HRC briefing

Cyber Slavery in the Scamming Compounds

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Cyber slavery is emerging as a form of organized crime of unprecedented severity and scale. Conservative estimates suggest that tens of thousands of victims are held captive in scamming compounds.

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As the scamming activities operate virtually, those running the rackets can easily shift their operations from one country to another. This makes it extremely hard to combat the crime by physically arresting the criminals (e.g. raid and rescue). We urgently need a systemic and coordinated approach from governments and NGOs.

Why you should care

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Background

In early July 2022, Humanity Research Consultancy (HRC) got word of a 24-year-old Taiwanese girl, Pipi (pseudonym), being sold four times and forced to conduct online scamming in the scamming compounds in Sihanoukville, Cambodia. Pipi refused to submit to the criminals and was physically abused severely before being rescued.

In the following weeks, hundreds of cases and SOS messages from potential victims or their families came to light. As of 31st August 2022, there have been more than 600 confirmed cases* of Taiwanese citizens trapped in compounds in Cambodia and Myanmar. They are forced into scamming and sold between gangs and traffickers. The real number is believed to be much larger.

*Numbers given by the International Criminal Affair Division, Criminal Investigation Bureau, Taiwan
Where are the compounds?

Cambodia and Myanmar have been the primary destination countries for victims of cyber slavery. While most cases and scamming compounds (詐騙園區) take place in Sihanoukville, Cambodia, many victims are also kept in:

- Bokor Mountain, Cambodia
- Areas around the Bassac river, near the border between Cambodia and Vietnam
- Wa State and Myawaddy, Myanmar
- Laos, The Philippines, Dubai, Nepal, and several other countries. Anecdotal information shows that traffickers may have started moving their operations to other countries.

Sihanoukville and the SSEZ

Both Sihanoukville city and the Sihanoukville Special Economic Zone (SSEZ) are products of China's Belt and Road Initiative. The environment allowed gambling to prosper, which attracted gangs and mafia who set up prostitution and other forms of organized crime. Debt, weapons, violence, and corruption gradually became familiar. Lavish casinos and hotels have transformed the landscape dramatically, and the cost of living in Sihanoukville has soared, forcing locals to move away. Despite that, between 2013 and 2019, a large influx of Chinese investors, speculators, workers and criminals tripled the population. Sihanoukville became a predominantly Chinese-operated city.

Two significant factors have disrupted this development - Cambodia's ban on gambling in 2019 and COVID-19. Tens of thousands of Chinese citizens left Sihanoukville in 2019 and left a vacuum for criminals, shifting from the gambling business to online scams. Hotels and resorts were turned into offices for lucrative scamming activities. Wealth makes corruption possible; corruption allows criminals to operate with impunity. While the earliest victims working in the scamming industry were Chinese, due to China's strict border control policy, since 2021, criminals have started recruiting victims from other counties and the price of trading human beings has multiplied.
Who are the victims?

HRC is in touch with victims and their families or friends from Taiwan, China, Hong Kong, Vietnam, Bangladesh, India, Indonesia, Sri Lanka, and America. These are victims for whom HRC has names and confirmed identities in our database. Survivors told us they have also seen other victims from Georgia, Russia, Malaysia, Thailand, and many other countries.

Most victims are between 18 to 30, with mixed gender profiles. At the same time, there are also reports of victims as young as 14-year-old*.

How many victims?

Survivors described that sometimes there would be around 30 to 60 victims in one scamming office, 2 to 4 offices on one floor, and up to 10 floors in a building. The size of the buildings varies, but on average, a building may hold up to more than a thousand victims. Buildings and compounds like this are in the hundreds. The satellite image (next page) allows the calculation and estimation of victim numbers. At least tens of thousands of victims are held captive in these scamming compounds.

