dara, one of Cambodia's last remaining independent journalists, was arrested yesterday outside the crime hub of Sihanoukville where so much of his reporting was focused in recent years. The arrest was conducted with a flamboyant show of force by a six-car barrage of military police and plainclothes officers at 3:57 p.m. by the Sre Ambel toll plaza. After nearly 24 hours in detention, his location was confirmed by Cambodian authorities as Kandal Provincial Prison, indicating a charge of incitement to commit a felony.

Dara's is an all-too-common story for actors operating within the region's rapidly constricting civic space. Nonetheless, his arrest may be viewed as particularly tragic given the global public interest benefit of his acclaimed work. Moreover, it is a particularly telling one about the nature of the operative regime in Cambodia. This may still be "Hun Sen's Cambodia" but it is his son Hun Manet's government now, and it is high time for global governments to stop pretending this dynastic succession has facilitated anything other than a sustained spiral into total criminal autocracy."[102]

This chapter evaluates the domestic and international factors which created the conditions necessary for the inception, explosive growth, and durability of a massive industry of human-trafficking fueled cybercrime in Cambodia. It explores those factors related to Cambodia's relationship with the international community, including the UN-mediated creation of the current government and civil society landscape; the decades of aid dependence, capture, and manipulation which followed; the ultimate erosion of the CPP's negotiated settlement with an ostensibly rights-based international order; and the ensuing fallout for domestic civil society.

While material, the scope of this study prohibits extensive engagement with the details of the co-option of the United Nations Transitional Authority in Cambodia (UNTAC) process by Hun Sen and the Cambodian People's Party (CPP)—whether via voter intimidation, the refusal to accept election outcomes, or the 1997 coup d'état. Rather, it focuses on the downstream impacts of that co-option and the West's response, with specific attention given to the influence of these developments on the rule of law, respect for human rights, the health of civil society, and resilience to organized crime in Cambodia.

Aid Dependence in Cambodia as a Mechanism for the Degradation of the Rule of Law and Vulnerability to Transnational Crime

The relationship of the international community with the CPP leading up to, during, and following UNTAC largely hinged on foreign assistance. The legacy of international aid in Cambodia is described by interviewees and in the literature as mixed. On one hand, there is broad recognition that aid fills a critical social services gap that the government has failed to meaningfully address, undoubtedly saving many lives in the process. On the other hand, aid has been

thoroughly exploited by the Cambodian government to legitimize its power and control while successfully resisting proposed reforms. As one interviewee states bluntly, “the donor community has gone round and round with the government on ownership and sustainability as well as the democracy and rights stuff. Ultimately, they have been played.”

“The donor community has gone round and round with the government on ownership and sustainability… ultimately, they have been played.”

The Koh Kong Resort and Casino, shown here, is owned and operated by senior Cambodian People's Party official Ly Yong Phat. In September 2024, the U.S. Treasury Department imposed sanctions on the scam-invested oligarch, a move widely denounced by the Cambodian government. Shortly thereafter, the vast majority of his linked businesses vanished from Cambodia’s public corporate records. Photo by an anonymous source, used with permission.

The literature strongly supports this notion, with authors arguing that reliable aid and international legitimation were central to supporting early power consolidation by the Cambodian ruling elite, noting a lack of scrutiny on the inflow of aid as a patrimonial resource to degrading and extractive regimes.[103] In an article in the *Journal of Southeast Asian Studies*, Andrew Robert Cock tracks the post-UNTAC emergence of a capitalistic elite, Hun Sen's strategies to build the structure of the ruling class, how Cambodia's elite navigate the agendas of external actors, and how the Cambodian state's predation is reliably enabled by external stakeholders.[104] His core argument notes that Cambodian leaders are astute in manipulating Western aid donors and securing themselves by "waiting out the patience of Western leaders."

Much of the literature on aid dependence in Cambodia focuses on the traditionally conceptualized mechanism of aid being siphoned off to party coffers for rent-seeking. Loughlin and Noren-Nilsson in *Contemporary Southeast Asia* exemplify this perspective and offer abundant evidence in support of this argument.[105] A number of interviewees also supported this view, with several citing Cambodia's "unusually deinstitutionalized political system" whereby state institutions are essentially "hollow vessels for patronage networks." In other words, elite patronage networks easily bypass the formal state structures externally imposed during Cambodia's post-war reconstruction, making it difficult for aid to instigate meaningful change. Several experts viewed this reality as core to the CPP's ruling strategy, a status quo deliberately cultivated in order to "keep institutions hobbled and tied to the elite patronage system and the coercive apparatus it funds."

This reality, suggested interviewees, has fundamentally not been recognized by the international community, in what several local civil society actors called a "willful blindness," resulting in an over-investment in reforms likely doomed to fail from the outset.

The "willful" part of that perspective was explained by interviewees as arising from another tendency: donor insecurity. "There is a significant fear in the Western donor community of losing their seat at the table," suggested one interviewee from local civil society. This fear was noted by several interviewees as having intensified in recent years with the rise of China's influence in Cambodia.

> *"The fact that nothing changes, but we continue to give aid, is a major part of the problem."*

Donor insecurity and the accompanying alleged "willful blindness" to the status quo are viewed as bearing their own set of perverse outcomes. "The fact that nothing changes but we continue to give aid is a major part of the problem," one interviewee argued.

Other scholars largely agree with and add further context to this bleak perspective, demonstrating how the aid regime itself contributes to dependence in Cambodia by siphoning off scarce talent from civil service sectors.[106] Cambodian political scholar Sophal Ear argues that this phenomenon contributes to rule of law degradation even more significantly than aid dependence itself.[107] Ear also complicates other studies somewhat by demonstrating that factors other than just Western aid dependence matter for Cambodia's deteriorating governance, noting in particular the government's brazen co-option of elections and the growing base of Chinese aid to the government post-2008.[108]

Beyond specific actors or processes, the literature also centers the contradictions of the global-liberal economic order and its imposition onto Cambodia. For instance, Loughlin draws upon Stephen Heder's earlier expert analysis to identify the market-driven liberalization of Cambodia as a core element of the CPP's patrimonial party apparatus.[109]

As the CPP leveraged the market economy and various other tools of a neoliberal order to secure its dominance, it also actively worked to undermine international influence domestically. For instance, Katrin Travouillon of Australia National University highlights how Hun Sen has rhetorically framed his relationship with the international community. She demonstrates how he flipped international demands for reform on their heads to secure his moral authority and create a

Abutting a gas station and a coffee shop in Phnom Penh's busy Sok Sen district, this prominent low-rise scam compound is known as the "Brothers" compound or on maps as ICON Center. Numerous victims have sought escape from it. Photo by an anonymous source, used with permission.

"sphere of opportunity" to leverage donors for the CPP's interests.[110] At the same time, the international community routinely integrated Hun Sen into international events, normalizing and legitimizing his rule[111] in spite of the CPP's reliable antagonism toward the principles of the 1993 Paris Peace Accords, the UNTAC charter, or international law more broadly.

