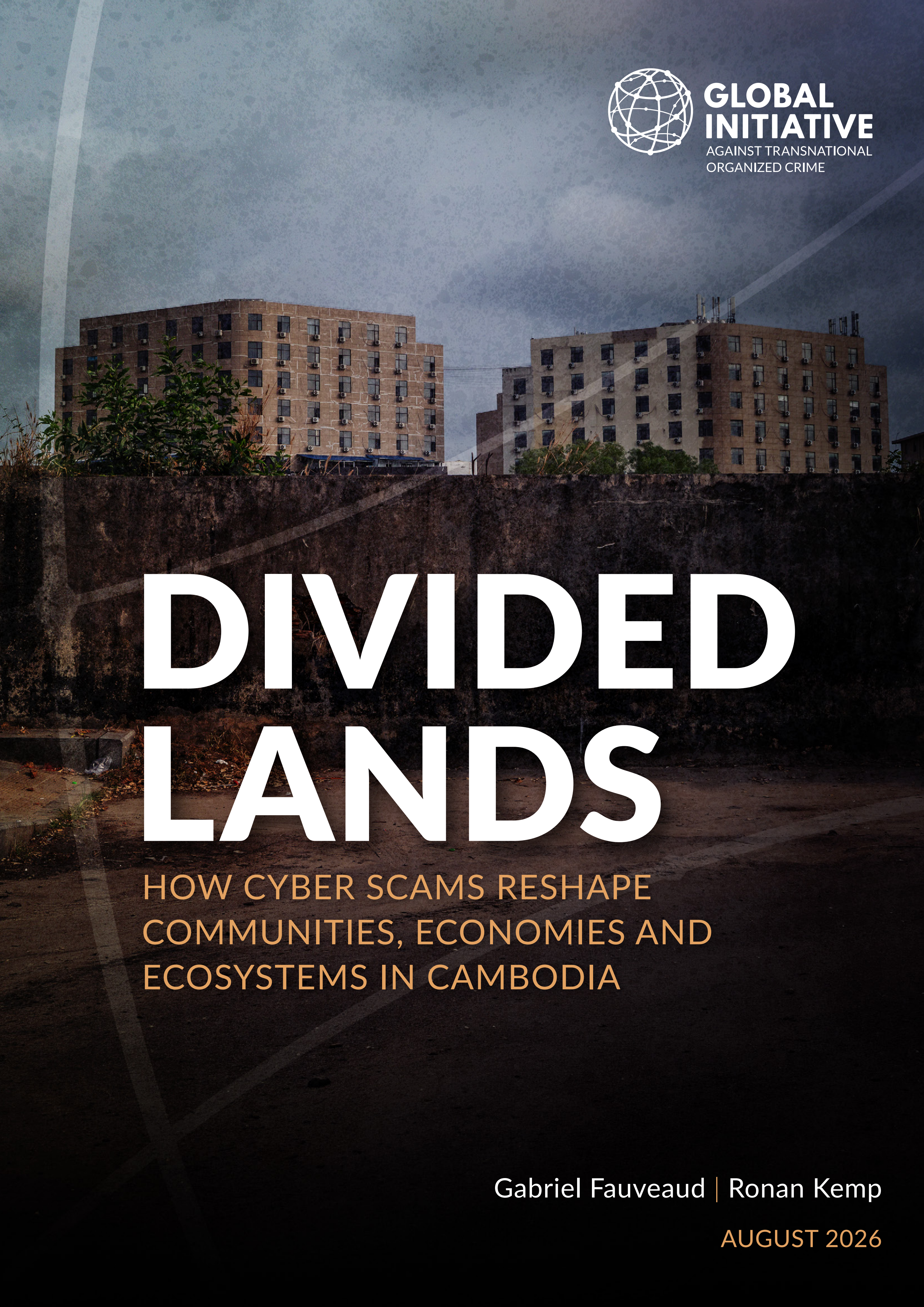

GLOBAL INITIATIVE
AGAINST TRANSNATIONAL ORGANIZED CRIME

DIVIDED LANDS

HOW CYBER SCAMS RESHAPE COMMUNITIES, ECONOMIES AND ECOSYSTEMS IN CAMBODIA

Gabriel Fauveaud | Ronan Kemp

AUGUST 2026

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This report is the output of an investigative consortium of international researchers and academics looking at the impacts of the scam industry on communities and territories in the Global South. Data was gathered by a team of local researchers under the supervision of Ronan Kemp.

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SUMMARY

Over the past two decades, Cambodia has become a central node in the global online scam economy. Initially embedded in casino developments along national borders, this industry has spread widely and is now deeply rooted in numerous communities, reshaping land use, labour markets, mobility patterns and environmental conditions across the country. It has become a major force in local development, particularly in border towns, rural districts, indigenous territories and coastal concession zones.

While the response to Cambodian scam centres to date has been multifaceted, so far it has failed to tackle the underlying drivers and enablers of this criminal industry. Government crackdowns launched in 2025 curtailed some operations and led to the deportation or departure of tens of thousands of scam workers, but evidence from the field indicates that the territorial networks remain largely intact. In fact, in many areas, scam-related construction continues, recruitment persists and operations are resuming in more dispersed or less visible forms.

In many communities, this illegal industry is changing how local economies function and how towns and cities grow, so that they increasingly support a transnational criminal system. This shift has redirected economic activities away from traditional agrarian and commercial practices and embedded local territories within illicit global networks. Despite this, for many households, the industry has become a normalized, albeit precarious, source of employment, given the limited opportunities in agriculture, manufacturing and other legally registered businesses and services.

The resulting social and spatial disruptions are considerable. Residents face more fragmented communities, weakened social cohesion, new forms of land dispossession and the erosion of long-standing relationships to land and livelihoods. These changes have also contributed to environmental degradation. While such processes have long been observed in urban settings and government-granted land areas, their spread into rural villages can exert a particularly destabilizing impact.

Drawing on field research across eight locations in seven provinces, this policy brief provides insights into the wide and diverse effects of the scam industry on communities and economies across Cambodia, and discusses implications for response. It shows that framing scams solely as a criminal or cybersecurity issue rather than as a development, labour, land governance and social protection problem not only fails to address the political and economic conditions that allow scam economies to embed themselves, but also risks further entrenching the criminal ecosystem as more and more people are drawn into it.

