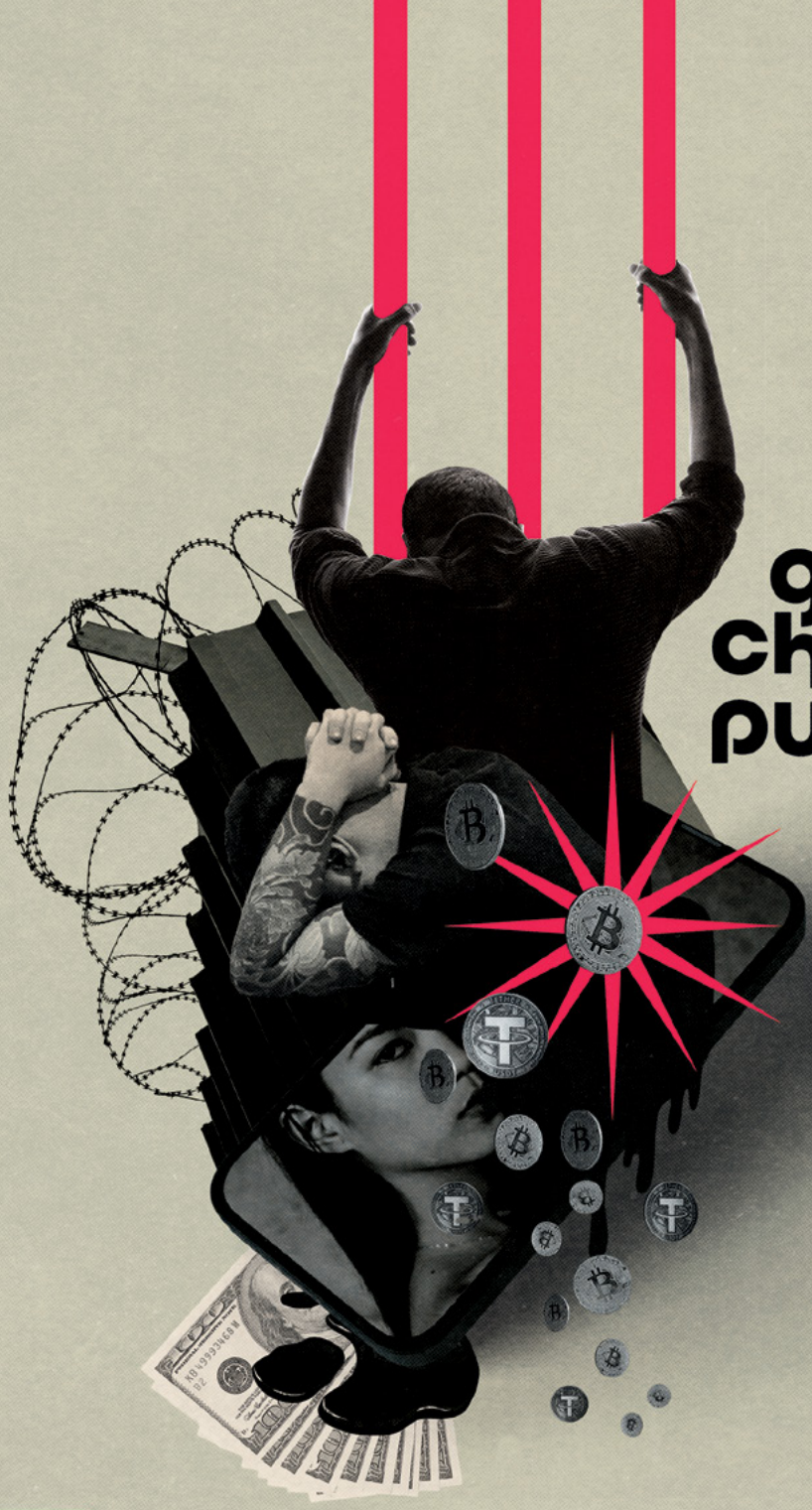

global china pulse.

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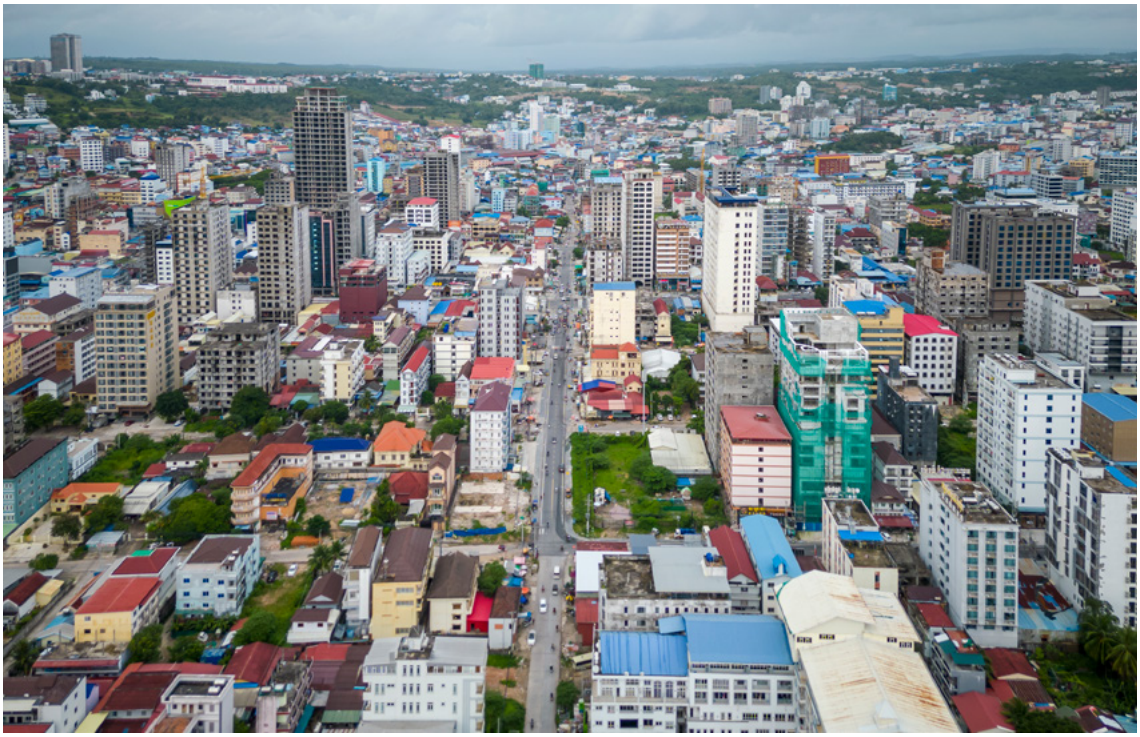
SCAMMED: DISSECTING CYBER SLAVERY IN SOUTH EAST ASIA

This text is taken from *Global China Pulse*: Volume 3, Issue 1, 2024.



Sihanoukville, Cambodia

Aerial view of Sihanoukville in September 2022. Source: All photos were taken by Roun Ry.