This trend continues today. A 2024 Senior Study Group Final Report from USIP analyzes how, in late 2022, the Cambodian government successfully lobbied and manipulated itself off the Financial Action Task Force's (FATF) anti-money laundering grey list.[112] Just as industrial-scale scam operations exploded across Cambodia and the regime-operated financial system was exposed as one of the world's foremost money laundering vehicles, government officials shook off one of the last meaningful international constraints on their criminality. In the months leading up to the delisting, the government performed the most perfunctory round of raids (discussed in the preceding chapter) which only served to ossify the status quo—a perfect re-enactment of the lessons of UNTAC.[113]

A History of Civil Society in Cambodia and Its Increasing Repression

Much of the literature frames "civil society" in Asia as either an ahistorical import or a Western concept tied simply to economic development or as agents of international agendas, rather than indigenous political processes.[114] The literature aligns in this regard with old arguments from Hun Sen and the CPP: that civil society and democracy are a Western invention and "not applicable to Asian cultures."[115]

Indeed, civil society in Cambodia as it exists today has its roots in UNTAC, with the original human rights organizations—the Cambodian Human Rights and Development Association (ADHOC) and the Cambodian League for the Promotion and Defense of Human Rights (LICADHO)—birthed directly out of the UN-mediated constitution. Yet, a somewhat counter-intuitive reality has emerged. A long-demonstrated commitment to values in stark contrast to CPP ruling strategy (human, labor, and political rights, environmental preservation,

transparency, and counter-kleptocracy) and an ambivalence toward key ends sought by the international community (Cambodia's political and economic integration into a global neoliberal order) has rendered Cambodian civil society a reliable irritant to Cambodia's relationship with the Western world.

This state of affairs also renders Cambodian civil society quite vulnerable to repression, increasingly so as the West cedes influence in the Kingdom. One local civil society observer interviewed for this project summed up this precarious arrangement as follows:

"Civil society, this feisty little thing that has been allowed to exist in spite of its relentless beating of the rights' drum, is, in fact, an external political product. Our run under such a regime was always going to be time-bound and limited. As soon as the balance of power shifted away from the West, that 'thing' was no longer necessary [to the CPP]."

While Cambodia does have laws codifying protection for rights groups, witnesses and whistle-blowers suggest "implementation remains weak" and that enemies of the organized criminal elite often find themselves in the crosshairs of violence and harassment.[116]

This suite of adverse conditions creates a status quo of civil society activity without meaningful reform. Some brave civil society organizations still do the work, but the government issues increasingly onerous crackdowns—ranging from pressure on journalists to self-censor, to a "Public Order" bill that makes it much easier for the government to crack down on civil society with little to no justification.[117]

Civil society in the Kingdom has been marked for decades by significant repression of activists when they "cross the red line," to borrow the former Prime Minister's parlance.[118] Repression has been particularly vicious when it comes to state-affiliated interests in transnational and/or ecological crime. In such cases, as well as in cases of labor mobilization, the CPP ruling elite consistently conflate free speech with plots of governmental overthrow—a dynamic which is explainable in large part by Cambodia's marked "state-society schism"[119] and the legitimate threat democratic progress can and has posed to CPP domination, as discussed in Chapter 1.

Similarly, Cock describes the focus of the state in the early 2000s as "effectively devoted to disorganising civil society," in order to prevent the emergence of groups interested in social transformation.[120] This status quo was malign and disruptive, but recent developments appear even more dangerous.

Though not directly related to organized cybercrime and human trafficking, the case of Mother Nature Cambodia, an environmental activist group and former NGO founded in 2012, is illustrative of the government's creeping attacks on civil society. Amid its growing harassment of the group, the government deregistered the organization in 2017.[121] In 2021, Mother Nature campaigners, investigating pollution in Phnom Penh's Tonle Sap River, were charged with "plotting against the state" and insulting the King.[122] Three years later, in July 2024, the activists received sentences of six to eight years.[123] These activists had been campaigning in defense of Cambodia's natural resources and attracted the ire of the elite by arguing that resources were used to fuel corruption.[124]

Mother Nature Cambodia is just one case amidst a deteriorating legal environment of "increased harassment of journalists, human rights defenders and trade unions" which has progressively intensified over the last decade.[125] The level of repression was compared by multiple interviewees to Myanmar's situation post-coup, "where civil society essentially had to move to other places like Thailand" in order to continue operating.

However, and even more so than in the case of Myanmar, the regime's repressive reach is increasingly transnational, with efforts to suppress dissidents extending well beyond Cambodia's borders.[126] Assassinations, physical threats, lawsuits, corrupt deportations, and hacking attempts against civil society activists living abroad are commonplace and core to Loughlin's conception of the regime's "coercive ruling strategy." Dissension and mistrust between local and diaspora civil society and the lack of critical mass outside the country were also cited as key factors further limiting the potential for organizing and sustaining an effective global civil society movement for Cambodia.

An illustrative example occurred on the eve of the 2023 election, when Hun Sen unilaterally "revoked the media license for all VoD's Khmer and English-language reporting over one issue with a Khmer-language article," with many speculating that the closure was in response to Voice of Democracy's (VOD) coverage of the scam industry.[130] Moreover, the Cambodian state continues to hide its law enforcement operations from journalists. In its 2023 profile on Cambodia, the Global Organized Crime Index notes that "the government has banned journalists from covering police investigations, which suggests that officials may be trying to hide their involvement in illicit markets."[131]

On September 30, 2024, this environment of accelerated repression reached a fever pitch, as prominent local independent journalist Mech Dara was arrested on what were widely decried as illegitimate charges, in the immediate aftermath of the U.S. imposition of sanctions on the scam-invested Cambodian oligarch Ly Yong Phat. Dara's arrest was described as "the culmination of a 2.5-year project of systematic elimination of local reporting on the forced scamming industry."[132] And indeed, since his arrest and eventual release after significant international pressure, granular local reporting on the scam compounds has all but vanished.

In response to such an intense climate of repression facing a "traditionally safe" space like human trafficking advocacy, many NGOs have retreated from sensitive issues. This risk-averse posture appears to be leading toward something of a crisis of legitimacy among beneficiaries. Survivors of forced criminality interviewed for this study unanimously noted the muted response of trafficking NGOs in Cambodia. "In a country with over 100 human trafficking organizations, why is there only one shelter [for scam trafficking victims]? Why is there only one, maybe two, organizations responding to this issue?" asked one survivor, rightly skeptical of the value of a large NGO presence in Cambodia, if NGOs are not able to take effective action on behalf of the vulnerable. Most interviewees also conceded that the risk calculus of these actors was likely valid. "Powerful people in the government depend on this industry. When you report against it, you are stepping on real interests," said one trafficking survivor.

"In a country with over 100 human trafficking organizations, why is there only one shelter [for scam trafficking victims]? Why is there only one, maybe two, organizations responding to this issue?"

