

Lecture notes: Industrial-Scale Scamming Compounds and the Network of Outsourcing Recruitment Systems in the Labor Supply Chain

Qi Li

Institute of Social Research and Cultural Studies
National Yang Ming Chiao Tung University

On December 18, 2023, the International Center for Cultural Studies held a hybrid forum under the topic "Industrial-Scale Scamming Compounds and the Network of Outsourcing Recruitment Systems in the Labor Supply Chain". The forum invited independent journalists, researchers, and NGO activists who spent years tracing and combating the illegal recruitment network of online scamming compounds in Asian countries.

Keywords: online scamming compound, Cambodia, human trafficking, cybercrime

Stories of Human Trafficking Victims

In recent years, with the rapid proliferation of online scamming compounds in East and Southeast Asian countries, including China, Cambodia, Indonesia, Malaysia, the Philippines, Thailand, Myanmar, Laos, and Taiwan, international non-governmental organizations and media have reported a large scale of extralegal labor recruitment activities inside and outside the industrial-scale scamming compounds. Among such transnational labor outsourcing mobilizations, thousands of people have been identified as victims of human trafficking. Alicia Chen, an award-winning journalist specializing in forced migration, forced labor, and human rights, conducted in-depth reports in collaboration with Taiwan-based media The Reporter. The series of stories, published in 2022, unfolds how Taiwanese people were trafficked to Cambodia's scamming compounds.

Sihanoukville, the southern coastal city of Cambodia, was once the center of the Southeast Asian casino industry. The gambling industry was dominated by Chinese-run companies under the policy subsidies of the Belt and Road Initiative. But in January 2020, the Cambodian government officially banned the online gambling industry. Since then, gambling factories have sought all kinds of ways to continue their business in Cambodia and bordering countries. They gradually turned to operating more profitable online scamming businesses and developed an abusive working system fueled by transnational human trafficking networks.

According to Alicia's report, between June 2021 and August 2022, Taiwan authorities claim that almost 5,000 citizens have been recorded traveling to Cambodia and not returning. Police statistics show at least 370 Taiwanese people were treated against their will. Only about 50 people had returned to Taiwan. The testimony of victims unfolds how they have been trafficked, extorted,

terrified, and abused by agents and compound operators. Surviving victims, especially women in precarious social and financial conditions, did not receive enough support after they returned home. The marginalized groups in society have a higher possibility of being targeted in such illicit recruiting forms. A more robust safety net must be taken into consideration in controlling the crimes.

The Hidden Recruitment System

Mina Chiang, Director of Humanity Research Consultancy, offered detailed evidence about the operation of the hidden recruitment system in the Southeast Asian Scamming Compounds driven by human trafficking. The transnational recruitment network, involving source countries trafficking groups, scammers, scam company managers and owners, compound owners, and local authorities, has run for years. Screenshots of Telegram group chats provided by Mina show posts openly recruiting or searching for scam jobs. These groups are performed as a free trade market for purchasing and supplying laborers. Generally, in the compounds, the price of a frontline laborer is 15,000 to 30,000 dollars. Such a recruitment system of the fraud business, in Mina's observation, is a system that allows criminals to recruit new criminals.

Not all businesses in the compounds are illegal. Some legal services also play a part in the organized crimes of human trafficking and scam businesses. For instance, though sanctioned by the US Treasury's Office for serious human rights abuse, corruption, and suspicious military use, the Sino-Cambodian collaborative construction project, Dara Sakor, a special economic zone for luxury resorts and tourist businesses, is still available for reservation on some travel platforms.

Diverse methods are applied to recruit victims from countries far away. Traffickers would pretend to be potential clients, leaving recruitment messages on legal and major job-matching websites, job-matching groups, social media, and personal networks. Reported cases indicate that some victims were kidnapped by organized criminal groups. A trafficking route provided by a Taiwanese victim survivor, who was sold from one Cambodian compound to another Myanmar compound, shows that the crime was operated on the borders of Cambodia, Thailand, and Myanmar. Victims are forced to carry on work such as fraud platform models, sex providers, security guards, and agents. From Mina and her colleagues' investigation, victims from China and African countries are treated in the worst working conditions, while victims from Latin America and South Asia are forced to act as models and security guards, respectively.

The Role of Social Media in Human Trafficking

Professor Jorge V. Tigno and Professor Jean S. Encinas-Franco at the Department of Political Science, University of the Philippines Diliman, offered statistical research results and media analysis on the role of social media in the evolving human trafficking businesses in the Philippines.

Facebook is the top social media platform in the Philippines, containing over 95 million users (accounts) across the country. It becomes a primary means for human traffickers to entice and recruit victims. Traffickers post attractive and pleasant scenes of the destination country (for example, Thailand) to lure job seekers into the scenarios of the global imagination, convincing them that it is not going for work but an enjoyable travel experience. The job descriptions are usually vague, with unofficial email addresses. Moreover, the job openings are usually close to border areas. As one hiring post by "Filipino Jobs in Thailand" shows, the company is recruiting high school teachers, and the job location is in Phetchaburi, a border province of Myanmar. Another popular

location is Nongkhai on the Thai border with Laos. Being close to the border makes it easier to pass to Laos, Cambodia, and Myanmar without drawing people's attention.