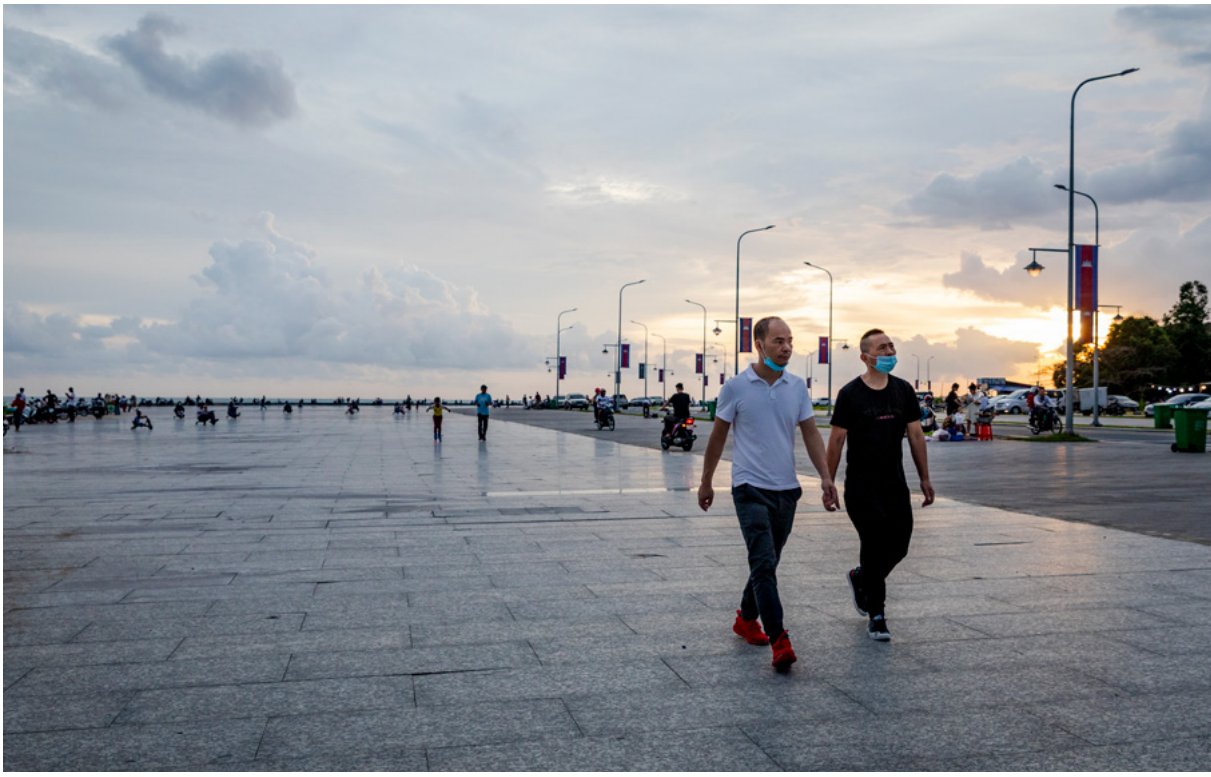
Sihanoukville: Rise and Fall of a Frontier City

Text by Ivan FRANCESCHINI,
Photos by Roun RY

Over the past few years, no place has come to embody the abuses of the online scam industry more than the Cambodian city of Sihanoukville. Once a quiet coastal town known as a haven for foreign backpackers, Sihanoukville, in the second half of the 2010s, rapidly morphed first into a booming online gambling hub and soon after into a notorious base for online scam operations, many of which were staffed by individuals working in conditions akin to slavery. Accompanied by photos shot in the city during a short-lived crackdown on the industry launched in late 2022 by the Cambodian authorities, this essay looks back at the trajectory of the city over the decades to understand how all this could happen.

> This first visit to Sihanoukville had been wonderful, I would even say magical … [O]n that day of September 1992, all we could see was a small town with a huge, huge, long beach. The ocean deep blue, the sky blue. It was like heaven. Going up that mountain and seeing this beautiful landscape, you felt on top of the world. And nobody was there.
>
> —Youk Chhang (2021)

Reminiscences such as this are not uncommon among those who had the opportunity to visit Sihanoukville, a small city on the Cambodian coast, before a massive influx of foreign capital, mostly from Chinese investors, radically changed the urban landscape in the second half of the 2010s. From quiet seaside town known mostly as a backpacker destination, the place turned first into a booming frontier city with aspirations to become the 'new Macau' and then into a notorious haven for online scam operations. How did it come to this? How did a city once famous as a destination for low-end tourism turn into a hub for human trafficking and modern slavery linked to cybercrime?



There Once Was a Beach

People taking a walk on a concrete promenade in Sihanoukville that used to be a beach, September 2022.

The Romanticised 'Before' (1950s – 2017)

Founded in the mid-1950s around a then new deep-water port funded by France and named after the late Cambodian king and long-term ruler Norodom Sihanouk (1922–2012), the Sihanoukville of old is often remembered as an enchanted place. Youk Chhang (2021), director of the Documentation Centre of Cambodia, a nongovernmental organisation (NGO) that played a fundamental role in documenting the atrocities of the Khmer Rouge, has described how, when he was growing up in Cambodia in the 1960s, he used to hear about the city in popular music. Although he had never visited the place, his youthful fascination was also fuelled by the fact that Jacqueline Kennedy had travelled there in 1967 to inaugurate a boulevard named after her late husband, John Fitzgerald Kennedy. As his words in the epigraph to this essay show, his first visit to the city in the early 1990s did not disappoint.

I had a chance to visit Sihanoukville myself in the early 2010s and have some very distinct memories of a somnolent town of low-rise buildings, with seaside resorts beside white-sand beaches where one could lie in a hammock and simply relax. The temptation to nostalgia is strong. Yet, even at that time, it was

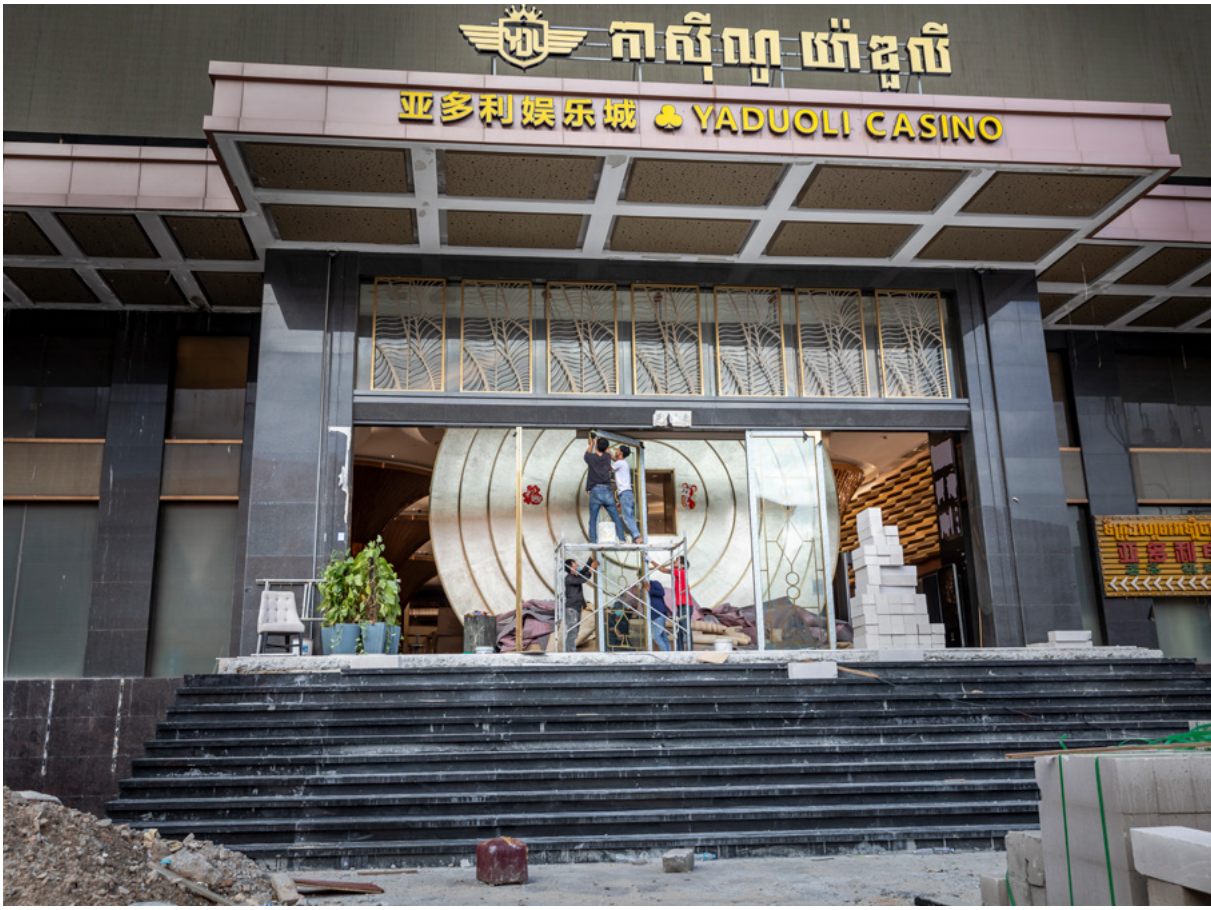
widely known that, behind the beautiful scenery, the city was an imperfect paradise. Not only were certain areas a haven for sex tourists, including several notorious paedophiles, it was also a favourite haunt of a handful of Russian oligarchs and gangsters, who for years dominated the city with their extravagant behaviour and penchant for violence.