Indeed, counter-trafficking groups that attempt to address critical issues (such as trafficking into scam compounds) risk harassment or exclusion by their government counterparts. As one respondent noted, "the government has been very clever about sending out numerous messages…that you don't want to get involved in this issue, because we can make life very painful for you."

In this sense, civil society in Cambodia can technically still exist but only under stringent limitations. Its effective role is now reduced to helping on the margins or "within tightly confined bounds that don't challenge elite interests," as suggested by one interviewee. Civil society groups can still offer limited support to marginalized communities neglected by the regime. However, without a meaningful ability to drive systemic change, the broader goals of human rights, rule of law, and democratic reform seem out of reach in Cambodia.

A Final Note on Civil Society and Organized Crime in Cambodia

In societies with rampant organized crime, civil society offers a potential counterweight. The most recent edition of the Global Organized Crime Index clearly identifies a positive correlation between levels of organized crime and a country's civil society repression.[133] However, the pathways of this linkage remain somewhat opaque.

Much of the extant research examines the phenomenon of civil societies within criminalized power structures that contain interlinkages between organized crime and government power. In their chapter in *Combating Criminalized Power Structures: A Toolkit*, Carlson and Dziedzic argue that civil society provides a critical "oversight function by exposing gross misconduct, analyzing the patterns involved, and

lobbying for corrective action" to influence criminalized power structures.[134]

However, this theory requires a state that has some capacity for change. Carlson and Dziedzic's list of necessary conditions for civil society to succeed includes transparency, the ability to combat impunity with an independent judiciary, metrics to establish the efficacy of accountability, and leverage to encourage a national commitment to accountability.[135] Others argue that civil society strategies are best suited to contexts where there are some avenues for recourse in a criminalized political structure.[136] Cambodia's unipolar power base and fully captured justice system represents the antithesis to such a structure.

Even so, scholars still point to the necessity of a vibrant civil society over and above incremental or near-term institutional reforms. As Haki Abazi notes in his chapter in the same book, "democracy is not the end" of the process but merely a frame in which problems can be solved.[137] In support of this, other authors and interviewees argue that too many donors think elections (even closed sham elections) or a semi-functioning justice system (even if still captured by the same criminal interests) are sufficient to let the Cambodian elite claim that they are engaging in the democratic process.[138] Rather, "where the state has been captured by a criminalized political class," investment in the glimmer of hope offered by civil society and independent watchdogs is not merely the best among bad options but in fact the "only viable avenue" to pursue reform.[13]

The MDS Henghe Thmorda Special Economic Zone, a remote development high in the mountains on the Thai border, was a joint venture between U.S.-sanctioned senator and illegal logging magnate Try Pheap and the Chinese Henghe Group, whose scam compound in Bavet has also been sanctioned for serious human rights abuses. It has seen multiple reports of trafficking victims since 2021. As of May 2025, the compound remains operational. Photo by Lindsey Kennedy, used with permission.

CHAPTER 5

Kleptocratic Mechanisms

"Why would the Cambodian government be protecting the industry if they weren't heavily involved?" asked one trafficking survivor interviewed for this study. "If I allow someone to do illegal operations in my house at such a scale, then what can you say about me?...It's the responsibility of the authorities to go after this and if they do not, there's a [expletive] reason."

Yash Ghai, a former UN Special Representative on Human Rights in Cambodia, offered something of an answer, in the aftermath of his expulsion from the Kingdom. "The deliberate rejection of the concept of a state governed by the rule of law has been central to the ruling party's hold on power," he stated.[140]

This perspective exemplifies the vast majority of interviewee and scholarly opinions on the topic. For Loughlin[141] and others, there is no "shadow state" in Cambodia. As discussed in Chapter 1, it is the ultimate conclusion of this study that the state and party are aligned in their pursuit of various forms of transnational and ecological crime as a primary means to fund the state's coercive apparatus and thus ensure regime survival. Indeed, as the CPP enters the dynastic phase of its domination of local politics, its most powerful actors have largely failed to diversify their economic interests outside the extractive and illicit. They thus find themselves dependent on compliant state institutions for the conduct of these crimes.

Yet, while observers are aligned on the above as core drivers of the industry's growth and durability in Cambodia, the specific mechanisms of kleptocratic action—*those specific policies and patterns by which the government protects the trafficking-transnational cybercrime nexus*—remain under-explored.

This chapter offers a novel contribution to the literature in the form of a comprehensive and evidenced taxonomy of these mechanisms, their functions, and the involved state apparatus as it relates to Cambodia's human trafficking-fueled organized cybercrime industry. This section provides a brief overview of the functions and key actors, while the full taxonomy can be found in Appendix B.

This study draws from a range of sources—including witnesses and interviewees with specialized knowledge as well as scholarly, policy, and popular literature—to identify nine primary kleptocratic functions related to Cambodia's scam industry. These are: (1) importation of criminal talent; (2) silencing of dissenting voices; (3) undermining of direct witness testimony; (4) alleviation of pressure from the international community; (5) integration of criminal activity into the domestic private sector; (6) provision of criminal security services; (7) legal protection of criminals; (8) direct criminal investment by government officials; and (9) consolidation and monopolization of criminal activities.

Each of these functions are supported by one or more of 64 distinct but interrelated "mechanisms," as tracked by this study's taxonomy. These mechanisms are the specific, observed state actions which serve to protect and/or promote the target criminal activity. They were identified through the interviews and literature, and several mechanisms appear in support of more than one function. Although this taxonomy is not comprehensive, it is intended to provide a concrete vocabulary for scholars, policy makers, and activists to contextualize discrete state-party activities within the

culture of state-abetted crime they enable in Cambodia.

Critically, it is not the argument of this paper that these various mechanisms somehow amount to a clarified "grand strategy" of state involvement in the scam industry. More traditionally conceptualized forms of subversive corruption (as well as profound government capacity gaps) are certainly present in Cambodia and serve to complicate the picture and any potential countermeasures. It is more likely that these mechanisms have arisen organically, in response to the overarching incentives of the criminal-coercive political and economic environment. Nonetheless, they cannot be rightly viewed as isolated instances of corruption, as they are pervasive in implementation and play compliant, symbiotic roles toward core objectives of the regime's ruling strategy. They amount to nothing short of a recurring set of policies and patterns deployed by Cambodian state institutions that serve to directly protect and support a massive industry of human trafficking and organized cybercrime.

Moreover, as noted in Chapter 1, neither these mechanisms nor their parent functions are entirely novel or "revolutionary" to the scam industry. Rather, they reflect an "evolutionary" development refined from long application in other state-driven criminal industries. As noted elsewhere, beyond the forced scamming industry, Cambodia's elite are intimately tied to multi-billion-dollar industries of illegal logging, illicit drug cultivation, wildlife trafficking, and illegal sand dredging, among other activities. Combined, these criminal industries account for the dominant share of Cambodia's domestic economy.[142] Given a dearth of productive economic sectors beyond a low-margin garment industry and a decimated post-COVID tourism industry, the continued prosperity of such malign industries can doubtless be considered a core interest of the Cambodian ruling elite. Understanding precisely how state institutions serve that interest is paramount to formulating effective countermeasures.

