



FACT SHEET: Forced Online Scamming Operations (OSO) in Cambodia

The form of human trafficking now known as forced online scamming or “trafficking for forced criminality” first appeared at significant scale within Southeast Asia in Cambodia in mid-2021. Three years later, this phenomenon is clearly a significant element in defining the threat of human trafficking in the country. Cambodia CTIP, a USAID-funded activity implemented since March 2021, estimates that the number of OSO sites currently operating throughout country is at least 350. These online scamming sites rely on the largely involuntary labor of an estimated 150,000 persons from at least 22 countries, including China, Vietnam, Indonesia, India, and Bangladesh. This is a conservative estimate.

The OSO phenomenon is evolving rapidly. When first detected as a significant trend in 2021, it involved largely Chinese, Thai and Vietnamese involuntary workers who had been recruited for work in Cambodia through deceptive means – often offering high salaries and other attractive terms at a time when labor markets were weak due to the COVID-19 pandemic. In 2021, the problem was largely concentrated in Sihanoukville, already an established center for legal and illegal gambling and attendant organized crime activities.

The demographic profile of trafficking victims has changed significantly in three years. While citizens of China are still prevalent among those working in scam sites, they no longer appear to represent the majority. A diversification of exploitation has occurred, with South Asians, Indonesians and Filipinos appearing in greater numbers. From what Cambodia CTIP has learned, scamming bosses seeking to operate in Cambodia are increasingly focused on exploiting North American, European, and Australia-New Zealand populations, using involuntary workers who have English language ability (e.g., Indians and Bangladeshis) in part because of the perceived more lucrative nature of these markets, and in part driven by the belief that the threat of a PRC-driven response – such as that seen in northern Burma – is lessened if OSOs do not target PRC citizens for involuntary labor or for the scamming. A concurrent trend has been the diversification of the geographic disposition of the OSO industry; Sihanoukville remains the leader in sheer numbers of estimated OSO sites, but it is no longer the majority (see chart).

Cambodia Online Scamming Operations (OSO) Sites

Sihanoukville	80
Bavet	55
Poipet	40
Phnom Penh	35
Pailin	15
Others (including Koh Kong, Kandal, Pursat)	125
TOTAL	350

MOVING FROM BURMA

Since first seen at scale in 2021, Cambodia’s OSO industry has experienced tremendous growth. In 2021 and 2022, this growth was shared by a commensurate expansion of the largely Chinese organized crime-led scamming operations into the ethnic enclaves of Burma (Karen and Shan States) and the large Golden Triangle Special Economic Zone in Laos (owned by organized crime figure and US sanctions designee Zhao Wei). As it became pronounced and appeared to present a threat to border security, this expansion into northern Shan State, along the Chinese frontier, in October 2023 prompted a prolonged series of Chinese armed offensives to both detain Chinese criminals and rescue and repatriate Chinese trafficking victims. Chinese media highlighted images of high-level criminal figures being escorted away in shackles aboard special flights from the border region.



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Starting at the time of the PRC's security response, many OSO operators in Burma choose to relocate to Cambodia – offering a far safer operating environment. To date not one senior scamming operator has been arrested by law enforcement. Unlike Burma, where OSO sites appear largely concentrated in ethnic border areas, Cambodia offered scammers a wide variety of locations, all connected by connected by adequate infrastructure and financial systems. Throughout early and mid-2024, Cambodia CTIP has received reports of this relocation; some of it involving wholesale shifting of entire operations and some involving movements confined to management or owners. For example, in May 2024, a source reported that the son of major scam boss Liu Zhengxiang – who Chinese authorities arrested in northern Burma in late 2023 and took to China for punishment – moved recently to Sihanoukville and opened new casino and OSO site “Powerlong” in the center of this city.