In the early 2010s, Sihanoukville was the long-term home of a growing community of about 200 former Soviet citizens and attracted as many as 5,000 to 6,000 Russian-speaking tourists every year (Plokhii 2011). They had their own Russian-language newspaper, a monthly Russian community meeting, at least six Russian restaurants, street signs in Russian, and a Russian-owned beachside disco. There were also plans to build the first Russian Orthodox church in the city, which came to fruition a few years later (Orthodox Christianity 2014). Money—often of uncertain provenance—was pouring in. Yet, the situation on the ground was quickly shifting as new Chinese investors began to eye the lucrative opportunities in the city.

In fact, China's presence in Sihanoukville goes way back. Under the Khmer Rouge regime (1975–79), the city was the site of one of the main Chinese aid projects in what was then known as Democratic Kampuchea: the reactivation and expansion of an oil refinery that had been built by a French company in the 1960s and abandoned due to continuous attacks from Cambodian and Vietnamese communist insurgents and US bombing in May 1975. According to Henry Locard:

> The entire peninsula of Kampong Som [now Sihanoukville], the country's high sea harbour, was something of a haven of near normality in a sea of misery in this particularly wretched Southeast region. This had to be so for the visiting Chinese sailors or other foreign visitors. The Chinese built a long pier and warehouses, while the oil refinery, burnt by the Khmer Rouge in the early days of the civil war, was being repaired by Chinese experts, and was planned to reopen in 1980. (Cited in Mertha 2014: 100)

In *Brothers in Arms*, Andrew Mertha (2014: Ch. 5) documents in painstaking detail the bureaucratic and personal challenges that Chinese workers faced as they attempted to rebuild the refinery—their long-ago voices resonating with the complaints of some of their successors of today as they bemoan the lack of skills of Cambodian co-workers and the impossibility of understanding who is in charge of what (Franceschini 2020). The refinery would never be completed, the project reaching a premature end due to the onslaught of the internal purges in the Khmer Rouge bureaucracy and then the Vietnamese invasion. As the Vietnamese forces entered Kampong Som, the place 'became noteworthy' as a 'site of the disorganized and panic-ridden retreat of the Chinese' (Mertha 2014: 117). Convinced by Khmer Rouge propaganda into believing that all was well on the Vietnam front, Chinese technicians and workers took a while to realise the impending danger. It was then too late for them to escape and as many as 200 became de facto prisoners of war.


亚多利娱乐城
YADUOLI CASINO

Fast forward two decades. In the newly pacified Cambodia of the 1990s, Sihanoukville gained renewed importance as the country's only deep-water port, which made it an important hub for international trade. In the new millennium, Chinese businesses began to gain a foothold in the city and the surrounding Preah Sihanouk Province. An important event in this sense was the establishment of the Sihanoukville Special Economic Zone—a development that would later be branded a landmark project of the Belt and Road Initiative (BRI) in Cambodia (IDI 2021). A priority of both the Chinese and the Cambodian governments since its approval in 2006, the project showcased the alignment of their agendas in that period, with Cambodia prioritising the zone's development to attract foreign capital to build its export capacities, and China eager to push its well-established manufacturers to head overseas and seek lower-cost production bases and explore access to foreign markets (Loughlin and Grimsditch 2020; Bo and Loughlin 2022).

Boom ...

The transformation of Sihanoukville began abruptly in the mid-2010s, accelerating around 2017, as online gambling operators set up shop in the city. They soon spread rapidly across Cambodia, but Sihanoukville was the perfect location: relatively good access to the capital, Phnom Penh, a functioning airport, and plenty of land—much of it already grabbed by local elites—available for purchase or rent; an already thriving in-person gambling industry; and very lax law enforcement. Possibly, it was made even more desirable by the impending construction of China-funded infrastructure, especially a new expressway that would connect the city to Phnom Penh, dramatically cutting travel time between the two cities.

Given these considerations, industry operators began to descend *en masse* on the city, investing not only in their online activities, but also in a host of new casinos, hotels, and entertainment venues, most of which were targeting the rapidly growing Chinese market. This generated a bubble that, at its peak in 2019, produced annual revenue conservatively estimated between 3.5 and 5 billion USD a year, 90 per cent of which came from

Boom and Bust...

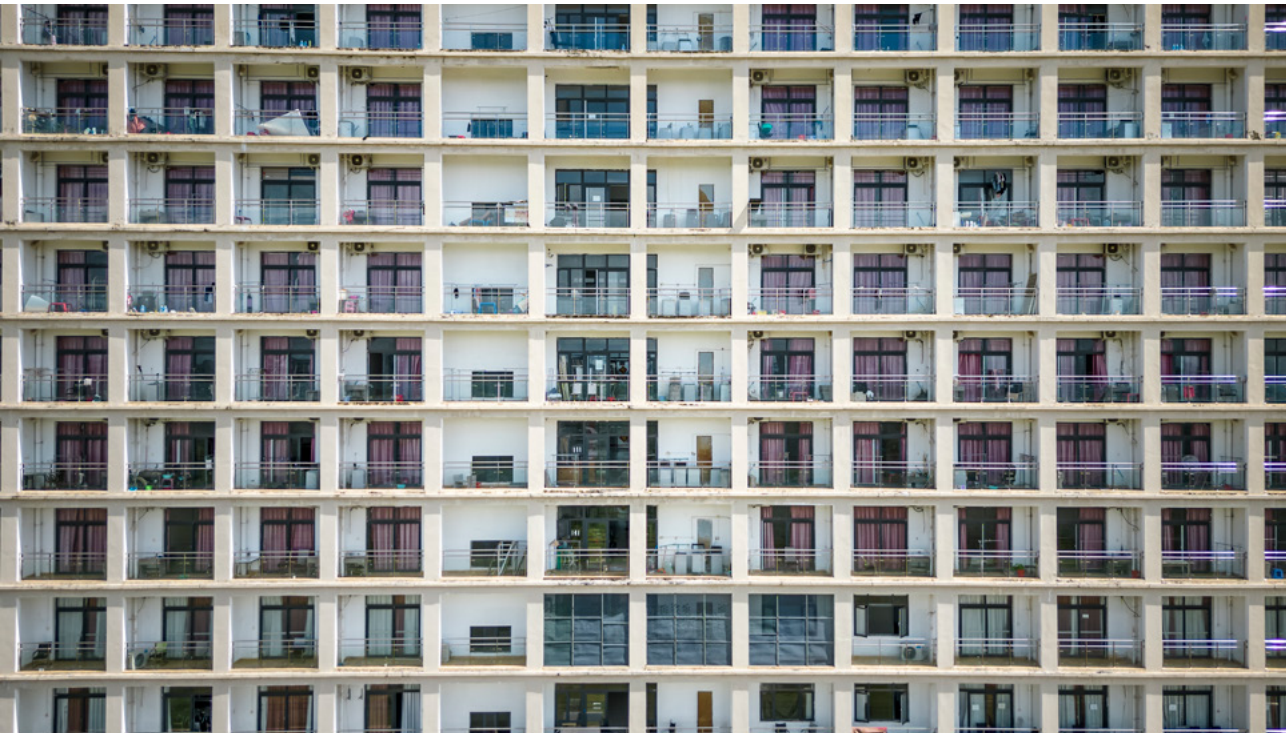
(Previous page, top) Local labourers working on the entrance of an unfinished casino building in Sihanoukville, September 2022. (Bottom) Aerial view of the Nanhai complex in the Independence and Sokha Beach area of downtown Sihanoukville, September 2022. Numerous reports have alleged that online gambling and scam operations are based in these structures (for a review, see Cyber Scam Monitor 2022b).

