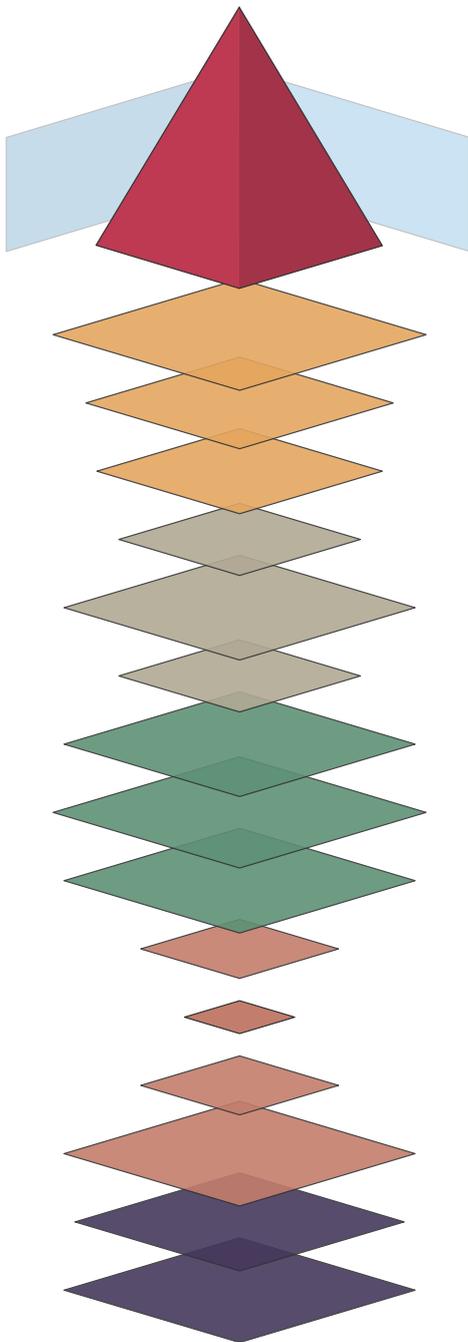




# CAMBODIA



6.85

## CRIMINALITY SCORE

20<sup>th</sup> of 193 countries

8<sup>th</sup> of 46 Asian countries

2<sup>nd</sup> of 11 South-Eastern Asian countries



### CRIMINAL MARKETS

6.70

HUMAN TRAFFICKING	8.50
HUMAN SMUGGLING	7.00
EXTORTION & PROTECTION RACKETEERING	6.50
ARMS TRAFFICKING	5.50
TRADE IN COUNTERFEIT GOODS	8.00
ILLICIT TRADE IN EXCISABLE GOODS	5.50
FLORA CRIMES	8.00
FAUNA CRIMES	8.50
NON-RENEWABLE RESOURCE CRIMES	8.00
HEROIN TRADE	4.50
COCAINE TRADE	2.50
CANNABIS TRADE	4.50
SYNTHETIC DRUG TRADE	8.00
CYBER-DEPENDENT CRIMES	7.50
FINANCIAL CRIMES	8.00



### CRIMINAL ACTORS

7.00

MAFIA-STYLE GROUPS	4.50
CRIMINAL NETWORKS	7.00
STATE-EMBEDDED ACTORS	8.50
FOREIGN ACTORS	8.00
PRIVATE SECTOR ACTORS	7.00



3.63

## RESILIENCE SCORE



Funding provided by the United States Government.