Key points

- The expansion of the online scam industry is closely connected to broader economic processes, including foreign investment in development projects, the rise of casino-based economies and the implementation of policies promoting economic corridors.
- In Cambodia, this expansion reflects a spatial shift of the industry towards secondary cities, villages and remote areas, which has profound consequences for the communities whose socio-economic conditions are already undergoing rapid deterioration.
- There is an urgent need to develop a research and intervention agenda focused on the local effects of the online scam industry that adopts a cross-cutting analysis of the social, economic, environmental and governance implications of this illegal economy.
- Substantial efforts in outreach and support are needed for residents of secondary cities and rural areas who are directly affected by this industry, as current awareness initiatives primarily focus on preventing workers from entering scam operations.
- Including the perspectives of local communities, victims and people living close to compounds or linked and drawn to the illicit economy through work is crucial to capturing its consequences beyond the confines of scam compounds and beyond victims of human trafficking.
- Understanding the local impact of this industry will enable the design of better risk mitigation policies that could prevent the entrenchment and enlargement of illegal economic activities while reinforcing the accountability of local territorial authorities.

GEOGRAPHIC DIFFUSION

The expansion of the online scam industry in South East Asia, and in Cambodia in particular, highlights the pivotal role of secondary cities in the spread and consolidation of this illicit economy.[1] What began in the late 1990s as isolated casino enclaves in remote border towns has grown into a nationally integrated economic system built around online scam operations. This system blends licit and illicit capital flows, restructures local labour markets and reconfigures rural and urban geographies. Secondary urban centres combine integration into national urban networks, characterized by road connectivity and reliable electricity infrastructure, providing peripheral and less visible locations where illegal activities can be conducted more discreetly (see Figure 1).

To illustrate how this illegal economy generates varied impacts at the local level, this section looks at three key forms of spatial dispersion of the online scam industry across the Cambodian territory: border casino-scam corridors, large-scale public land concessions, and rural and indigenous frontiers.

Workers from across Asia and Africa are freed from a scam centre in Sihanoukville, Cambodia, in January 2026. Once concentrated here, the scam industry has spread to secondary cities and remote border towns. *© Magdalena Chodownik/Anadolu via Getty Images*

FIGURE 1 Cambodia, showing the study focus areas.

Border casino-scam corridors

The first category of scam industry dispersion consists of cities and towns that have benefited from their dual status as border hubs and economic corridor cities, situated on major regional trade and transport routes. Cities such as Bavet on the Vietnamese border in the east (see Figure 2) and Poipet on the border with Thailand in the west have occupied strategic positions in the implementation of the Ho Chi Minh City–Phnom Penh–Bangkok economic corridor since the 1990s.[2] As a result, they have been the focus of substantial infrastructure investment, especially in transport, telecommunications and special economic zones.[3] These investments accelerated in the latter half of the 2010s, driven in part by the growth of Chinese capital inflows associated with the Belt and Road Initiative.[4] Over the same period, the Cambodian government sought to generate new revenue by developing casino cities aimed at attracting Chinese, Thai and Vietnamese gamblers who are prohibited from gambling in their own countries.[5] The casino economy emerged along the Thai border from the 1990s onward and along the Vietnamese border from the 2000s.

Communities living along border regions in Cambodia have long been affected by and involved in illicit and illegal economic activities. During the years of civil war (1967–1975), these areas became strategic hubs for the circulation of prohibited goods such as arms and drugs, the illicit trade in natural resources, including timber and gemstones, and cross-border smuggling. Control over these territories has often rested with local political-economic elites, who accumulated wealth through such activities and emerged as influential regional tycoons from the 1980s and 1990s onward.[6]

From the 1990s to the 2000s, these actors played a key role in promoting the development of casinos in border areas, often in collaboration with Vietnamese and Thai elites with whom they had already established ties through other illicit networks.[7] These casino economies favoured the emergence of activities such as trafficking in prohibited goods (for example, drugs, cigarettes, alcohol and cars), human trafficking and the sex trade, while the movement of large amounts of cash facilitated money laundering, and the influx of temporary visitors and workers provided cover for trafficked people and criminal operatives.

A casino in Poipet on the Thai border. Some casinos closed after the clashes between Thailand and Cambodia in July 2025; others have been repurposed for illicit activities. *© Tang Chhin Sothy/AFP via Getty Images*

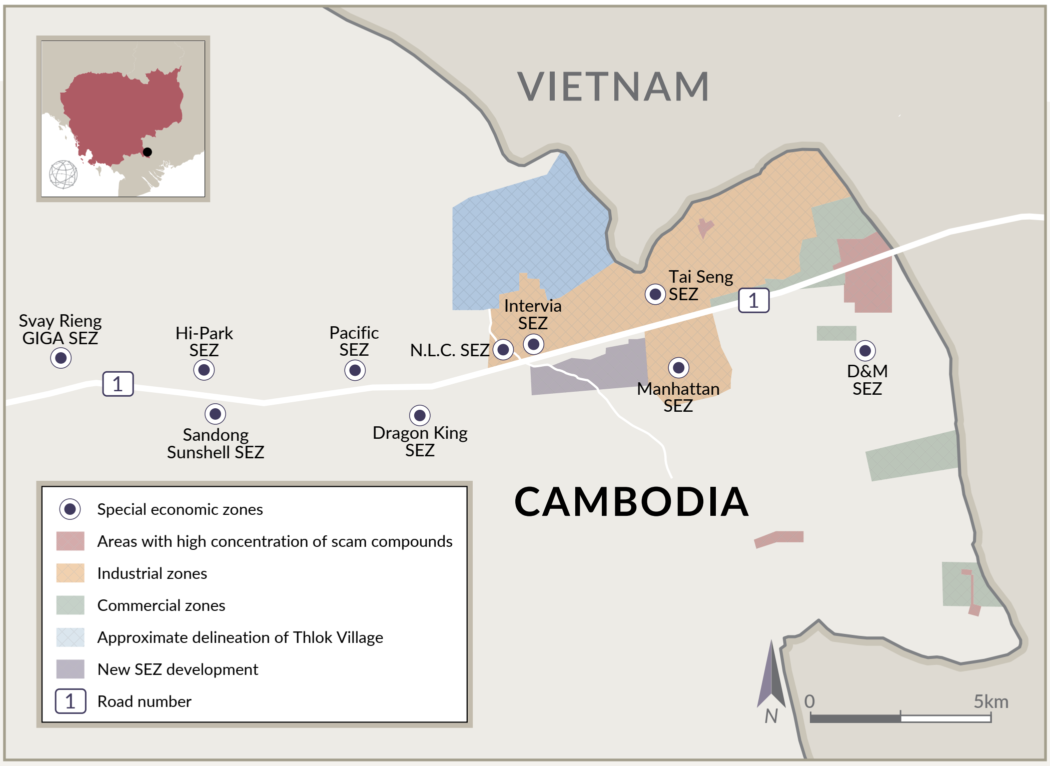

FIGURE 2 Bavet city, showing key sites in the expansion of the online scam industry.