online gambling (Turton 2020). The Chinese population in the city grew exponentially, as did the percentage of businesses owned by Chinese nationals, which in mid-2019 was a staggering 90 per cent of the total in the city (Hin 2019).

Cambodian landowners were able to profit from this windfall by renting or selling their land and properties to deep-pocketed Chinese investors at hugely inflated rates, with prices as much as 15 times higher than the pre-2017 levels, according to one report (Ellis-Petersen 2018). At the same time, however, local people and businesses unable to afford the rising rents and costs were pushed further to the margins or forced to leave altogether (Hin 2018). Concurrently, a ramping up of evictions of small seaside businesses, ostensibly aimed at 'beautifying' the beaches for the benefit of the expected inflows of Chinese tourists, further hit the local community (Spiess 2018; Keeton-Olsen and Moeurn 2020). The erasure of these types of resorts led to a reduction in low-budget travellers and, combined with the transformation of the city into a massive construction site, pushed away prospective tourists not looking for high-end hotels and gambling. All the while, there were widespread concerns about the quality and safety of the new buildings that were mushrooming at record speed all over the city. These worries came to a head on 22 June 2019, when a building under construction in the centre of Sihanoukville came crashing down, killing 28 workers and their families who were living on the site (four Chinese nationals were eventually charged with causing involuntary bodily harm and damage with aggravating circumstances; see Khan 2019a).

To make things worse, around this time, public security also became a serious concern in the city. In January 2018, authorities in China launched a three-year campaign known as 'sweeping away the black and eliminating the evil' (扫黑除恶), to root out 'underworld forces' (Greitens 2020). Destinations like Sihanoukville likely presented an enticing prospect to gangsters trying to avoid the crackdown. It was around this time that reports of kidnappings, human trafficking, and forced labour to fuel the burgeoning online gambling and online scam industry in Sihanoukville started appearing with increasing frequency in Chinese-language media. As the presence of illicit online operations became better known, in July 2018, the Chinese Embassy in Cambodia released a warning about the 'high-paying traps of online gambling recruitment'—one of the earliest instances of such advisories that we were able to locate (Chinese Embassy in Cambodia 2018). The embassy encouraged Chinese nationals who planned to come to Cambodia, especially young people, to be vigilant about offers of well-paid jobs as 'typists', 'network technicians', 'network customer service', and 'network promotion', regardless of whether these were promoted in online advertisements or introductions by friends or relatives.

Alarm about public security in Sihanoukville peaked in May 2019 when security camera video showing the body of an assassinated Chinese man being thrown out of a car in broad daylight made the rounds on social media (The Cambodia China



Times 2019). A couple of days later, Cambodia's National Police released a report that revealed that Chinese nationals were the top perpetrators and victims of crime among foreigners in the kingdom during the first quarter of the year (Taing 2019). Of 341 arrests, 241 were Chinese nationals.

Among growing public fear, later in the month, another video went viral. In it, a Chinese man wearing a white T-shirt was seen defiantly declaring: 'If Sihanoukville will be safe or chaotic in the next three years is under my control', while another 19, shirtless, Chinese men menacingly crowded behind him (Nachemson and Kong 2019; Zhuang 2019). The clip triggered strong feelings in the Cambodian population and further fuelled concerns about gangsters from China taking over the city. Rebuttals by the Chinese Embassy in Phnom Penh that this was just a prank by ordinary workers from Chongqing who had arrived in Cambodia only a few months earlier were met with scepticism (Khan 2019b; Iem 2019). The men, some heavily tattooed, filmed the video in a dormitory room like those found in scam compounds. As similar news piled up, it became increasingly untenable for the Cambodian authorities to ignore what was happening on the coast; the ban on online gambling soon followed.

Scam Operations

Drone shot taken from the courtyard of the Jinshui compound in Otres Village, Sihanoukville, September 2022. The complex has been implicated in dozens of media reports detailing online scams and gambling operations, with former workers reporting conditions of bonded labour, violence, and suicides (see Cyber Scam Monitor 2022a).

... and Bust

The day in 2019 when then prime minister Hun Sen announced the online gambling ban, 18 August, was a watershed moment for Sihanoukville. No-one was more aware of this than the Chinese nationals in Cambodia, who began to refer to the event simply as '818'—a supposedly auspicious number transformed into a symbol of doom. If up to that point the city's economy was soaring, afterwards the edifice showed hints of cracking. Signs began to emerge that many operations had closed and rushed to relocate, dragging with them not only their workforce but also that of ancillary industries. According to some reports, an estimated 10,000 Chinese fled Sihanoukville in the space of a few days after the ban was announced (Inside Asian Gaming 2019). Reports followed of more Chinese leaving the city and Cambodia and, in January 2020, Cambodia's Immigration Department revealed that about 447,000 Chinese nationals had left the kingdom (Ben 2020). While this is a huge number, there was no breakdown of how many of these departures were residents and how many were short-term visitors. During the same period there were 323,000 inbound Chinese travellers, meaning the net influx of Chinese was down by more than 100,000 people. While it is not possible to isolate any other potential factors that could have caused this drop, it can be assumed that 818 had an impact.