"Show Crackdowns" as an Example Mechanism

By way of one example, the mechanism of "show crackdowns" has historically served two primary functions on behalf of state-embedded criminal industries:

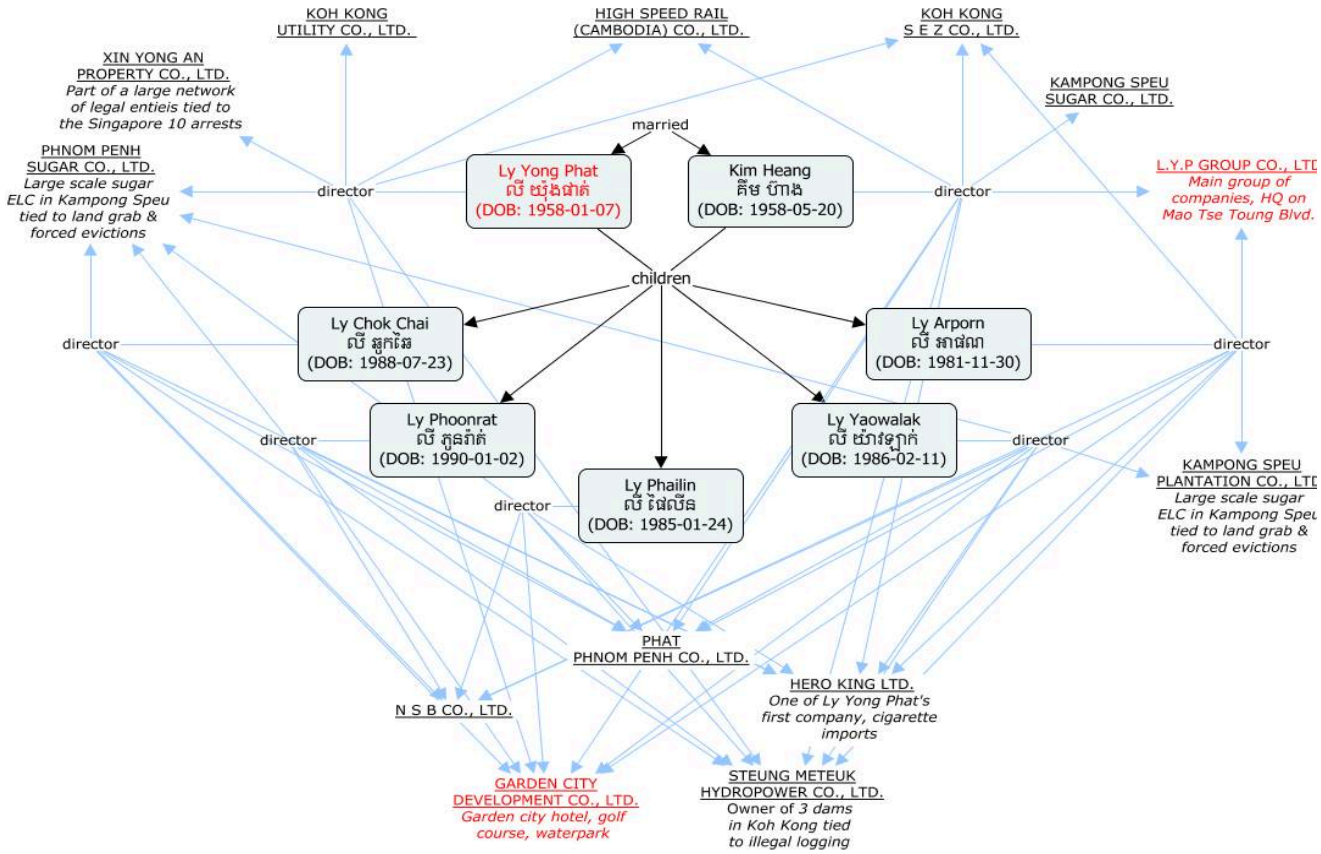
1. Alleviating pressure from the International Community (Appendix B, Mechanism 4.2); and

2. Consolidating/monopolizing criminal activity into the hands of the most well-connected elite (Appendix B, Mechanism 9.5).

This mechanism was clearly deployed for these functions in the 2022 show crackdowns and the systematic misidentification of trafficking victims in Sihanoukville (see Chapter 3 above), but it is in no way unique to the scam-trafficking industry. The same pattern was also documented from 2013 to 2015 in response to international pressure to address Cambodia's state-facilitated illegal deforestation crisis.[143] Crackdowns were promised and executed on small-scale illegal timber operations, and victory was declared. Yet, the industry continued to grow and persists today in the hands of Cambodia's most well-connected.[144] Worse, these crackdowns do not appear to have been ordered to deter illegal logging at all, but instead to allow hyper-connected actors such as Try Pheap, a logging tycoon, to bid for seized lots of logs at auction and thereby consolidate his own illegal forestry operations.[145] As discussed previously, a similar consolidating effect is easily observable at the trafficking-scams nexus.

According to numerous interviewees, the lack of a framework for comparing historic and contemporary kleptocratic behaviors of the CPP—as well as a more general lack of understanding of the existence and functions of the various kleptocratic mechanisms underpinning the state-party's actions—serves as a major barrier to effective policy engagement in Cambodia today. While the scope of this report prohibits a full treatment of all 64 identified kleptocratic mechanisms, further exploration is strongly recommended.

Figure 3. Ly Yong Phat's Recently "Vanished" Business and Personal Linkages



Data is sourced from Cambodia's Ministry of Commerce.

Key Actors Involved

To further contextualize the functions and mechanisms presented in Appendix B, it is helpful to view the key co-perpetrating state actors as falling into four key categories (though there is also considerable overlap).

Local Direct Investors: First, there exists a powerful class of Cambodian oligarchs who hold direct ownership stakes in the infrastructure and technology used to perpetuate criminal activity. These figures initially accumulated vast wealth by grabbing and speculating on large tracts of land following the rapid economic liberalization of the early 1990s.[146] They have leveraged this early wealth and related political connections to cultivate extractive and criminal empires ever since. Actors in this class include leading and familiar figures in the Cambodian political elite such as OFAC-sanctioned Try Pheap and Permanent CPP Committee Member Ly Yong Phat (O'Smach).[147]

Until very recently, both men openly advertised their scam compound holdings on personal websites, despite years of accumulated evidence of criminal activities and rights abuses.[148] In the case of Ly Yong Phat, the assistance of the state in sanctions evasion (Mechanism 8.4) is visible in the rapid vanishing of his public holdings from Cambodia's public corporate records post sanctioning (see graph above).[149]

Such highly visible actors are joined by quieter yet equally influential Cambodian oligarchs such as Senator Kok An (who owns multiple Poipet and Sihanoukville-based compounds) and Hun To (a cousin of Prime Minister Hun Manet and a named Director of Heng He, Huione, Panda Bank, and other companies implicated in scam operations).[150] In general, each criminal compound appears to benefit from at least one local oligarch-patron who holds claim to the land and offers influence-derived protection from law enforcement. In the case of Huione, local direct investment also extends to the broader technological

infrastructure supporting Cambodia's scam industry across compounds.