SOURCE: Based on data from the Ministry of Public Works and Transport for the Asian Development Bank, Cyber Scam Monitor and OpenDevelopment Cambodia

The presence of established criminal networks, a preexisting concentration of illicit activities, the local entrenchment of the casino economy, and the rapid extension of transport links and digital networks have collectively facilitated the development of the scam economy in these border cities and towns.[8] These border-based online scam centres now exert a significant influence over their surrounding territories. Local economies and urban dynamics have increasingly reorganized around the online scam industry, turning these compounds into centres of broader economic systems that extend beyond their physical boundaries. Local authority involvement is one of the factors that has allowed these systems to take root and expand.

Grey governance, political protection and local impunity

While corruption and the involvement of Cambodian political and economic elites in the development of the online scam industry in Cambodia have attracted attention,[9] the role and engagement of local authorities is equally critical. In Bavet, for instance, one interviewed worker described the apparent involvement of provincial authorities in the online scam industry, suggesting that some operations function with a degree of local protection.

Tola,[10] a 26-year-old Cambodian online scam worker said, 'The scam owners usually have meals with provincial leaders', and recalled, 'my boss invited the provincial governor to a party at the casino where I work'.[11] He also described the everyday proximity of political authority to scam-linked businesses. 'I see the provincial governor and deputy provincial governor all the time; they have lunch at my casino on the second floor.' In this context, enforcement appears selective at best: when compounds are raided, Tola argued that it is because they are 'small scam places with no tycoons to protect them'.

The normalization of local corruption and lack of accountability would allow better-connected compounds to persist and grow, even amid crackdowns. The regular presence of local political representatives and members of the security forces within the compounds is likely to reinforce workers' sense that they have little protection, while suggesting that the authorities tolerate – or even actively support – the exploitation and social disruption harm linked to this economy. ■

What stands out is how fast the online scam industry has normalized and entrenched itself within the communities in these regions, both as a means of making a living and as an urban and spatial reality. In Tbong Khmum province, for example, three young women explained the benefits they saw in the scam industry near their village, while also mentioning concerns. 'Without the online industry I would not be able to support my family … I would not be able to go to university.'[12] In the same conversation, another woman mentioned, 'The only thing I worry about in those places is the torture … My crush works there. Sometimes I worry he can be tortured if he doesn't reach the target.'[13]

Larger compounds also offer recreation and other facilities and are well received by the community. For example, referring to a big compound near her home, another of the women said, 'The city has everything! Restaurant, supermarket, KTVs [karaoke television venues] with Vietnamese girls, Chinese – US$500 for Chinese and US$300 for Vietnamese.'[14]

Prum: a scam–casino nexus in a border region

Prum, also located along the Thai–Cambodian border, follows a long trajectory of casino-led urban development that began in the early 2000s and has involved a shifting mix of Cambodian, Thai, Chinese and transnational investors. Early casino projects were tied to elite patronage networks and profit-sharing arrangements with provincial authorities, setting the scene for later waves of rapid, profit-driven development.[15]

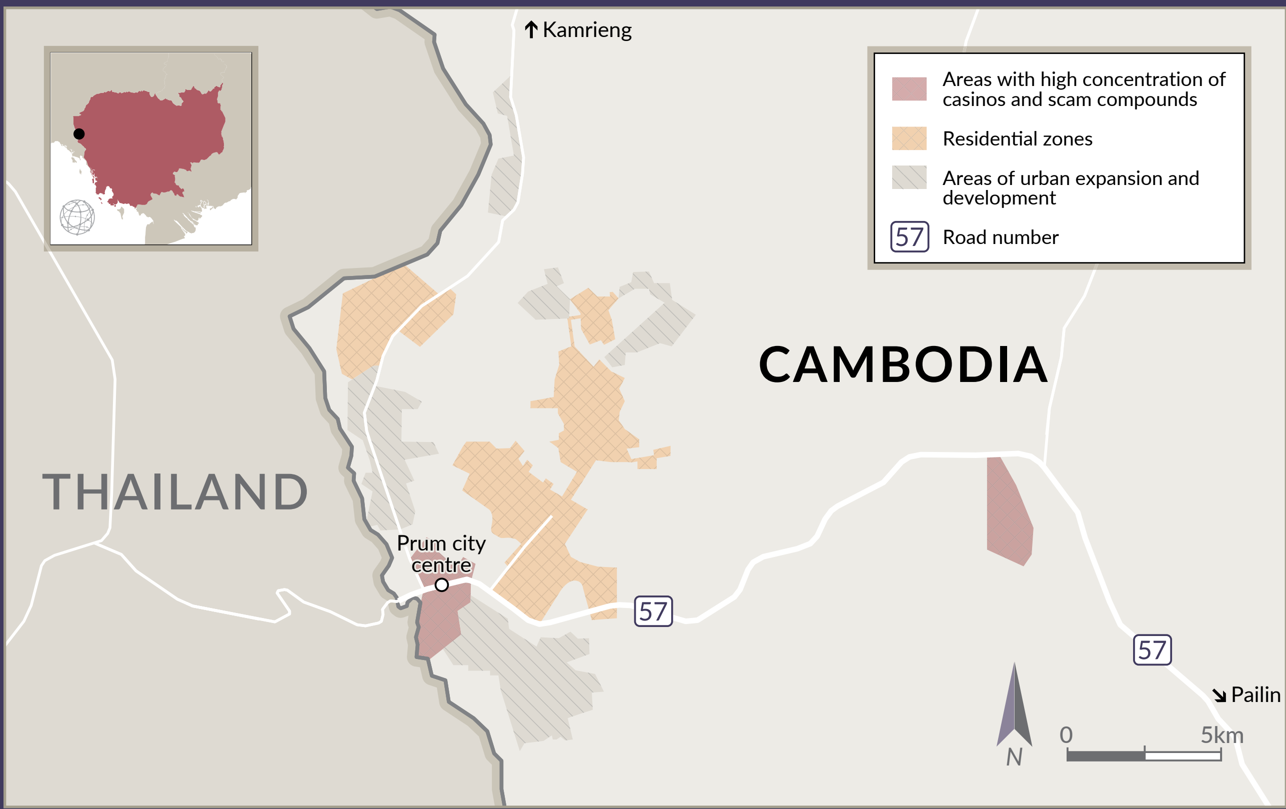

FIGURE 3 Prum city, showing the expansion of the online scam industry.