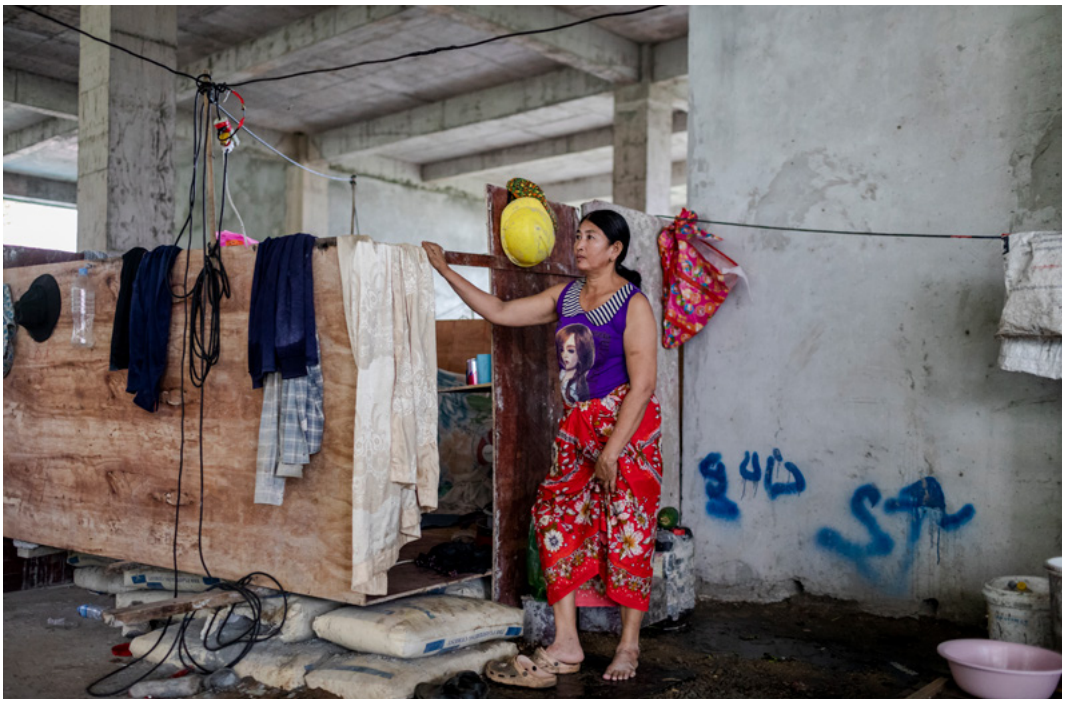
Several casinos shut in a matter of weeks, with many more laying off staff, leaving at least 7,000 Cambodians unemployed by the end of the year (Prak 2019). The real estate bubble burst and construction halted on many projects, often leaving workers unpaid and in limbo. Commercial rents dropped by about 30 per cent and hotel room rates decreased by up to 50 per cent (Turton 2020). According to a survey by the Chinese-founded Federation of Business Associations of Preah Sihanouk Province cited in *Nikkei Asia*, between August 2019 and early January 2020, almost 800 restaurants had gone bankrupt and daily orders had plummeted by more than 80 per cent (Turton 2020). As many restaurants generated the bulk of their income from serving workers in online facilities, restaurants' daily earnings had fallen from an average of 1,500 to 200 USD, while monthly earnings from food delivery dropped from 3,000 to 800 USD. Livelihoods were destroyed, leading business owners to flee the city without paying their rent and bills to avoid further losses. In some extreme situations, suicides were reported (suicides among business owners are mentioned, for instance, in Sihanoukville Diary 2020; Huang 2022; Phoenix Weekly 2022).

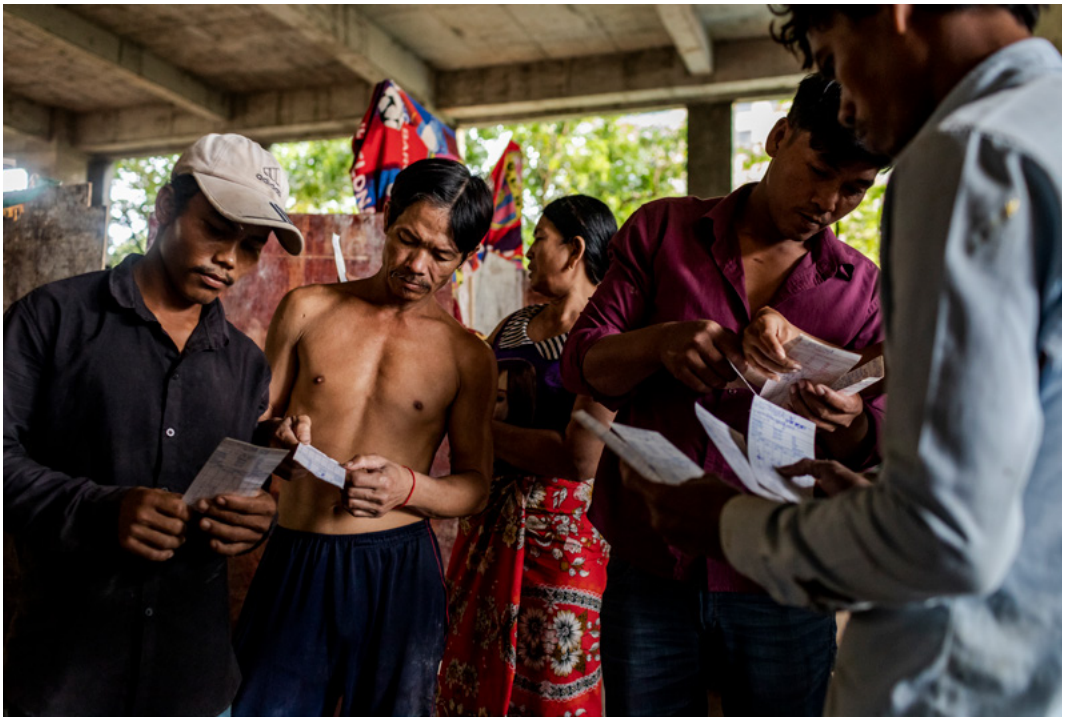
The story of a middle-aged woman from eastern China who I met in Sihanoukville towards the end of 2019 gives us a glimpse into the plight of small business owners at that time. She had arrived in the city in August 2019 to open a small guesthouse in Otres Village, on the outskirts of Sihanoukville's new urban sprawl. On arrival, she rented a piece of land and a small building for more than 4,000 USD a month, paying

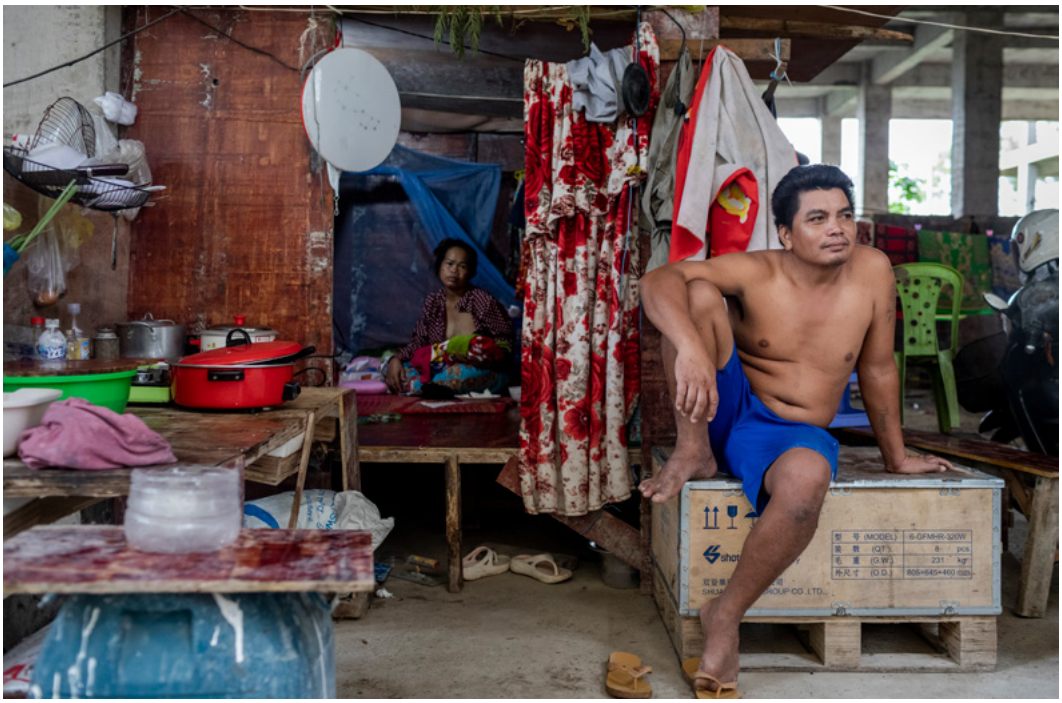
a three-month deposit and a one-month advance. She then spent a substantial amount of money to renovate the property. But, as it turned out, this was the worst possible time to invest in the city. At first, she could rent rooms for 50 USD a night, but after the online gambling ban, she suddenly found herself unable to attract guests and had to slash the rate to 10–15 USD. As if that were not enough, at the end of September, three Chinese guests attacked her. They forced her to transfer 12,000 RMB (roughly 1,700 USD) to their WeChat account, give them 600 in cash USD, and hand over her recently bought phone. A security camera in the lobby captured their images, but when the woman went to the local police to report what had happened, they showed no interest. From that moment, she lived in terror. She wanted to go back to China, but she stood to lose too much money so was reluctant to give up everything and decided to stay.