The trafficking of a group of people, based on their observation, is more profitable than trafficking individuals. Human traffickers are becoming more and more linked with transnational organized crimes, particularly the Chinese mafia who have connections with POGOs (Philippine Offshore Gaming Corporations). The job type of human trafficking in the Philippines also changed a lot. Previous victims were forced to work in 3D (dirty, dangerous, demanding) jobs. Nowadays, victims are forced to take 3D office jobs in illegal sectors, e.g. online or call center scams. Trapped in the compounds, they are forced to overwork and usually have their wages withheld or unpaid. Some of them even end up with huge debts to the scam companies.

Similar to what Mina has pointed out, legal and illegal recruitment both exist in the job offering system related to the scam industry. Identifying the illicit part of the recruitment activities is complicated, especially on social media platforms. Social media has become one of the significant methods for large-scale recruitment by organized criminal groups.

The Collective Reaction to Human Rights Abuse

The last sharing was made by Daniel Awigra, the Executive Director of Indonesia's NGO Coalition for International Human Rights Advocacy (HRWG) and co-founder of Better Engagement Between East and Southeast Asia (BEBESEA). He introduced the recent cross-regional collaboration on countering human rights abuse in Southeast Asian countries.

Migrant workers from Southeast Asian countries experience various aspects of vulnerability in a globalized labor market. A considerable amount of Southeast Asian migrants have been exposed to conditions of forced labor and human trafficking in labor-intensive industries. For example, an investigation by the Indonesian Migrant Workers Trade Union (SBMI) indicates that between 2015 and 2020, in the fishery sector, Indonesian fishers were experiencing long hours of work with unpaid wages and poor labor conditions that, in some cases, resulted in death. Exploitation and deprivation of human rights of migrant fishers often take place in distant waters, Exclusive Economic Zones (EEZs), and bordering seas. The lack of legal protection and the cross-regional jurisdictional conflict aggravate the vulnerability of migrant workers.

The emergent transborder cybercrime operations added more complexity to the present modern slavery phenomena in Southeast Asian regions. Existing regulations in many Southeast Asian countries have "in large part" failed to respond adequately to the changing online scam operations since the pandemic. It is estimated that the total amount of cybercrime entities has equaled the third-largest economy in the world. The global expenditure on cybercrime is predicted to reach 10.5 trillion dollars by 2025.[1] The huge profit provides motivation to transnational organized criminals of building the illegal labor supply chain. In May 2023, AESAN leaders adopted the declaration on Combating Trafficking in Persons caused by The Abuse of Technology. The sharing concerns by the declaration focus on the "use and abuse of social media and other online platform in every step of Trafficking in Persons activities, from profiling, recruiting, controlling and exploiting of the victims to the laundering of proceeds of the crime."

How can cross-regional advocacy work to eliminate human rights abuse? Awigra proposed a CSO-led process that contributes to facilitating the regional commitment among ASEAN

policymakers. He took the collaborative advocacy on migrant fisher's rights protection as an example. Following the adoption of the ASEAN Declaration on the Placement and Protection of Migrant Fishers (May 2023), a regional civil society consultation was held in Jakarta in August 2023. About 25 organizations collectively put forward a proposal for the ASEAN Guidelines on the Placement and Protection of Migrant Fishers and Members of Their Families. The proposed guidelines include provisions to ensure the prevention of rights violations, protection, and effective remedies for migrant fishers. Referencing the regional advocacy toward reducing forced labor in fishery sectors, Awigra emphasized the significance of strengthening the National Referral Mechanism (NRM) network in combating human trafficking of online scam crimes. The NRM is a framework for identifying and referring to potential victims of modern slavery and ensuring they receive the appropriate support. Without a referral mechanism among countries involved in transnational cybercrimes, it is very challenging for particular organizations to keep people away from the compounds. Altogether, to raise awareness of the criminal nature of recruitment in the scam industry is the most urgent issue. Instead of welcoming scam compounds as foreign direct investment and neglecting the de facto human trafficking and labor abuse in the country, governments should take responsibility for cutting off the transport of illegal labor outsourcing.

In the discussion section, audiences share their observations on the transnational operation of the recruitment system from the source country, such as China and Indonesia, to Cambodian and Myanmar scamming compounds. The proliferation of modern slavery caused by transnational cybercrimes is calling for immediate reactions against human rights abuse and labor exploitation.

Notes

1. <https://www.independent.co.uk/advisor/vpn/cybercrime-statistics> Lorem ipsum dolor sit amet, consectetur adipiscing elit. Curabitur posuere aliquet metus. Aenean metus diam, posuere sed ex sit amet, consectetur finibus ante.