The city's casino economy has changed over time. As evidenced by satellite analysis of urban growth, as well as population census data for Stueng Kach (the administrative territory encompassing Prum), the town has experienced two distinct phases of growth.[16] The first began in the late 1990s with the establishment of casino facilities, leading to significant urban densification and the initial stages of spatial expansion. During the 2000s and 2010s, the city's peripheries extended more gradually. Since the end of the 2010s, Thai investors and owners have gradually been replaced by Chinese ones,[17] following the arrival of Chinese casino owners in Cambodia during the second part of the 2010s.

Modest growth continued in border casinos until the mid-2020s, while post-COVID investment has increasingly shifted towards scam compounds, which now constitute the dominant form of new constructions in and around the city.[18] From 2021 onwards, Prum and its surrounding areas entered a second phase of accelerated growth and densification, driven by the development of new casinos and the establishment of online scam centres. This had an impact on the overall economy of the area. Real estate, including gated housing and villas, were built across the city's outskirts, bringing an increased population of construction workers, truck drivers and online workers.

Some casinos have shut down, possibly affected by the border conflict between Thailand and Cambodia, which escalated into armed clashes in July 2025. Others have been repurposed and are used by criminal actors for other illegal businesses. For instance, during field research, the team observed a casino building empty of casino-related operations but acting as a selling point for crystal meth, with surrounding roads and alleyways guarded by watchmen. Construction workers, online workers and other passersby can be seen purchasing small doses of drugs in the morning – often used by workers to maintain high energy levels throughout the day.[19] In Poipet, the research team observed in May 2026 that scam centres emptied following government crackdowns were being reused at night by smaller groups of scammers operating discreetly inside the buildings, with no lights visible from the outside.[20]

Prum is another example of how direct the impact of scam operations can be on local communities. For example, a villager who lives 5 kilometres from Prum, in a small village of 270 families, explained: 'Around 70 per cent of villagers here go to work in Prum … People around here used to work as farmers or do business in Thailand. Nowadays, because of the conflict, people work in the casino industry. People work online, or as security guards. I am a security guard over there, and my wife also works in a casino, as a cleaner.'[21]

Most residents throughout Prum expressed contentment with their ability to get work in online scam industries and in physical casinos – although they also noted that there are often exceptions.[22] One said, 'My wife was at one time not given her salary for two months. The manager ran away … She lost 18 000 baht [US$545]. She didn't dare to complain, if we complain, they just get rid of us.'[23]

Large-scale public land concessions

A second cluster of online scam and gambling businesses can be found within developments such as new towns and multifunctional urban megaprojects. In Cambodia, the physical footprint of these illicit operations is particularly visible within national parks bordering the port city of Sihanoukville, which emerged as an early hub of the industrial-scale scam operations in the country.[24] From the late 2000s onward, the government granted large-scale land concessions within protected natural areas, granting rights to use extensive areas of land for development and commercial purposes. The aim was to promote major tourism-oriented real estate projects.[25] While many of these projects progressed slowly in their initial phases, their growth surged during the rapid tourism and urban development of Cambodia's southern coast in the second half of the 2010s. This acceleration was particularly pronounced in large protected areas close to Sihanoukville.[26]

Following the COVID-19 pandemic, tourism development experienced an unprecedented slowdown. Several of these concession areas were repurposed to host online scam operations,[27] which has intensified land dispossession. The expansion of online scam operations in these settings brings into sharp relief a set of underlying structural dynamics. Large-scale land concessions have functioned as integrated development schemes where casinos, luxury resorts, infrastructure megaprojects and purpose-built scam compounds are folded into a single spatial and economic configuration.[28] Within this process, local communities are frequently displaced, subjected to eviction, deprived of access to coastal, marine and forest resources, and driven into wage-paying jobs that are directly or indirectly tied to scam-related activities. At the same time, widespread corporate secrecy and intricate subcontracting arrangements severely limit accountability, scattering responsibility across a disorganized mix of investors, developers and operators.

For example, in Koh Kong (see Figure 4), since the government granted concessions to Chinese as well as other foreign companies, hundreds of households have been pushed from the coastline and further inland as part of multiple waves of eviction and displacement.[29] In late 2021, more than 1 100 families from Koh Kong's Botum Sakor and Kiri Sakor districts were coerced into accepting a land titling agreement, and a land titling lottery was instigated. While this is a common methodology used by the government to allocate plots of land to evictees, residents reportedly felt they were left with no other options.[30] For example, one affected villager reported: 'I was recently evicted from my village, Phum Tuo-Po. I was part of a group of 400 households that got evicted since around 2022.'[31] She said that the eviction forced her husband to move from fishing to construction work: 'Now he works in construction at the Dara Sakor site … Before, he was a fisherman. He would wake up at 4 am, go fish and catch some crabs for about one or two hours. By noon, he would make about US$50. We could relax all afternoon together. Sometimes he could get more than US$100 per day … Now, life is difficult.'

A casino forms part of a coastal development project in Koh Kong. Hundreds of households have been displaced by similar megaprojects in Cambodia, some linked to illicit activities. © *Brent Lewin/Bloomberg via Getty Images*

Almost all interviewed respondents in Koh Kong mentioned working in scam operations themselves, or having acquaintances, family members or spouses who did, in jobs ranging from construction to online scam work.[32]