As official disclosure of what actions were taken to implement the ban is extremely limited, it is difficult to say how much this shift was due to enforcement and how much was due to the fear and uncertainty that the ban created among operators. In any case, alarm was soon overtaken when, only a few months later, the onset of the Covid-19 pandemic dealt Sihanoukville an even bigger blow. Although Cambodia emerged from 2020 with relatively low numbers of confirmed Covid-19 cases, the impact on global travel meant that regular tourism dropped to almost zero and, after China imposed strict travel restrictions, gamblers and online workers could no longer travel to and from the country. Covid took hold in Cambodia in early 2021, resulting in temporary lockdowns, which further pounded the economy. In May 2022, the Preah Sihanouk Provincial Government reported that only 31,258 foreigners of 60 nationalities were still legally residing in the province, including 23,375 Chinese citizens (Voun 2022). This does not capture those who entered the country illegally and those with no registered presence in the province, but still indicates a sharp decline.

Many Chinese developers decided to write off their losses and flee. Having lost faith in the future of the city and worried about the contractual obligations that bound them to pay exaggerated rents even in the face of an economy that was collapsing, many chose to evade their legal obligations and return to China. In so doing, they left behind hundreds of buildings at different stages of completion. On one hand, this spelled the ruin of local landowners, many of whom had sought to capitalise on the gambling-fuelled boom. As one of them complained to a journalist from *Voice of Democracy* (*VoD*) in July 2022: 'I borrowed money to buy land worth more than $200,000 because I thought it was a great opportunity … We could earn $7,500 [per month]—why wouldn't we dare to pay $2,000 per month [in loan repayments]? The banks were happy to lend money between $200,000 and $300,000' (Mech 2022b). On the other hand, this caused mayhem among the Chinese and Cambodian workers employed on these sites, many of whom were not notified that their bosses had fled and continued to work for weeks or even months without being paid.





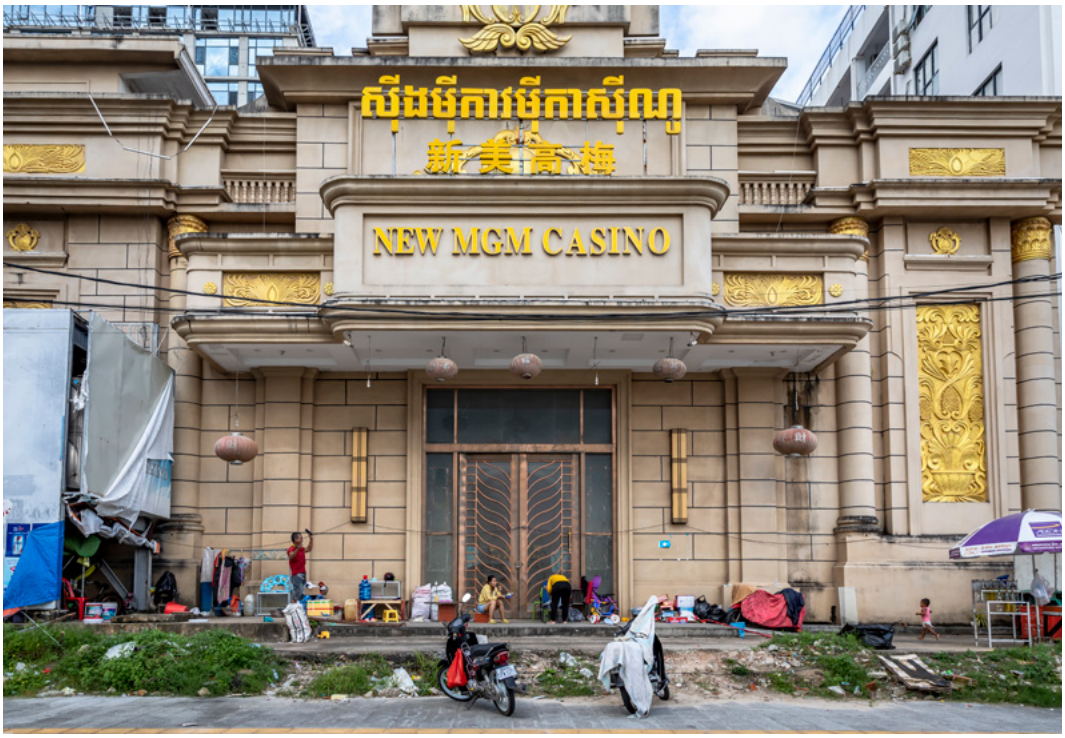


I was in Sihanoukville between December 2019 and January 2020, right before the pandemic hit, and encountered several of these workers. While by that time many Cambodian workers had already returned to their homes in the provinces, having received the back salaries they were owed—which were much lower than those of their Chinese colleagues—or having given up on being paid at all, many of their Chinese counterparts were still stuck in the city. Many were living in conditions of destitution in the half-finished construction sites, unable to go home either because they did not have the money or because they were still clinging to the hope of retrieving the often-significant amounts they were owed. As I recounted at length elsewhere (Franceschini 2020), this was a heartbreaking experience.

When I returned to the city in early 2022, these workers were gone. As I visited the construction sites where I had conducted our survey, only faint traces of the former occupants lingered: the frames of the beds where they slept, a table, a wash basin, a soy sauce bottle, and broken glasses. Almost all the smaller private constructions remained abandoned, only the largest sites, many of which were being handled by Chinese state-owned companies, had been completed or were nearing completion. This was reflected in official data. According to an official from Cambodia's Ministry of Economy and Finance, as of

Squatting

Cambodian family living on the ground floor of an unfinished building in Sihanoukville, September 2022. (Previous page, top) Cambodian woman living with her husband, a construction worker, and her family on the ground floor of an unfinished building in Sihanoukville, September 2022. (Bottom) Cambodian construction workers living on the ground floor of an unfinished building in Sihanoukville gather to check and compare their payslips, September 2022.