A Conservative Estimation

50 (victims/office) 
x2 (offices/a floor) 
x5 (floors/a building) 
x50 (buildings) 
=25,000
The notorious China Town compound located in Sihanoukville, Cambodia. China Town compound is one of the largest known compounds.

Bokor Mountain Compound, Cambodia. The compound is surrounded by forest, which makes it extremely hard for victims to escape to any nearby town.

Picture: a typical type of scamming compound. Note that the windows and balconies are covered by fences and the buildings are surrounded by secured walls and CCTV. Photo was taken in Sihanoukville, Cambodia. (Photo credit: HRC)
What are the indicators of human trafficking/modern slavery/forced labour?

Victims and survivors from the scamming compounds described what they faced:

- **Restriction of movement.** All survivors said they couldn’t leave the building or the scamming compound. Attempting to escape may result in severe physical violence or death.
- **Physical and sexual violence.** Victims were beaten, electronically shocked and raped.
- **Victims are sold openly between their employers/enslavers.** Pipi, the victim that HRC first encountered, was sold at USD 25,000. Almost all victims described being sold multiple times, mainly when their performance is low in scamming.
- **Debt bondage.** All victims were told that they owed the company/enslaver money. The fee the companies claim includes food, accommodations, ‘air-breathing fee’, ‘keyboard wearing fee’, ‘floor wearing fee’ and other deceptive items. Enslavers added the cost they used to purchase victims onto victims’ debt. In Pipi’s case, her price (USD 25,000) was deemed her debt by the company that bought her and forced her to work to repay the debt.
- Other indicators include abuse of vulnerability, deception, isolation, intimidation and threats, retention of identity documents, withholding of wages, abusive working and living conditions, and excessive overtime.

Picture (left): A Taiwanese victim being severely tortured. His death was confirmed in August 2022.
Picture (middle): A Chinese victim, Mr. Wen, jumped off the fourth floor, which resulted in severe injury.
Picture (right): Pipi holding the statement indicating that she was sold at US$25,000.
How were victims recruited?

We have confirmed five recruitment methods traffickers used to lure slave victims into the scamming compounds.

- **Recruit through legal, primary job matching websites.** Traffickers pretend to be regular companies (e.g. gaming companies) recruiting workers.
- **Recruit through private job matching groups on social media.** Traffickers use Facebook groups and other social media to approach and lure victims.
- **Recruit through personal networks.** Some victims reported that they were invited by their university or high school friends who were already working in Cambodia or Myanmar. Some victims also described that they were assigned to the 'human resource' department in the scamming compounds and were forced to lure 5 to 10 more victims to join the company.
- **Traffickers pose as potential clients to lure professionals.** Traffickers pretend to be potential customers, inviting magicians, interior designers, and tour guides to visit Cambodia and provide services.
- **Traffickers kidnap victims on the street.** Some victims were kidnapped during their visit to Cambodia and forced to work in the scamming compounds.

![Picture (lower left): GASO.](https://www.globalantiscam.org/post/is-human-trafficking-victim-still-a-victim-in-the-end)

![Picture (lower right): ET Today.](https://star.ettoday.net/news/2316325)
What were victims forced to do?

Different 'companies' or criminal operations tend to specialise in various scamming functions, including targeting specific types of 'clients' or scamming victims. One primary scamming style is called the "pig-butcherering scam."

"My company/enslaver specialised in scamming the North American market, and that's why they particularly want workers/slaves who understand English. My company has the ability to obtain endless new American phone numbers to send SMS to potential scamming victims. We send messages like "hey are you going to the weekend party?" and once they reply "you send it to the wrong person", we will reply really politely, and start making them fall in love with our characters. The goal is to make them invest in our platform. Some victims sold two houses and lost millions to my company/enslaver." - one trafficking victim's testimony describing how pig-butcherering scam works.

Traffickers understand psychological tactics:
- **Creating a charming persona** - a caring, hard-working, loving person who cares for parents and kids.