Foreign Criminal Investors: The vast majority of the cybercriminals and key investors involved in Cambodia's scam industry are not from Cambodia but rather mainland China. Observers note that Chinese actors not only engage in illicit activities but also use their wealth to gain "upgraded titles and second passports" (Mechanisms 1.1 and 1.5), providing them with further ability to maneuver in Cambodia's criminalized political and economic environment. As discussed in Chapter 2, the literature and interviewees diverge on the relative power of these actors vis-à-vis their domestic counterparts.

Regardless of the exact nature of the principal-agent relationship, these actors are undoubtedly influential on a material level. The most powerful among this cohort (including Dong Lecheng, Xu Aimin, and Li Xiong) are also shown in the literature to have maneuvered into positions of significant influence over elements of the Cambodian government.[151] This class of actors includes even more vertically integrated alleged criminals like the Prime Minister's personal advisor and Prince Group CEO, Chen Zhi, who is profiled in greater depth in Chapter 1. Such prominent actors are also frequently deployed to generate flagship partnerships with multinational corporations (Mechanism 4.6 and 9.3); diplomatic missions (Mechanism 4.7); and even counter-trafficking organizations (Mechanism 4.8), effectively co-opting the international community into legitimizing state-criminal actions.[152]

Key Propagandists: Buttressing the work of local and overseas criminal investors is an array of indirectly affiliated prominent actors. These voices leverage the state apparatus to deny and obfuscate the nature of key criminal industries, in opposition to significant evidence. The National Committee for Counter-Trafficking (NCCT), in particular, was singled out by multiple interviewees as having become a platform for state-criminal grandstanding rather than an independent body to combat trafficking. "NCCT events have morphed into effective propaganda rallies" (Mechanism 4.5), where "victims of trafficking are defamed given the political inconvenience they pose to the state-party," said one interviewee (Mechanisms 3.1, 3.10, and 3.11). These actions by the NCCT are framed by interviewees as "obfuscation," appearing to deliberately mislead both the public and international actors about the state's role in trafficking (Mechanisms 4.4 and 4.5).

Beyond the NCCT, other recent actions have included: Prime Minister Hun Manet placing the full blame for Sihanoukville's economic woes on biased Western reporting (Mechanism 6.8); Deputy Prime Minister Sar Sokha making similarly derisive statements against human trafficking victims and claiming that the state is the real victim of malicious reporting (Mechanisms 3.1 and 3.2); and former Preah Sihanouk Governor Koch Chamroen (now Kandal Province Governor) and Deputy Governor Long Dimanche, among others, aggressively discrediting various rescue activists (Mechanism 2.8 and 2.10).[153] In fact, the emergent literature on the subject suggests that the majority of the government's visible responses to scamming and other prominent criminal industries have taken the form of overt propaganda (Mechanism 4.5).[154] These are merely a few recent examples.

Official Enablers: The final category of state-embedded organized crime actors in Cambodia are those working behind the scenes. As noted in Appendix B, the number of involved institutions is widespread. Even the included taxonomy is likely incomplete. Fully cataloguing the array of compliant state entities actively supporting Cambodia's scam industry would be a formidable task, requiring significant government and insider input which was not available for this study.

Despite these uncertainties, we have clarity on some of the key actors allegedly driving Cambodia's scam-trafficking engine. The case of Dy Vichea is instructive. Vichea is the brother-in-law of Prime Minister Hun Manet and the son of late National Police Chief Hok Lundy, who was himself once denied entry to the U.S. on organized crime and human trafficking allegations.[155] During the recent explosion of visibility into Cambodia's transnational cybercrime industry, complaints of rights abuses within the compounds were redirected to Vichea's Commercial Gambling Unit within the Cambodia National Police (CNP). According to numerous interviewees, this unit serves a criminal-protective function, directly shielding owners from embassies and watchdog organizations

(Mechanisms 2.7, 2.8, and 3.8). Criminal technocrats like Vichea also reportedly ensure that maximum rents are extracted to compensate for disruptions to state-aligned criminals (Mechanism 4.1). For instance, amid the 2022 "crackdown," a Chinese law enforcement source alleged that Vichea demanded $100,000 for permission to raid a Sihanoukville compound—adding a caveat that the owner be given advanced warning. Vichea also owns a football club (Preah Khan Reach Svay Rieng) which boasts an array of sponsors explicitly tied to the scam industry (Mechanism 5.3).[156]

These examples are merely illustrative. At least 18 of the mechanisms outlined in Appendix B were alleged by interviewees and/or the literature to implicate Dy Vichea directly, or units under his supervision. Perhaps most disturbingly of all, Vichea has been strategically placed by the CPP as a central interlocutor with foreign law enforcement seeking collaboration with the Cambodian government, maximizing the reach and impact of his alleged criminal protective activities (Mechanisms 4.4 and 4.5).

As discussed elsewhere, Vichea may be a particularly prominent example, but he is merely one of many officials observed by respondents as engaging not in subversive corruption but rather operating as a de-facto "criminal technocrat," appearing to execute his duties in lockstep with the state-party's ruling strategy.

Outstanding Questions

The literature often fails to integrate profound extant state involvement with other diverse mechanisms that contribute to the persistence of trafficking practices—in particular, social networks, the roles of cultural attitudes toward crime, and the historical legacy of conflict and governance in shaping these dynamics.

Additionally, barriers to effective countermeasures against trafficking are insufficiently addressed in the literature. For instance, USAID's De-kleptification Guide offers minimal guidance for how to proceed in situations like Cambodia's, where there exists negligible political will and few meaningful champions within the government.

If meaningfully countering the harms emanating from the trafficking-cybercrime nexus (among the myriad other harms of the regime's criminal and coercive ruling strategy) is a strategic goal of international engagement with Cambodia, then novel, innovative, and potentially drastic measures are desperately needed.

Box 1. A Note on the Oknha

Many of the individuals noted above as involved in Cambodia's scam industry also bear the title *oknha*. Accordingly, the scheme bears some treatment here. *Oknha* is a purchased honorific in Cambodia which opens the upper echelons of Cambodia's political and economic elite to those able to pay the fee (estimated at $500,000 in 2024).[157] Across most of the country, major *oknha*[158] serve as both principal oligarchs overseeing and benefitting from key criminal economic sectors and also as provisioners of basic public goods and security through patronage activities and private firms.