Reports of newly constructed OSO compounds in areas of Cambodia previously not identified as OSO sites seem to track with a general assessment that the industry has grown significantly in the last 12 months and that this growth is linked to the threats seen in Burma. These new areas include Anlong Veng, Pailin, and the area of Cambodia's border with Vietnam between Bavet and Chrey Thom. Also, there appears to have been a surge in newly opened OSO sites in Poipet, Bavet, Phnom Penh, and the riverside town of Kampot.

CAMBODIA'S ROLE AS OSO MONEY LAUNDERING CENTER

Intensive investigative efforts by a couple of journalists, whose work was showcased in a series of VOA press reports in June 2024 shed public light on what Cambodia CTIP has been learning over the last year – that one of the leading money “gateways” for laundering the massive amount of criminal proceeds from online scamming, not only in Cambodia but for the Mekong sub-region, is Cambodia-based payment platform “HuiOne.” Banned from operating in China, HuiOne offers the Chinese criminal diaspora in Southeast Asia a suite of financial services including the conversion of illicit proceeds into licit USD and Chinese Yuan holdings, and an FDIC-type of insurance for this money laundering, guaranteeing the owner of the illicit proceeds a full return should the third

party conducting the mechanics of the money cleaning lose or steal the funds. Despite the harsh publicity, the reports of HuiOne's criminal role has had no discernable effect.

IMPUNITY AND COMPLICITY

Enabling this rapid rise of the OSO industry in Cambodia, is the alleged complicity of senior business and political elites including oligarchs holding formal and informal power. Many of the properties on which OSOs operate are reportedly owned by these prominent individuals, reflecting business relationships between organized crime groups – usually Chinese – and influential Cambodian property owners. It's been widely reported from multiple sources, including international law enforcement experts, that Cambodian authorities are reluctant to mount a credible response to this highly lucrative industry given the complicity of senior officials and prominent oligarchs. Seeming to confirm this analysis is the fact that, to date, not one OSO manager or owner has been arrested, investigated, or prosecuted in the Kingdom.

CAMBODIA CTIP'S RESPONSE

Recognizing the limited Cambodian government appetite for collaborating with external partners in addressing OSO, Cambodia CTIP has opted to implement a series of activities that rely on local CSOs, external INGOs or consultants:

- **Since September 2023**, Cambodia CTIP has partnered with a Cambodian NGO operating the country's sole residential center (shelter) that can provide comprehensive services for non-Cambodian and Cambodian victims of forced online scamming – regardless of gender, nationality or age. This NGO runs a shelter on the outskirts of Phnom Penh, in Kandal province. Cambodia CTIP's assistance has allowed the NGO to expand its capacity, hire and train additional staff, and provide essential victim protection services (counseling, legal aid, accommodation, meals, medical care and safe repatriation). From September 2023 through August 2024, this shelter has assisted 261 victims of trafficking (216 non-Cambodians; 45 Cambodians).
- **Since December 2023**, Cambodia CTIP has partnered with Humanity Research Consultancy (HRC) to both provide specialized access to Chinese-speaking victims of trafficking in Cambodia and to gather unique information on trafficking developments and trends involving the Chinese criminal organizations behind the OSO industry. In early 2024, HRC consultants have produced two situational assessments as well as several spot reports on particular sub-topics.
- **Since January 2024**, Cambodia CTIP has partnered with Freedom Collaborative, a US-based NGO that has successfully operated an online platform for knowledge sharing within the anti-trafficking community for years. As part of this Cambodia CTIP partnership, Freedom Collaborative created an online Forced Online Scamming Response Working Group for NGOs in the Southeast Asia region to share information and updates on the issue of OSO. The working group meets monthly through secure calls, and shares information regularly via a secure communications platform. Through this group, members collaborate on case referrals, share intelligence to trigger actions against scam operations, and develop practical recommendations for policymakers and other stakeholders.
- **First in May 2022 and again in May 2024**, Cambodia CTIP held informational workshops titled “Destination Cambodia” for NGOs, INGOs and UN agencies to discuss the expanding profile of the country as a destination for foreigners trafficked into the OSO industry.