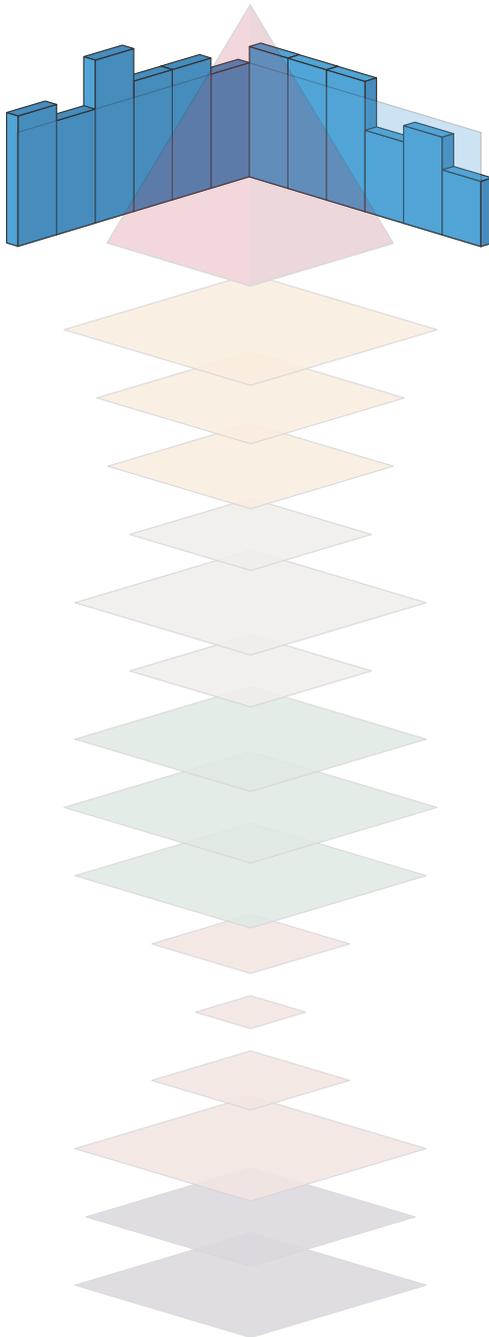


Funded by the European Union

ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.



# CAMBODIA



3.63

## RESILIENCE SCORE

145<sup>th</sup> of 193 countries

33<sup>rd</sup> of 46 Asian countries

9<sup>th</sup> of 11 South-Eastern Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	4.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	3.50
INTERNATIONAL COOPERATION	5.00
NATIONAL POLICIES AND LAWS	4.00
JUDICIAL SYSTEM AND DETENTION	4.00
LAW ENFORCEMENT	3.50
TERRITORIAL INTEGRITY	4.00
ANTI-MONEY LAUNDERING	4.00
ECONOMIC REGULATORY CAPACITY	4.00
VICTIM AND WITNESS SUPPORT	2.50
PREVENTION	3.00
NON-STATE ACTORS	2.00



6.85

## CRIMINALITY SCORE



CRIMINAL MARKETS 6.70



CRIMINAL ACTORS 7.00



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# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

Human trafficking is a severe concern in Cambodia, which serves as a source, transit and destination country for victims, including men, women and children. The COVID-19 pandemic created a bigger gateway for trafficking, with individuals falling prey to exploitation for forced criminality. Internal trafficking is rampant, with all provinces affected by the crime. Traffickers are often people known to the victim, such as parents, relatives, friends or neighbours. Men are typically trafficked for forced labour, while Cambodian and ethnic Vietnamese girls and women are frequently trafficked for sexual exploitation. Debt bondage is also a common factor that traps victims in forced or exploitative labour. During the pandemic, illegal online gambling and operations for forced criminality have increased, creating a new human trafficking and forced labour crisis. Tens of thousands of local and foreign workers have been tricked into working for these scams and are held against their will. Cambodia is also a key destination for sexual exploitation of children, with victims sold by their parents or lured by false job offers and forced into prostitution.

Cambodia remains a significant source of economic migration to countries such as Thailand, Malaysia and the US. In fact, millions of Cambodians living in Thailand are undocumented, working in the agriculture, fisheries and construction sectors, and vulnerable to human slavery and labour abuse. Smuggling groups and networks in Cambodia are decentralized and sometimes facilitated by family and social networks, with corrupt officials also contributing to smuggling ventures. However, since the COVID-19 pandemic, smugglers have increasingly shifted their operations to online platforms. Regarding the country's role as a destination, smugglers promise easy work and extravagant perks to the many victims they smuggle to Cambodia, where they are held captive and forced to work in online scam centres. Despite legal and administrative frameworks to regulate and control migration, irregular cross-border migration continues to occur through different types of smuggling and diverse modus operandi because irregular migration is more flexible, faster and cheaper than regular migration.

Extortion and protection racketeering have become significant issues in Cambodia, particularly in the form of forced criminality in relation to the cyber-scams. The networks involved in this illicit industry are mostly linked by Chinese nationals, as well as criminal networks from elsewhere in South East Asia. Extortion usually overlaps with kidnapping, murder, drug supply and arms trafficking. These crimes are committed by both foreign and local gangs.