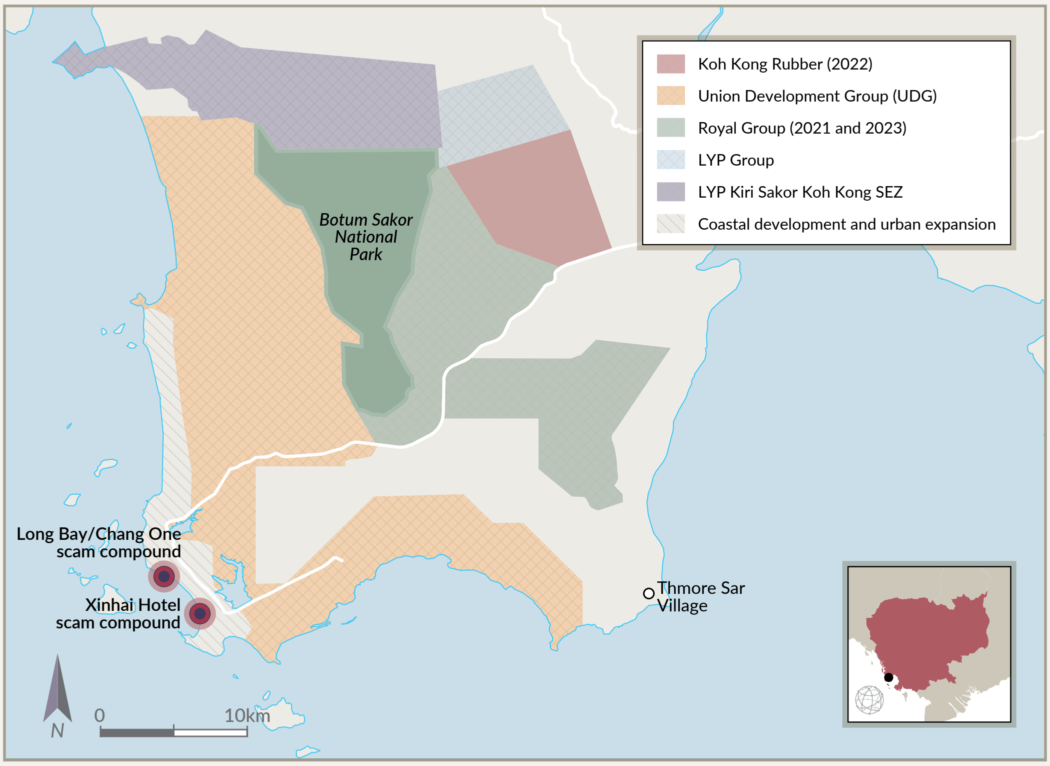

FIGURE 4 Koh Kong province, showing key sites in the expansion of the online scam industry.

SOURCE: Based on data from the Cambodian League for the Promotion and Defense of Human Rights, Cyber Scam Monitor and Open Development Cambodia

Rural and indigenous frontiers of the scam industry

In 2025, as Cambodian authorities have targeted and raided scam compounds, partly in response to increasing international pressure, the online scam industry has shown a growing tendency to disperse into a third type of scam centre that is situated in rural areas and more remote zones. Due to their location, these spaces are far less visible to state oversight and public scrutiny. Their local impact is significant, as they quickly reshape existing land use and social and economic patterns.

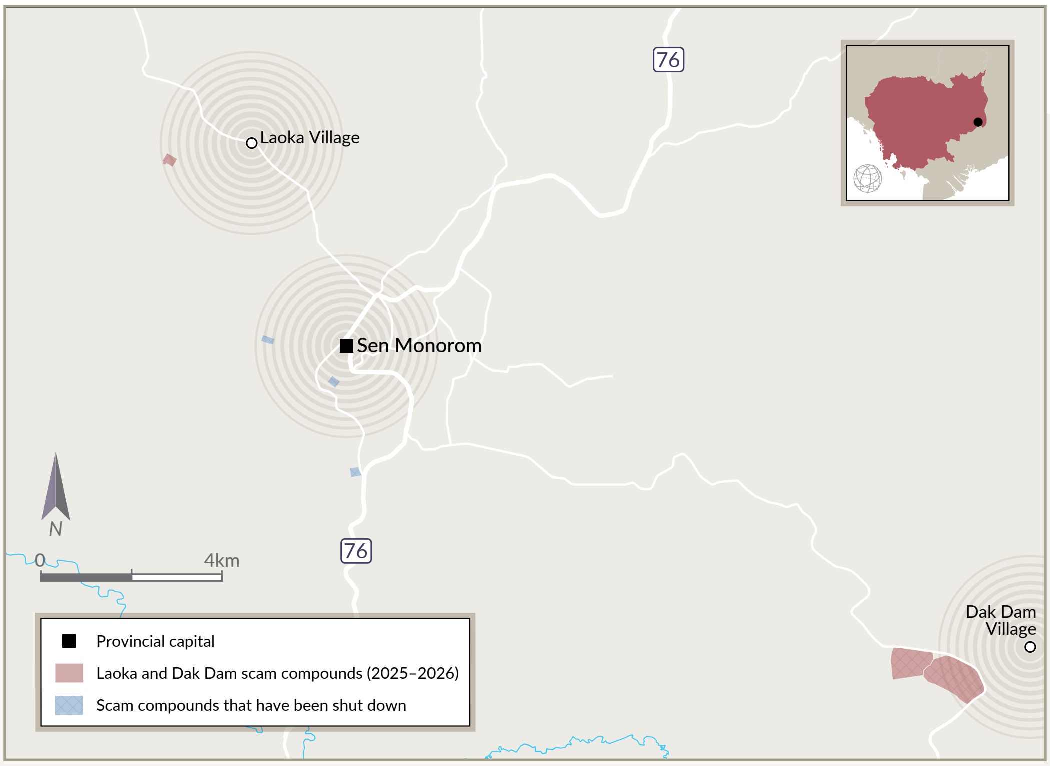

FIGURE 5 Mondolkiri province, showing operational and dismantled scam compounds.

SOURCE: Based on data from the Cyber Scam Monitor

A taxi driver's view

In the rural settlement of Dak Dam, Vantha, a taxi driver, described a systematized relationship between the local economy built around transport and trade and the scam industry. Taxi drivers play a key role in moving workers across provinces, transporting them to and from Poipet, Tbong Khmum, Sihanoukville and other places.[33] Vantha covers the Mondulkiri area, mostly operating outside Dak Dam, as his home is nearby. He told us 'Being a taxi for online staff is better than a normal company. I can earn more … I just wait on the Telegram group between taxi drivers and the boss of the scam place … I get guests almost everywhere.' Vantha explained that workers often change location, making it a viable opportunity for drivers like himself. 'Most are foreigners. Chinese, Vietnamese, Pakistani, Indian, Bangladeshi.'

The taxi business linked to the scam industry started systematically five years ago in Mondulkiri, according to Vantha. But at Dak Dam, it's only been going on for about two years, as the scam centres arrived more recently. This constant rotation of foreign workers forces taxi drivers into a circulatory labour regime: drivers sleep in their cars waiting for trip requests, and often remain stationed outside compounds for days. 'I sleep here, in the car. We sleep where we are.'