In outlying regions, a single *oknha* (Try Pheap in Pursat or Ly Yong Phat in Koh Kong) often dominates the landscape. In Sihanoukville, however, this trend is reversed. According to a recent report by the Global Initiative Against Transnational Organized Crime (GI-TOC), "Sihanoukville's inclusion in the BRI takes the responsibility of financing local development and public works off the shoulders of eligible *oknha*, and into the domain of Chinese state-backed projects. Under these conditions, *oknha* are competing with each other for opportunities, rather than vertically dispensing political and financial capital themselves."[159] The *oknha* class is certainly still deeply invested in Sihanoukville. Yet, unencumbered by the parallel need to provide patronage-public services in the port city, they are more directly engaged in maximizing their economic utility to criminal industries—frequently via offering property and protection to international criminal investors (Mechanisms 8.1 and 8.3).

Moreover, many of the *oknha*-affiliated buildings, special economic zones, and criminal networks implicated in the scamming industry in Sihanoukville have also been closely linked to the drug cultivation and trade, wildlife trafficking, and illegal logging.[160]

CHAPTER 6

Recommendations and Conclusion

The criminal phenomenon described in this report is a multi-faceted global threat that transcends borders and doubtless demands a comprehensive global response. The Executive Summary briefly sketches the contours of what such a response might look like, and other recent studies go into far greater depth. For instance, an April 2025 UNODC flagship report proposes a thoughtful, five-pronged response: (1) raise political awareness and will; (2) strengthen regulatory frameworks; (3) enhance enforcement capacity; (4) promote whole-of-government coordination, and (5) foster regional cooperation.[161]

While such interventions are doubtless needed, this framework (and the vast majority of others) overlook a glaring strategic question that holds national, regional, and global security implications. Namely, *how might the international community more effectively approach profoundly corrupted contexts like Cambodia, in which the state itself is existentially and intractably vested in globally and domestically harmful modes of transnational crime?* A clear-eyed answer to this query must be integrated into any meaningful response.

The overwhelming consensus from the literature and interviewees is that, given the demonstrated centrality of trafficking-fueled organized cybercrime to the ruling strategy of the Cambodian People's Party, there is not a viable near-term path to reform. Moreover, the history of the CPP strongly suggests that it is a savvy and agile political organization capable of undercutting and co-opting reform and "cooperation" efforts. The CPP has proven its capability to both: (1) deflect rhetorical pressure where it concerns divesting from the CPP's core predatory interests and (2) manipulate donors and partners into increased engagement to manifest patrimonial resources and legitimization.

Broadly speaking, international engagements with Cambodia's regime and attempts to mold them via collaborative reform have tended to ignore intrinsic elements of regime identity and formation as well as contemporary political realities. They have thus contributed to consistently perverse outcomes.

Accordingly, recent public and closed-door petitions by the Cambodian government for resources to strengthen capacity for cyber crimes investigations—made as the threat of cost imposition looms over complicit elite state actors—must be viewed as disingenuous. While capacity challenges do exist, the dominant constraint to an effective response in Cambodia is political. Trainings and memorandums of understanding will not resolve this status quo, and the guise of collaboration with a deeply misaligned political entity will only serve to muddy the waters.

In sum, the Cambodian government is seen by interviewees and the literature as an active and leading participant in this criminal enterprise, a bleak reality which significantly constrains the range of efficacious and responsible policy options.

Moreover, interviewees were unified in their insistence that "recognition of Cambodia for what it is" is a vital missing component to a more effective response to the status quo. The globally reaching threats emerging from Cambodia's trafficking-cybercrime nexus offer an opportunity for such recognition to take hold, as international partners wake up to the direct global implications of decades of the CPP's predations.

Core Recommendation: Coordinated Harm Minimization

Given the low likelihood of reform and the significant security implications of the status quo, the central recommendation emerging from this study is for the international community to urgently mobilize a coordinated strategy of harm minimization relative to the Cambodian People's Party.

Such a strategy will require a broad coalition of actors committed to constraining the spillover harms of the regime's activities via a range of bilateral and multilateral interventions. As such a strategy takes shape, interviewees recommend prioritizing six key components:

1. Identify and pursue areas of mutual interest among partners;
2. Limit the opportunities for Cambodian state-criminal legitimization;
3. Constrain the profitability and operations of egregious perpetrators;
4. Increase the barriers to state-affiliated money laundering into the global financial system;
5. Invest urgently in data collection and the preservation of civil society; and
6. Provide conditioned pathways into viable economic alternatives over the longer term.

Component 1: Identify Areas of Mutual Interest

Interviewees note that every country in the Southeast Asia region—and indeed the world—faces a common constituency risk. That is, the Cambodian state-party (among other regional rogue actors) is actively protecting and promoting a massive industry of financial crime targeting their citizens. Most Southeast Asian nations face the dual threat of their citizens being targeted at-scale by adjacent and regime-enabled human trafficking networks.

The relative importance of these risks amid the broader suite of bilateral interests certainly varies by country. Nonetheless, given the scale, the risks are likely material for the majority of Cambodia's regional partners. Concerned governments should work closely with regional bilateral partners to find areas of shared interest and coordinate with greater harmony to confront obfuscation, disinformation, and other forms of agile state criminality currently proceeding from the Kingdom. Chief among such interventions should include concerted partnerships to improve the ability of regional governments to identify and prevent trafficking of their citizens into Cambodia's state-aligned criminal industries.

This includes the People's Republic of China. While there are clearly strategic and geopolitical barriers to deep U.S.-China collaboration on this issue, there are also likely areas of mutual interest. Soliciting China's engagement on (1) increased transparency around victim identification; (2) closed-door pressure on the Cambodian government; and (3) aggressive recall of high-level Chinese-Cambodian perpetrators for domestic accountability are reasonable places to start in such conversations.

To maximize the chances of successfully establishing a meaningful global coalition, the U.S. and other Western partners should endeavor to nuance their analysis of Chinese state involvement in the criminal industry. Although the established linkages are material, over-extrapolation is a risk. A descent into tropism and binary thinking would unduly politicize the issue and thus constrain the development of meaningful alignment.

Component 2: Limit Opportunities for State-Criminal Legitimization

The U.S. Department of State's 2024 Trafficking in Persons Report recognizes that "some governments are part of the problem, directly compelling their citizens or other individuals into sex trafficking or forced labor."[162] As a sub-classifier within its basement Tier 3 rating, the report also lists those states where an evidenced "government policy or pattern" of human trafficking exists.

Based on the literature and interviews conducted, it is the overwhelming conclusion of this study (as alluded to in the title) that the enabling environment

surrounding the phenomenon of trafficking for forced cyber-criminality in Cambodia bears all the indicators of such official "policies and patterns." (See Appendix B for a comprehensive typology thereof).