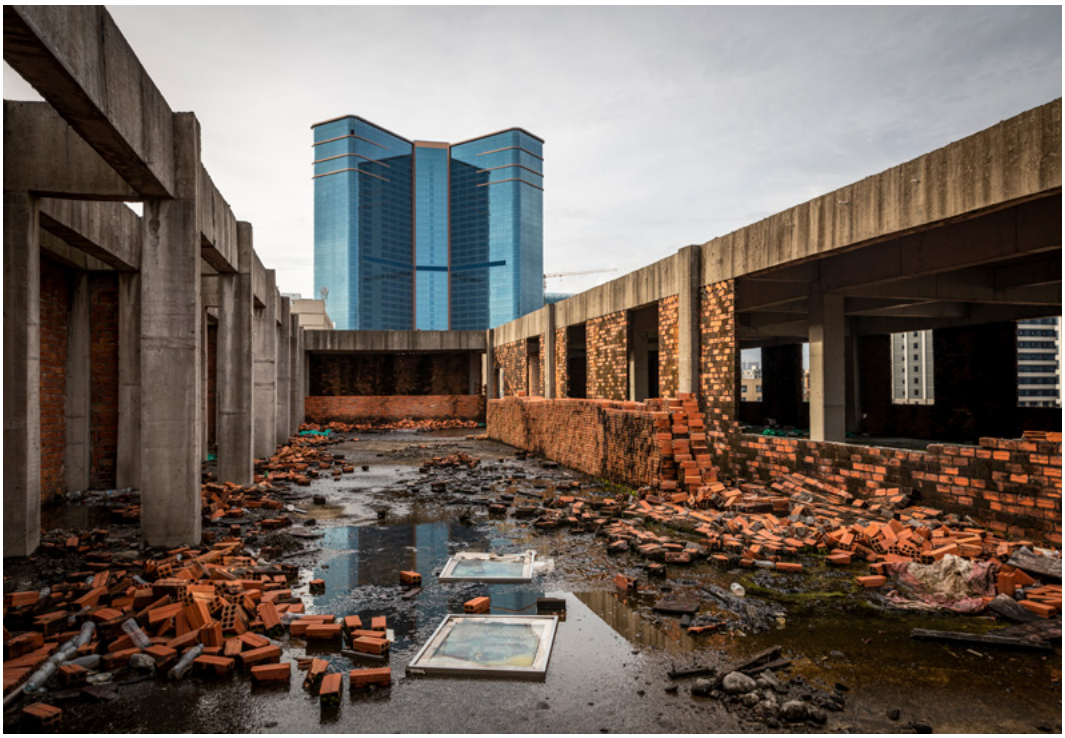
The Afterlife of Casinos

Local people living in front of the entrance of an abandoned casino in Sihanoukville, September 2022. (Next page) What was left of one of the construction sites in Otres Village where the author conducted fieldwork in 2019–20, September 2022.

early July 2022, Sihanoukville had 1,155 projects that remained incomplete, accounting for 70 to 80 per cent of all the buildings in the city (Huang 2022)—a situation that was still dragging on at the time of writing in mid-2024, despite various attempts by the Cambodian Government and Chinese business associations to find viable solutions (see, for instance, Lu 2023).

Rise of the Online Scam Industry

Although the online gambling ban had clear immediate impacts, paradoxically, this marked a point when awareness of the scale of the online industries and their associated crimes really came to the fore. Scam operations had existed for years in the city, discreetly hosted within the same operations that were home to ostensibly more legitimate gambling activities. As news emerged of the hardships occurring in Sihanoukville, it became clear that business was still booming in many of the larger hotel and casino-based online scam operations, and in the major compounds that proliferated across the city. Many companies providing real online gambling services (rather than rigged games or scams) likely



left, and recently arrived scam operators and smaller players with less well-established connections probably got cold feet. However, at the same time, the compounds became increasingly secretive, and failing casinos converted premises to provide more space for online operations. In both cases, security increased and the movement of workers in and out became tightly restricted.

Reports emerged of scam operations, detention, and human trafficking linked to dozens of compounds in Preah Sihanouk Province alone, which were still operating after the ban came into place. Several of these compounds housed thousands of workers. In the middle of a systemic collapse, the online scam industry perversely became a major economic pillar of Sihanoukville, again feeding businesses such as restaurants and shops that had few other customers and providing employment opportunities to locals as security guards, cleaners, delivery workers, suppliers, and other ancillary roles. At the same time, as it became increasingly difficult for workers to travel to Cambodia due to pandemic travel restrictions and drastic reductions in flights, these operations resorted to violent means and trickery to find and retain their staff, and increasingly to smuggling to bring them to Cambodia.

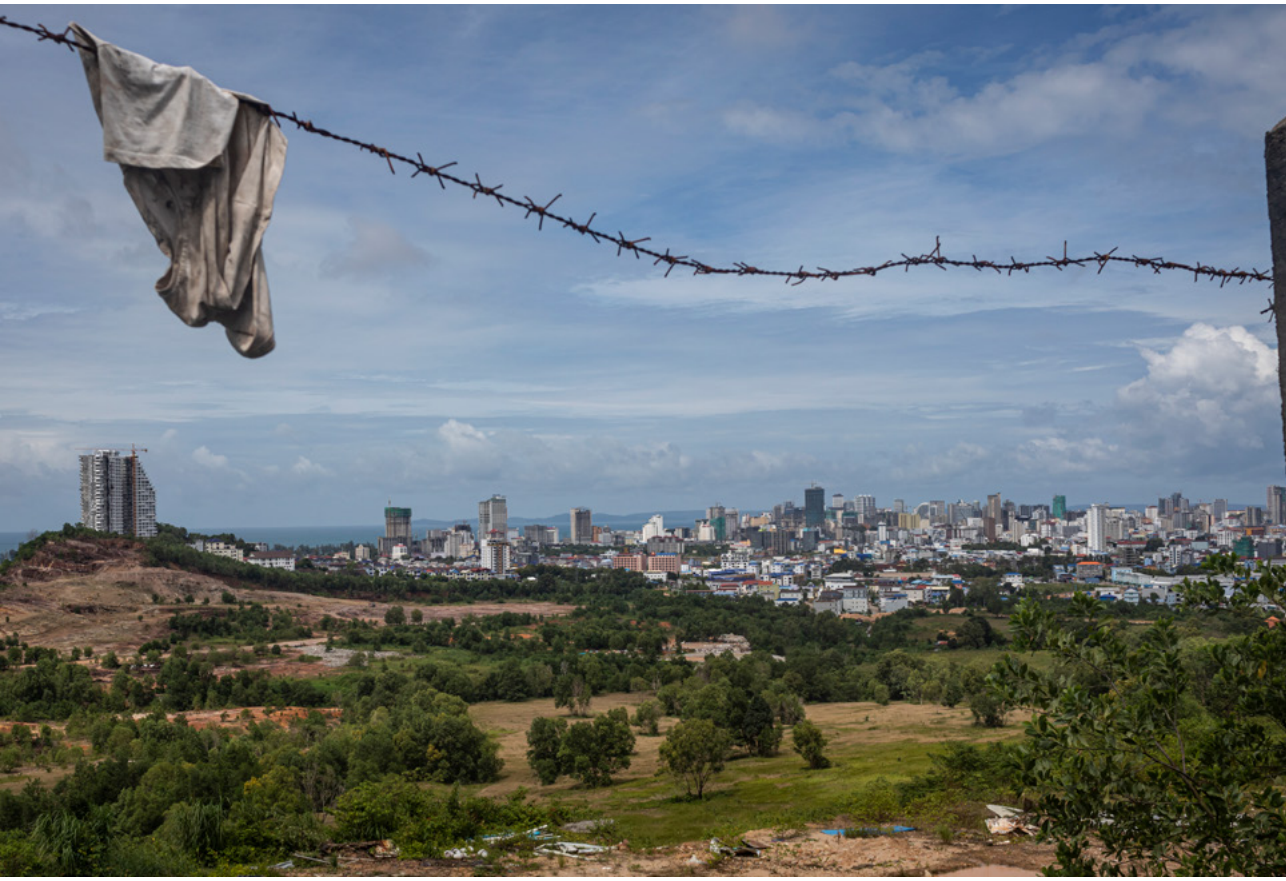
For the duration of the pandemic, grisly stories of people trapped in compounds in Sihanoukville and forced to perpetrate scams under the constant threat of violence continued to trickle out of the city. Although some parts of Sihanoukville had long had a bad reputation, a pandora's box had been opened. A review of crime reports by *VoD* in early 2022 found cases of abandoned bodies, homicides, assaults, firearms, extortion,