As the taxi industry grew in parallel with the scam industry, so too did the tension between taxi drivers and the police. Vantha explained that the police increasingly instigate checks on drivers, and demand that drivers perform document inspections on foreign passengers. For Vantha, even though he is aware that this is an illegal economy, he does not consider it his role to question who his passengers are: 'Why am I being the inspector? … We as taxi drivers only pick up guests. We don't have authorization for inspecting guests' documents … It's their role, they have different roles like immigration and so on. Why do they allow them [foreigners] to come? Where did they come in?'

The sparsely populated land in the Laoka area, traditionally inhabited, used and managed by the Indigenous Bunong people, is known for its forests, waterfalls and ecotourism sites. The area has been rapidly reorganized around the online scam economy: within roughly a year, a large compound of approximately 30 buildings (see photos) was built on or near customary land. Although the development grew quickly and on a large scale, it soon felt like a normal part of everyday life to those who live nearby, who have begun to refer to it as the 'Laoka compound'.[34] 'They've been constructing for just around one year. It's so fast. There are already people working inside,' explained one resident.[35] Almost immediately after the compound opened, Khmer migrants and informal vendors clustered around the site to sell food and basic goods to workers, creating a roadside micro-economy and informal shelters on the compound's edges. The result is a shift from indigenous livelihoods based on the land to a new, informal and dependent ecosystem centred on the scam compound. Land use, movement and local economic activity are increasingly shaped by the compound's presence.

Land in the Laoka area has been rapidly reorganized around the scam industry, with a compound of some 30 buildings built in roughly a year. *Images: Apple Maps satellite image 2024 (left) and drone photograph February 2026 (right), with annotations by Kem Rathanak*

DISRUPTIVE EFFECTS OF EXPANSION AND ENTRENCHMENT

As well as the social and economic disruptions already described, this illicit industry reshapes the labour market, how people relate to, access and own land, and fragments their connections to nature and the environment.

Changing livelihoods and employment

Traditionally, secondary cities served as transit points between rural agricultural economies and larger cities, connecting producers, markets and urban centres. But the rapid growth of the online scam industry has shifted these cities' economic structures away from agrarian and commercial activities and towards servicing an illicit, transnational industry. Limited alternative employment opportunities have pushed residents to seek work in or around the online scam industry, as demonstrated in the example of Prum city.

In marginalized rural territories, the scam industry is also attracting workers of all ages. This illegal economy has become the dominant, and in some cases the only, source of income. In a village along the Vietnam–Cambodia border, this has disrupted patterns of work and employment. Jeff, a 22-year-old activist and village resident, described his experience:

> Before the development of the scam industry, family and kids worked together on the plantation as a community. Since the cyber scam industry arrived, this fragmented the labour economy both at the family level and at the community level. Many plantation staff, especially young people, have left to work in the online scam economy, where salaries are higher, and my father had to do more work, work longer and harder because of this.[36]

Intensification of land inequalities

The development of the scam and casino economy has exacerbated land inequalities in numerous ways. Firstly, the growth of online scam activities has encouraged residents to buy and sell land and property in the hope of making a profit. Researchers observed that in many secondary cities where the scam industry has boomed, local landowners increasingly convert their land into assets that can be used by the scam industry and its workforce, for example, by building rental housing for online workers and entertainment venues such as karaoke television venues.[37] Peri-urban land is being converted into villas, gated housing and rental units, particularly in border secondary cities, where foreign-language real estate advertising signals a market oriented towards foreign investors and workers.

In Prum, for instance, Vanthorn, a Cambodian man, described real estate investment dynamics in his area: 'Most people here invest in land plots to build rental housing … We really hope there will be more foreigners here soon … We are ready to rent, even from today.'[38] As a result of this trend, demand for land is driven less by a diverse local economy than by speculation linked to foreign investment and the temporary workforce employed by casinos and scam operations.

The growth of Cambodia's scam and casino economy has deepened inequality, concentrating wealth and land among elites and driving many poorer residents to work into scam centres, where forced labour and torture have been reported.
© Magdalena Chodownik/Anadolu via Getty Images

This dependence makes the local economy more unstable, leaving land values and rental incomes sensitive to changes in regulations, politics or security. Following government crackdowns and regional instability, including ongoing tensions between Cambodia and Thailand,[39] demand has declined sharply, leaving many newly built properties vacant and demonstrating the risks of property speculation as a driver of urban growth.

In other areas, such as around Bos Chek, Anlong Chrey, Trapeang Phlong and Meanchey, many residents have been pressured to sell their land to make way for the scam industry.[40] This has sometimes triggered conflicts between local officials, who often support private stakeholders, and the residents themselves. In contrast, in larger secondary border cities such as Poipet and Bavet, large areas of land are owned by politically connected investors and business tycoons.[41] This concentration has helped to reduce open land disputes during urban expansion, allowing development to proceed quickly while limiting opposition from smaller landowners.

Where disputes have arisen, particularly over the suspension of land titling processes, they tend to highlight structural weaknesses in land governance rather than widespread local resistance to the scam industry.

Land appropriation and local power brokers

The expansion of scam compounds is accelerating the appropriation of public and customary land. While such processes in urban settings and large land concessions involving public land are well documented, their extension into small villages has received less scholarly attention.

Jeff reported that in his village, a public pond and its surrounding area, which was previously treated as a shared community resource, was sold to Chinese investors by a powerful local individual without knowledge or approval of the affected community. 'No one knew what he was doing,' he said.[42] The transactions were able to proceed without opposition because they were kept secret. Residents reported that authorities circulated misleading accounts in the media, presenting the transfer of public resources as consensual. Claims that the pond was 'voluntarily provided' by villagers as a 'show of good will' were described as a fabrication used to legitimize the deal.[43] This reflects a broader pattern of grey governance: land decisions are justified as development, while the terms of the deals, who benefits and whether they are legal are kept out of public view.

FIGURE 6 A village in Tbong Khmum province, showing the encroachment of the scam industry on a rubber plantation.

FIGURE 7 Satellite images of a village in Tbong Khmum province, showing customary land featuring a pond in 2006, gradual appropriation of this land between 2013 and 2024, and a scam compound established in 2026.