Accordingly, the U.S. and aligned partners should take measures to prevent unduly legitimizing regime actions relative to the human trafficking sector. Among other recommendations, interviewees suggested:

1. Renewing Cambodia's Tier 3 ranking and including it on the list of "State-Sponsored Trafficking" locations in the 2025 Report;

2. Limiting Cambodia's inclusion in regional and global forums related to human trafficking to prevent indirectly legitimizing disinformation and criminally incentivized narratives;

3. Curtailing funding for law enforcement capacity-building efforts until basic recommendations for meaningful high-level perpetrator accountability are completed;

4. Maintaining law enforcement dialogue, but eliminating all existing law enforcement data-sharing activities that could be used by the regime for the purposes of criminal innovation, tipping off criminals, repressing activists, etc.;

5. Formally labelling Cambodia's National Committee for Counter Trafficking (NCCT) as well as the state-party media outlets FreshNews and KhmerTimes as sources of propaganda and disinformation; and

6. Redirecting existing financial and technical support for the NCCT and related counter-trafficking apparatus to regional law enforcement aiming to hold Cambodian kleptocrats accountable and to local civil society and journalists who have demonstrated the capability and willingness to expose and counter criminally supportive disinformation emanating from complicit government mouthpieces.

This is an incomplete list, but it is representative of the policy guidance offered by interviewees for countering disinformation and undue legitimization of Cambodia's profoundly compromised counter-trafficking apparatus.

While interviewees generally agreed on their recommendations to delegitimize misleading narratives from the government, local civil society interviewees were particularly strong on this point—expressing a growing frustration with the international community's failure to confront Cambodia's criminalized governance directly. Interviewees from this group contended that engaging with the regime as though it is a legitimate partner enables its continued criminality and that international actors must stop legitimizing a government that is deeply entangled in corruption, extraction, abuse, and human trafficking across numerous industries and to global detriment.

Component 3: Constrain Profitability and Operations for Egregious Perpetrators

In September 2024, the U.S. Treasury Department imposed Global Magnitsky sanctions on scam-invested oligarch Ly Yong Phat, a move widely denounced by the Cambodian government.[163] Shortly thereafter, the vast majority of his linked businesses vanished from Cambodia's public corporate records, in what has been described as an act of "state assisted sanctions evasion."[164] Accordingly, it is reasonable to assume that the sanctions are likely to have a negligible effect on his assets or legal standing in Cambodia.

The landmark policy action is nonetheless material. First and foremost, the sanctions jeopardized the target's investments in the West and any linkable assets he holds in the global financial system. Sanctions will also complicate his extensive business relationships in Thailand, who will now need to tread more carefully in their dealings with the "King of Koh Kong." The Global Magnitsky label also strikes a blow to any illusion of legitimacy Ly Yong Phat might once have leant the Cambodian mafia state apparatus.

For these reasons and others, the broader and more strategic use of sanctions was a frequently cited recommendation by those interviewed for this study. Cambodia is, as one interviewee described it, "a target rich environment," with 28 names cited as warranting sanctions or other forms of international accountability over the course of 51 interviews (see Appendix A below).

Yet, constraining kleptocrats is notoriously difficult, and bilateral sanctions are no panacea. Interviewees noted that they should be deployed in coordination with (1) aligned sanctioning actions from other concerned partners (as alluded above) and (2) other bilateral mechanisms designed to constrain the movement and profitability of leading perpetrators. Recommended mechanisms for U.S. government actions targeting Cambodia-based perpetrators include:

1. Widespread Leahy designations for all units with evidenced involvement in the scam industry life cycle;
2. Travel bans for high-level perpetrators;
3. Criminal investigations and indictments;
4. Accompanying Interpol red notices; and
5. Strategic and systems-level litigation against involved corporations.

Bi-partisan legislative proposals like the *Cambodia Democracy and Human Rights Act* from the 118th U.S. Congress (Markey-D, Rubio-R) offer an elegant approach to prioritizing such policy proposals—simultaneously uplifting repressed Cambodian voices and responding to U.S. national security threats.[165]

Interviewees also recommended an array of interventions to constrain state-aligned criminals in Cambodia from instrumentalizing global private sector technologies and platforms. Little specificity was gained from the interviews on this point, but in general, interviewees saw promise in the creation of regulations targeting Western-based tech firms—social media and gambling in particular—to require extra due diligence wherever their products and platforms were engaged in the Cambodian context, given the heightened risks. Interviewees recognized that this may be difficult to achieve but also noted the potential impact. By making it harder for these state-aligned criminals to use certain technologies for their illicit activities, judicious use of private sector regulation can help push the criminal operations further underground.

Component 4: Increase Barriers to State-Affiliated Money Laundering into the Global Financial System

Numerous interviewees noted that the modern global and U.S. financial system is rife with loopholes and workarounds that are easily exploited by sophisticated criminals, particularly those with explicit state backing. Shell companies, anonymous real estate ownership, and opaque corporate ownership easily overwhelm existing detection and enforcement mechanisms intended to deter illicit financial flows. Accordingly, meaningful reform to an antiquated anti-money laundering system is desperately needed. The limits of this particular study prohibited extensive research into the specific reforms likely to be most useful in combating this form of crime. This is another area where further evaluation would be valuable.

Yet, if Western financial systems are porous, the "strategic vulnerabilities" of Cambodia's own financial system are nothing short of profound. Interviewees for this study and numerous witness testimonies suggest that—beyond crypto-currency, underground banking, or gambling infrastructure—the most directly complicit institution in the epic wave of money laundering existing in parallel with organized cybercrime is the Cambodian financial system itself.

Perhaps the most meaningful and low-hanging fruit as a deterrent to such abuse is the Financial Action Task Force's (FATF) grey/blacklist. For years, Cambodia sat on the grey list due to strong evidence of the instrumentalization of its financial system for money laundering. Yet in late 2022, after what was generally seen by interviewees as a closed-door lobbying campaign, Cambodia was removed from the list.

A strong, central, and nearly unanimous recommendation of interviewees was that FATF members should correct this egregious misstep and constrain Cambodian state-endorsed money laundering and the host of predicate crimes underpinning it. More broadly, interviewees called for reform to FATF listing/delisting processes with the aim of improving transparency and civil society involvement.

Box 2. A Cautionary Note on Harm Minimization

As one interviewee stated, “You only make sense of this when you start to look at Cambodia as a true mafia state.” They went on to suggest that, once this conceptual leap is made, observers must recognize that “all you can realistically do is to make it more difficult for them to be so brazen, to push them back into the shadows a bit.”

While the conclusions of this study overwhelmingly endorse this sentiment, an approach prioritizing “harm minimization” is neither a guaranteed victory nor without its own risks of collateral damage. These risks can be broadly viewed as falling within three categories.

First is the potential spillover impact on vulnerable Cambodians. FATF grey-listing in particular can be viewed as a form of broad-brush sanctioning which has a measured impact of a 7.6% decline in capital investment[166] in listed countries.[167]

While widespread capture of productive economic activities by the Cambodian elite ensures that the FATF’s punitive measure will impact its intended target, more marginal populations will also be impacted as access to global capital recedes. Concerned governments should be prepared to mobilize to offset spillover impacts as they reach Cambodian labor.