and detention throughout the city (Mech and Keeton-Olsen 2022). In January 2022, two bodies were found in shallow graves on land adjacent to a scam compound in Otres—one of them a young woman handcuffed and bearing the signs of extreme physical abuse (Khmer Times 2022). In March, a security guard was found hanged in one of the buildings of this compound. When asked by *VoD* about this case, local police had limited information. An officer told the reporter that the area was hard to police: 'These places don't allow us to go in' (Mech 2022a). When asked how many suicides and deaths had occurred at those compounds, he said: 'I forget it because there are so many, and I don't know which is which. Some cases we know, while others we don't know about.'

As such stories became widespread in Chinese and international media, in February 2022, the case of 'blood slave' (血奴案) Li Yayuanlun broke. The Chinese man claimed to have been held prisoner in Sihanoukville by criminal gangs who had repeatedly drawn his blood to sell it—a story that made headlines around the world. The case was a further hammer blow to Sihanoukville's reputation. Even though it was later discovered that Li had lied about having his blood extracted by his captors, by then the case had gone viral in China, cementing the reputation of the city as a hellish place among the Chinese public.

For months the Cambodian authorities continued to deny that the waves of accounts coming from survivors of scam compounds were true, insisting that these were just labour disputes or fabricated stories. However, as the governments of regional countries became increasingly vocal in demanding clarity about the fate of their citizens trapped in Cambodia, the issue began to garner attention from every quarter. This was especially true of China, but the wider world also began to take note, and the United States downgraded Cambodia to the lowest possible ranking in its annual *Trafficking in Persons Report* for 2022, which included multiple references to trafficking associated with the scam industry (US State Department 2022). Under the weight of this pressure, the Cambodian Government eventually had to change tack.

A nationwide crackdown on 'illegal gambling' began in September 2022, focusing heavily on Sihanoukville. This saw raids of gambling locations, including small local gambling rooms and a handful of large compounds that were known to be running illegal online gambling and/or scam operations. Soon after, official statements shifted drastically, and Cambodian officials began to admit that human trafficking and detention were happening, and that as many as 100,000 people may have been involved in 'illegal gambling' (officials still appeared reluctant to acknowledge that many operations were in fact conducting online fraud) (Mech 2022c). In Sihanoukville, 10 compounds are known to have been raided, although only five were shut—and two of them reopened months later. Others were tipped off that raids were coming and conducted orderly evacuations of their staff—something that I witnessed at first hand, as I was in the city with Cambodian photographer Roun Ry at that time (the photos that accompany this essay were taken on that occasion)—or simply were told to stop operating (Sen and Jia 2022). An exodus



Never the Same Again

View of Sihanoukville from afar, September 2022.

of gambling and scam workers from Sihanoukville occurred, with reports that some people had moved to compounds in other parts of the country or elsewhere in Southeast Asia, especially Myanmar and Laos.

Lessons

After the flurry of activity that followed the 2022 crackdown, the Cambodian Government adjusted its public position. While Cambodian officials are now less likely to deny outright the existence of the industry, these operations are presented as something that has been largely dealt with, but which law enforcement continues to take seriously.

There is no doubt that Sihanoukville does not occupy as prominent a place as before in Southeast Asia's online scam ecosystem. Over the past couple of years, more peripheral locations in Cambodia have established themselves as online

scam hubs—most famously, the towns of Bavet and Sampov Poun, on the border with Vietnam, and Poipet, on the border with Thailand, plus a host of other largely remote places across the country. However, the scam industry has clearly not gone from the city. While some compounds remained empty after the 2022 crackdown, others quietly resumed operations or simply changed tenants. During trips to the city in the first half of 2024, I saw several of the better-known compounds again closed off (despite orders from the city for all businesses to open their gates) and guarded by security, with clear signs of life visible from outside, such as laundry on balconies, and signs advertising space for rent. In the words of a survivor who passed through a few notorious scam compounds in the city months after they had supposedly been cleared in the 2022 crackdown:

> Right after [the September crackdowns] happened the compounds did make some changes, but as more time has passed and it seems people have forgotten, the companies are slowly returning to their previous ways of operating … They might be afraid to buy and sell people now, but companies are slowly starting to detain and restrict people's freedom again. (Liu and Brook 2023)

With the Philippines Government announcing a ban on online gambling operations at the end of July 2024, raids ongoing in the Golden Triangle Special Economic Zone in Laos, and the situation in Myanmar volatile as warring factions fight for control over areas where the online scam industry has taken root, the appeal of Sihanoukville and other locations in Cambodia as destinations of choice for industry operators can only increase. And it cannot be otherwise, unless the Cambodian authorities take strong, unequivocal steps to signal their unwillingness to tolerate the existence of these operations on Cambodian soil—which is unlikely, considering the extent to which local elites are benefiting from the industry (see Loughlin's essay in this issue).

So, what can we learn from the trajectory of Sihanoukville? If anything, the city provides us with a clear lesson on why criminal groups choose a location as a base for their activities—a topic that has been at the centre of much discussion among specialists on mafias and other organised crime (see, for instance, Varese 2011, 2020; Morselli et al. 2011). Several pull factors are paramount in this case, including the presence of infrastructure of which scam operations can take advantage, such as reliable internet connectivity and telecommunication links, as well as office and accommodation space made readily available by a burgeoning, previously legal online gambling industry; a convenient location, easily reachable by air, land, or sea through either legal or illegal means; and notoriously lax law enforcement.

We should not make the mistake of thinking about these criminal groups—mostly hailing from mainland China, Taiwan, and the Sinophone world—as outsiders coming in to take advantage of local resources and undermine and subvert an otherwise 'healthy' society. The key to understanding why online scam operators choose places like Sihanoukville mostly resides in the local. The existence of local elites willing to act as 'protective umbrellas' in exchange for hefty profits and authorities willing to turn a blind eye is key. While for years these elites had enriched themselves by engaging in land dispossession, logging, real estate speculation, and consolidating control of key industries in Cambodia, the emerging online fraud industry was to all effects a new sector with no existing dominant players and everything up for grabs.

Local communities have a stake in this as well. As we have seen, when investment in the online gambling and scam industry began pouring in, the lowest strata of the local population was further marginalised and, in many cases, pushed out. With reports of violence and kidnappings becoming widespread, tourism suffered, seriously affecting business. Yet, that is not the whole story. Online scam operations are far from insulated from the local economy. Rather, they are highly dependent on the ancillary services provided by the surrounding communities, becoming so entrenched in the local context that large numbers of locals end up depending on them for their livelihoods—be they landowners, cleaners, security guards, tech assistants, or delivery workers. If operations such as these manage to gain ground, it is because local society stands to gain something—often because more legitimate opportunities are lacking. This also means that once these operations take root, it is very hard to eradicate them without triggering a chain reaction that hurts countless people who may not be involved in illicit activities but become economically dependent on them. If anything, the story of the rise and fall of Sihanoukville is a stark reminder of the importance of not forgetting the local. ●