SOURCE: Google Earth and Apple maps satellite imagery, with annotations by Kem Rathanak

Following the transaction, a large scam worker-compound was erected on the site. The speed of construction and the scale of capital involved has created a sense of dispossession for the community. Although residents did not face forced eviction or displacement, the presence of the compound has presented the loss of a shared space, community fragmentation and other community-level impacts associated with scam compounds.

A dispute later emerged between the company developing the compound and a neighbouring land-owner over the construction of a perimeter wall that would have encroached on plantation land. After negotiation, the wall plan was partially abandoned, leaving one section open. This partial concession suggests that pushback can be feasible where clear private ownership exists.

The case of this village shows that public land, customary use and common resources have become easier for the scam industry to capture through influential intermediaries and informal authority.

Environmental damage

Development in places like Dara Sakor, on Cambodia's southern coast, occurs within marine and coastal protected areas.[44] This links the cyber scam industry with large-scale environmental destruction. Further west along the coast, in Koh Kong, the connection between illicit investment, land concessions and environmental degradation has become a central feature of how these territories are shaped.[45] Scam-linked compounds, access roads and supporting economies are expanding alongside the enclosure of coastal areas and formerly protected forests, accelerating displacement and undermining livelihoods such as small-scale fishing.[46]

Scam-driven environmental transformation is not limited to coastal megaprojects. In Tbong Khmum, eastern Cambodia, the online scam industry has also spread into rural areas, reshaping agricultural landscapes, particularly rubber plantations.[47] Land there has become vulnerable to secretive transactions, artificial price inflation and the rapid construction of scam-compatible developments the size of small towns. This has accelerated the degradation of the environment, notably the deterioration of water bodies.

Chinese-backed developments in Dara Sakor are driving environmental destruction in protected coastal areas while being exploited by regional actors in the scam industry. *© Brent Lewin/ Bloomberg via Getty Images*

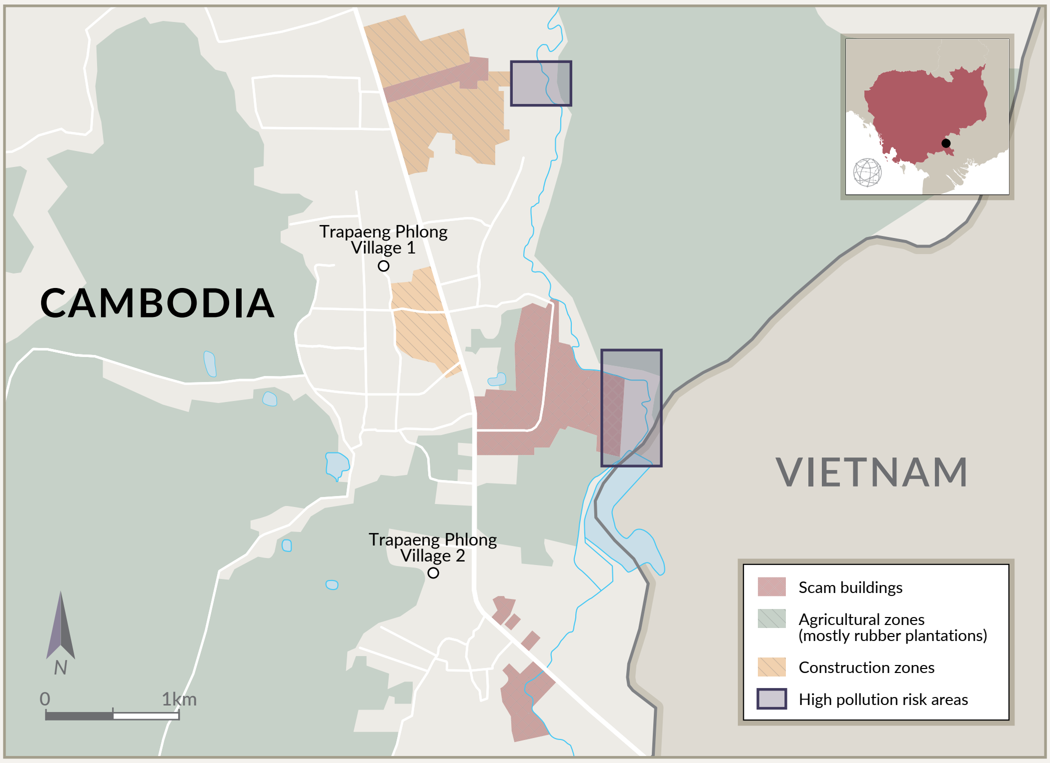

FIGURE 8 The village of Trapeang Phlong, showing the risks to water bodies posed by scam compounds.

SOURCE: Based on data from the Cyber Scam Monitor

Research indicates that the sudden arrival of hundreds of workers has directly contributed to the pollution of the environment as rural areas and small villages often lack adequate waste management and wastewater treatment infrastructure.[48] In Trapeang Phlong, residents reported that increased waste had polluted the water in various locations around scam compounds (Figure 8).[49] Not only is it no longer possible to fish in these waters, but the pollution has also raised concerns about the contamination of agricultural land, irrigation water and the food produced in the area.

CONCLUSION: AN EMBEDDED ILLICIT INDUSTRY

From coastal dispossession and environmental destruction in Koh Kong to rural land appropriation and labour reorientation in Tbong Khmum and Mondulkiri, and the consolidation of casino-scam urban economies in Prum, Pailin and Bavet, this brief's findings highlight a recurring pattern: across Cambodia, illicit economies have become major forces shaping local development rather than remaining marginal or temporary activities.

This is not a new trend. The illicit economy has been a driver of urban and labour transformations in border areas throughout Cambodia for at least a decade. Following the government's most extensive nationwide crackdown on scam compounds to date,[50] critical questions remain. Chief among these is whether a post-scam world is truly achievable, and if so, what would become of the scam infrastructure and its capacity for local employment generation, especially in small remote cities and villages. Addressing this challenge requires a proactive focus on economic and social development initiatives designed to provide communities across the country with legal alternative livelihoods. Ultimately, this phenomenon must be conceptualized not merely as a matter of criminal justice, but fundamentally as a developmental challenge.

Recommendations

- **Recognize online scam operations as a development issue requiring dedicated economic and social intervention programmes, targeted public policies and specific funding mechanisms.** Although the government has more recently made an effort to tackle this criminal economy, its growing local footprint and ability to adapt suggest that it is likely to persist. Rather than treating this solely as an organized crime or cybersecurity concern, it is necessary to develop long-term development policies and intervention strategies that could also provide a model for other countries facing the expansion of online scam economies.
- **Increase attention to affected communities by supporting systematic social, economic and environmental impact assessments.** Such an approach could encourage open dialogue and debate about the scam industry and its local effects. The government could facilitate, through dedicated funding and partnerships with civil society organizations and development agencies, the creation of local spaces for dialogue and exchange. This would help foster a better understanding of the impact of this industry, its role in the erosion of social and family ties, and the multiple social, economic and political risks it generates.