Second, there is a noted apprehension in Western governments that Cambodia is drifting toward China and that an isolating “harm minimization” strategy might accelerate this trend. In general, interviewees objected to this logic. While almost all viewed it as objectively true that Cambodia largely now exists within China’s hegemonic orbit, few agreed that further cost imposition would meaningfully accelerate this trajectory. Several interviewees pointed to Cambodia’s irrevocable slide in that direction despite years of a mostly conciliatory Western approach. For instance, they highlighted the heavy focus of U.S. foreign policy towards Cambodia in recent years on the prevention/mediation of a China-funded Ream Naval Base. This effort–which seemingly sublimated all other U.S. foreign policy goals in the Kingdom–ultimately failed to prevent the feared outcome.

Other interviewees disagreed altogether that the risks of modest further geopolitical alignment with Beijing could in any way outweigh the harms currently extending from the regime, which could be meaningfully stemmed by a coordinated harm minimization effort.

The final and perhaps most existential risk to a harder international line on Cambodia is the one posed to a highly vulnerable local civil society and the vital resources they bring to bear in the effort to constrain the state-party’s portfolio of transnational and ecological crimes, as well as its abuses more broadly. This brings us to the study’s next key recommendation.

Component 5: Invest in Evidence Generation and the Preservation of Civil Society

According to interviewees and the literature, Cambodia's civil society is on life support. Despite the uncertain outcome of any efforts to save it, interviewees were unanimous in their assertion that it is worth trying.

Chapter 4 details the value ascribed by the literature to civil society as a buttress against organized crime. Core to this argument is the pivotal role civil society, including an independent press, plays in generating evidence of corruption and criminal activity. Yet, this exact function—and the centrality of trafficking-fueled organized cybercrime to the CPP's ruling strategy—has accelerated the state's repression against civil society in the country. This trend is highly likely to further accelerate with the drawback of U.S. foreign assistance[168] broadly and investment in locally-situated reporting more specifically—poignantly emphasized by Hun Sen's celebration of Radio Free Asia's demise in March 2025.

With independent, locally situated reporting on this issue all but eliminated by a combination of self-censorship and direct repressive actions by the Cambodian government, vital research into and mapping of the networks of criminal actors has been profoundly undermined. Relevant interviewees were united in their recommendation that concerned governments urgently work to mobilize unrestricted funding and create openings for civil society to continue operating in this space.

The "unrestricted" component of that equation was also noted as key. Journalists interviewed for this study unanimously expressed weariness with what they viewed as extractive funding sources—as described by one interviewee as "this proliferation of opportunities for time-bound, unattributed, poorly paid research offered by internationally-situated research outfits realizing they need 'local knowledge' to buttress their legitimacy on a hot new issue." However acute the overall funding crisis may be, civil society requires the agency and flexibility to pivot into new high-priority crises as they emerge, suggested interviewees. One journalist referred to the request for flexible funding as "a crisis letter." While journalists seemed happy to report on the most important issues facing the country, what locally-situated reporters unanimously requested was core funding. "We don't need it in dribs and drabs or with conditionalities. Journalism in Cambodia is dying. If you're interested in saving it, we need, above all else, flexible resourcing to do our jobs," stated one interviewee.

The dire funding environment for fact-based reporting is substantially complicated by the systematic shuttering over the last decade of virtually all the free press outlets which have reported on state abuse and extraction. As such, a transition to pseudonymous reporting and externally-situated outlets was also consistently recommended by journalists as necessary to counter this trend.

Such a set-up harkens to Myanmar's diaspora-located civil society and press actors. Several interviewees saw the most promise for Cambodian civil society in just such an arrangement. According to these observers, setting up independent press outlets and civil society in exile would allow it to continue raising awareness and generating pressure from abroad with greater security and stability.

As noted in Chapter 4, opinions among interviewees were mixed on the likely viability or desirability of applying such a model in Cambodia's case. Contrary opinions noted the smaller critical mass of a Cambodian diaspora; the significant tension and mistrust between local and diaspora civil society; and the greater effectiveness of CPP transnational repressive reach as key complicating factors.

Interviewees were aligned, however, on the need to redirect international resources to support Cambodian civil society. Frequently noted were those funds currently channeled into ineffective and counterproductive initiatives, such as the National Committee for Counter-Trafficking (NCCT). Interviewees from all stakeholder groups argued that these resources could be more effectively deployed through other channels, including support for civil society efforts that challenge state impunity.

Lastly, it is important to note that not all "civil society" is created equal. This is particularly important in Cambodia, where CPP infiltration of NGOs is extensive

and the outright creation by the CPP of "yellow" unions (worker organizations that are dominated or unduly influenced by the employer), press outlets, and NGOs is pervasive. Moreover, substantial portions of civil society in Cambodia's repressive context have become profoundly self-censoring. This also affects the international counter-trafficking community which is reliant on memorandums of understanding (MOUs) for their existence in the country and, as discussed in Chapter 4, have taken a notably risk-averse posture.

The demonstrated priorities of such organizations reflect a minority opinion among interviewees that civil society groups will "basically have to move to less politically charged fields." While the majority of interviewees agreed that encouraging civil society not to challenge core criminal-abusive tendencies of the regime would be counter-productive, undermining the value of civil society in the first place, some interviewees viewed this as the only viable path toward any continued existence, given the profoundly constrained operating environment.

Component 6: Provide Conditioned Alternative Economic Paths Over the Long Term

As argued throughout this report, organized cybercrime—and the human trafficking that fuels it—is a core, perhaps existential, interest of the regime. The final recommendation emerges paradoxically from this finding. Namely, the pressing reality is that Cambodia's state-party cannot abandon this predatory industry without an available alternative.

Long-term change in Cambodia's state crime ecosystem doubtless hinges on a shift toward licit economic activities. Interviewees broadly agreed, with one noting that the country "will not change until it is profitable enough to engage legitimate industries in greater proportion to illegitimate ones." This underscores the need for economic reforms and foreign investment that encourage the development of a vibrant licit economy, raising the risks and reducing the incentives for illicit industries.

Inculcating a vibrant and productive licit economy within a fully criminalized and extractive political and economic enabling environment will be a challenging task. This recommendation is also, on the surface, at odds with a near-term program of cost imposition and delegitimization. However, if there is a chance for the extant ruling coalition to turn from the dominant economic path it has chosen over the last four decades, it will likely require a painful period of harm minimization and domestic incentive adjustment.

Productive and inclusive investment in the Cambodian economy is long overdue, and it is a difficult recommendation to make that such investment must wait longer or be conditioned on demonstrated reforms. Yet, if capital infusion is to meaningfully pull Cambodia from its current mire, it can only be offered to a regime that has begun to demonstrably recognize the need to shift its ruling strategy. At the moment, there is little sign this is forthcoming. Until there are profound changes to this status quo, foreign investment must proceed with caution—for both the good of the Cambodian people who have been the primary victims of the regime's predations over the last four decades and the rest of the world, which is now getting a strong, unpleasant taste of those fruits.