- **Customising favoured stories** to targeted clients/victims. Characters who have been through a harsh divorce, or been mistreated in life, would be presented to highly educated female victims to win their empathy.

- **Creating arguments and drama** with the clients/victims, conducting emotional blackmail and making sure scamming victims are emotionally invested and quickly feel like they are in a relationship.
Scammers' playbook

8. Scammers trying to understand clients/victims' financial status

- In Chinese: “to understand the clients’ weekend behavior pattern”

9. Scammers trying to understand clients/victims' financial status

- In Chinese: “The seventh day; third cut. This means the third time to bring up the investment topic.”

10. Scammers trying to understand clients/victims' financial status

- In Chinese: “reply after 30 mins”
## Recommendations

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<tr>
<th></th>
<th>What we have seen</th>
<th>Recommendations</th>
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<tbody>
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<td>1</td>
<td>There is evidence of some Cambodian government officials (including police) involved directly in selling victims. There are also victims being ignored by the current official complaint mechanism.</td>
<td>(Cambodia) Take immediate action to establish a functioning, responsive, trustworthy channel for victims to raise complaints and be rescued.</td>
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<td>2</td>
<td>Even after victims were rescued and gave testimonies and evidence of experiencing human trafficking, traffickers still operate with impunity.</td>
<td>(Cambodia) Take immediate action to investigate, arrest, and prosecute the traffickers.</td>
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<td>3</td>
<td>Scammers or traffickers are incentivised to enslave victims to conduct scams, as it is lucrative and feasible. Victims of scams are contacted through SMS and social media platforms. Scammers are able to harvest mass phone numbers and information by exploiting the system's loopholes.</td>
<td>(International) Strengthen the telecom system to ensure scammers are not able to exploit the system to harvest potential scamming victims' personal information (e.g. phone numbers)</td>
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<td>4</td>
<td>Scammers are able to instruct scamming victims to transfer millions, without being stopped by the financial system.</td>
<td>(International) Strengthen the financial system to ensure suspicious transaction will be stopped or made difficult.</td>
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<td>5</td>
<td>Crypto scammers took a record of 14 billion in 2021, and the majority of the scamming victims are in Western countries.</td>
<td>(International) Elevate countering cyber frauds with higher priority and allocate extra resources to do so, with the understanding that allowing cyber fraud may mean allowing modern slavery to happen in the fraud industry.</td>
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In 2008, the Sihanoukville Special Economic Zone (SSEZ) was established.

In 2010, China and Cambodia signed The Agreement between the Government of the People's Republic of China and the Government of the Kingdom of Cambodia concerning the Sihanoukville Special Economic Zone.

In 2013, the Belt and Road Initiative was launched by China's Xi Jinping. According to the Chinese government, SSEZ is considered to be the role model for China's Belt and Road Initiatives.

In 2019, the Chinese population in Sihanoukville reached 250,000 (compared with 80,000 in 2013.) The official statistic in July 2019 shows that 90% of the business in Sihanoukville were owned by the Chinese.

In August 2019, the Cambodian government issued a directive banning all online and arcade gambling in Cambodia. Around 400,000 Chinese left Cambodia due to the ban between 2019 and 2020.

In June 2021, Global Anti-Scam Organisation (GASO) was established. GASO is an organisation formed to support victims of scams and victims of slavery in the scamming business.

On 10 March 2022, 35 human rights organisations from Cambodia, Thailand, Malaysia, Singapore, Pakistan, India, and Myanmar issued a statement expressing concerns about the slavery compounds.

On 11 August 2022, HRC and multiple Taiwanese MPs and one survivor hosted a press conference urging the Taiwanese government to address Taiwanese citizens being enslaved abroad, particularly in Cambodia, the first press conference of its kind.
Investors may enjoy the tax holiday for a maximum of 9 years; No tax when reusing the profits to invest; No export tax for exported products; No foreign exchange restrictions and foreign exchange capital can flow in and out freely.


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