- **The government, civil society organizations and development agencies should collaborate on nationwide campaigns to raise awareness of scam recruitment tactics, deceptive labour practices and their long-term consequences.** Campaigns should target the broader population, including youth and their families in rural and urban contexts alike. These campaigns should use both physical and digital channels, including local government offices, schools, vocational training centres, universities, messaging applications and social media platforms. Initiatives could help challenge the normalization of this illicit industry while providing information on how it operates and the risks it poses.
- **Use private taxis and informal transport networks as spaces for awareness-raising and prevention, capitalizing on their role in transporting and connecting recruits to the scam industry.** For example, this could include the removal of all adverts promoting online casinos and affiliated apps in tuk tuks and taxis, and replacing these with awareness campaigns that provide contact information for civil society support around scams.
- **Support community-based monitoring and reporting mechanisms linked to an independent civil society body.** This would enable local residents and village authorities to identify and report early signs of compound construction, land grabbing or environmental degradation linked to scam operations. The information could then be used to disrupt networks, inform investigations and facilitate international cooperation in identifying beneficiaries operating outside of Cambodia.
- **Integrate environmental protection measures into anti-scam policies.** This should include stricter enforcement of waste management and wastewater treatment regulations in rural areas, and the assessment of environmental damage caused by large-scale worker compounds.
- **Increase transparency and due diligence requirements for foreign direct investment and large-scale development projects.** This includes clearer ownership reporting requirements, tighter checks on high-risk investments such as casinos, real estate and special economic zones, and stronger coordination between investment agencies, financial regulators and law enforcement. Greater transparency would help prevent illicit funds linked to transnational criminal networks from entering the Cambodian economy, while improving investor confidence in legitimate business sectors.
- **Prioritize economic diversification strategies in provinces heavily affected by the online scam industry.** Through public investment, development funding and targeted investment promotion, authorities should support legitimate industries that create sustainable employment and local revenue. Reducing dependence on casino-driven development and related criminal economies is essential to building community resilience and addressing the conditions that enable recruitment into online scam operations.

NOTES

1 Secondary cities are economic spaces whose influence rarely extends beyond the national scale. Unlike capital cities and major metropolitan centres, they play a more limited role in the growth of global trade and economic links. Despite this, they can play a pivotal role in the global development of illicit economies. Criminal actors may take advantage of their marginal and less visible position within national urban systems, while benefiting from the presence of economic, transport and commercial infrastructure.

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3 Dolorès Bertrais, Gabriel Fauveaud and Try Thuon, Cambodia's integration into planetary urbanization: Current trends and future prospects, in Anne Yvonne Guillou (ed.), *21st Century Cambodia*. Bangkok: IRASEC, forthcoming.

4 Gabriel Fauveaud, Robin Laillé and Rémy Chhem, The rise of offshore urbanism and the expanding frontiers of financialisation in the Global South, *Transactions of the Institute of British Geographers*, 51, 2 (2026), https://doi.org/10.1111/tran.70075.

5 The illegality of physical and online casinos in many South East Asian countries like Vietnam and Thailand is a key driver for the proliferation of cross-border gambling operations. See UN Office on Drugs and Crime, Casinos, money laundering, underground banking, and transnational organized crime in East and Southeast Asia: A hidden and accelerating threat, January 2024, https://www.unodc.org/roseap/uploads/documents/Publications/2024/Casino_Underground_Banking_Report_2024.pdf.

6 See Sebastian Strangio, *Hun Sen's Cambodia*. New Haven: Yale University, 2014

7 See Caroline Hughes, *The Political Economy of Cambodia's Transition, 1991–2001*. London: Routledge, 2003.

8 See Ivan Franceschini, Ling Li and Mark Bo, *Scam: Inside Southeast Asia's Cybercrime Compounds*. London: Verso Books, 2025.

9 Ibid.

10 All names have been changed to protect participants' identities.

11 Interview with an online scam worker, Bavet, November 2025.

12 Interview with woman A, Tbong Khmum, February 2026.

13 Interview with woman B, Tbong Khmum, February 2026.

14 Interview with woman C, Tbong Khmum, February 2026.

15 The Pailin Flamingo Casino Hotel was the first casino to open in Prum in 2000, initially involving Cambodian- and Thai-linked shareholders. In 2012, Dreamworld Casino Pailin was developed by Entertainment Gaming Asia (EGA), an American-listed firm. The land was leased in 2011 from Ban Sreymom, wife of the then governor, through an arrangement involving an upfront payment and a 20 per cent profit share. See Simon Lewis, Wife of Pailin governor reaps benefits of casino deal, *The Cambodia Daily*, 23 August 2013, https://english.cambodiadaily.com/2013/08/23/wife-of-pailin-governor-reaps-benefits-from-casino-deal; Tom Brennan, Pailin Casino Dreamworld opens May 9, *The Phnom Penh Post*, 7 May 2012, https://khmerization.blogspot.com/2012/05/pailin-casino-dreamworld-opens-may-9.html; *The Phnom Penh Post*, A gamble: Casino in Pailin looks a loser, 27 January 2014, https://www.phnompenhpost.com/business/gamble-casino-pailin-looks-loser.

16 See National Institute of Statistics (Cambodia), Pailin provincial report, 2019, https://nis.gov.kh/wp-content/uploads/2025/09/24.Pailin-Provincial-Report.pdf.

17 Interviews with residents in Prum, November 2025.

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19 Field observations in Prum, November 2025.

20 Field observations in Poipet, May 2026.

21 Interview with resident A, Prum, November 2025.

22 Interviews with residents throughout Prum, November 2025.

23 Interview with resident B, Prum, November 2025.

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32 Interviews with villagers in Koh Kong, October 2025.

33 Interview with a taxi driver, Mondulkiri, January 2026.

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35 Interview with street food seller B outside Laoka compound, January 2026.

36 Interview with residents of a village in Tbong Khmum province, February 2026.

37 Observed during fieldwork throughout Prum, November 2025.

38 Interview with a real estate agent, Prum, November 2025.

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