### TRADE

Cambodia serves as a transit country for small arms and light weapons smuggling into Myanmar through Thailand. The possession of firearms is illegal for civilians, but many shootings involve senior officials, who often avoid serious repercussions. Chinese organized crime groups are increasingly using small arms, especially in Sihanoukville, and shootings occur between criminal groups and the police. Although successful international intervention has diminished the national stockpile, corruption within the government, including in the security services, puts government-controlled arms at risk of being trafficked. Several military officers, including generals, have been charged for arms smuggling in recent years. The US has imposed an arms embargo on Cambodia, citing corruption, human rights abuses and growing Chinese military influence, which may exacerbate the prevalence of weapons smuggling and arms trafficking in the coming years. Social media is also used as a platform for illicit arms trafficking.

Cambodia is one of the world's major producers of fake or counterfeit goods, with over 1 000 tonnes of fake products seized by officials per year, including food and beverages that pose health risks. The country produces a large quantity of counterfeit medicine, a trade that grew during the COVID-19 pandemic. The government is building an institutional framework to protect and enforce intellectual property rights, but poverty, a lack of awareness and limited resources have prevented authorities from curtailing the trade. Online sellers of counterfeit goods have also increased their efforts to evade anti-counterfeiting processes and systems, using tools such as social media advertisements and hidden links. Cambodia is also a major producer of counterfeit cigarettes and tobacco, and is an important supplier of fake tobacco to the EU.

Cambodia faces a significant problem with the illicit trade of excise goods, including cigarettes and alcohol. Sharp government taxation has led to a sudden price increase, prompting smokers to turn to cheaper illicit options. The country also reports deaths from drinking illicit alcohol, including homemade rice wine commonly sold in the countryside.

### ENVIRONMENT

Cambodia has one of the highest rates of deforestation in the world, with illegal logging and the timber trade being major contributors. Corruption and weak law enforcement have facilitated the proliferation of loggers, many of whom have been linked to high-level government officials. Illicit products are frequently mixed with legal wood and smuggled across borders, including to China, which is a key market for Cambodian rosewood. Although logging of valuable wood

species has slowed in recent years, it continues to provide significant income for notorious timber traders. Despite COVID-19 pandemic restrictions, high-risk Cambodian-sawn timber has continued to make its way through official Vietnamese customs.

Cambodia is also a major country for wildlife trafficking as it is both a source and transit country for many vulnerable species of wildlife. Criminal groups traffic ivory, rhino horn, pangolin scales and big-cat bones through the country from Africa to Asia. Wildlife trafficking is a diverse and well-consolidated market, driven by local demand for wild meat and the significant local market for wildlife ingredients used for traditional medicine. Illegal, unreported and unregulated fishing is also a problem, with corruption playing a significant role in facilitating it. Despite progress in combating this crime, Cambodian fisheries products remain blacklisted from European markets. Transnational organized crime groups benefit from the relatively porous borders and expanding transportation infrastructure in the region.

Cambodia's non-renewable-resource crimes market is driven by sand mining and the illicit extraction of minerals, particularly gold. The demand for these resources comes mainly from external sources such as Singapore and Taiwan. Although Cambodia has permanently banned sand exports, the industry is still legal with specific licenses and is essential in the production of cement for the country's booming construction trade. However, sand mining by politically connected companies has been blamed for the collapse of riverbanks along the Mekong and Bassac Rivers, forcing residents to move and threatening livelihoods based on fishing and tourism. Illegal sand mining is also becoming increasingly dangerous to report on, and the Cambodian government has been accused of under-reporting the amount of sand exported. Illegal gold mining operations have been discovered in various parts of Cambodia, with the majority of illicit actors paying bribes to local officials to conduct extraction operations.

## DRUGS

Cambodia is a destination and transit country for heroin trafficking, and authorities have seized large quantities of illicit drugs, including heroin, despite a decline in demand for such products. This rise in seizures may be related to the consolidation of the Sihanoukville port as a shipping point for drugs to various global destinations. Historical links between senior government officials in Cambodia and the transnational heroin trade have been reported, with a recent case regarding heroin trafficking operations into Australia implicating a relative of a high-level official. Cambodia also serves as a transit point for cocaine, although its market size and value are lower than those of some neighbouring countries. Corruption in the police and high cocaine value may lead to fewer seizures being declared, and more cocaine may be sold and trafficked unofficially with Cambodian police involvement. Profits from the cocaine

trade primarily accrue to foreign actors, but domestic actors may benefit at the transit or destination stage of the supply chain. Cannabis cultivation is illegal in Cambodia, but its use is common, and it is grown widely in rural areas, supplying both the domestic and neighbouring foreign markets. Despite the government's efforts to crack down on cultivation, the cannabis market remains economically embedded in some areas due to high levels of corruption in law enforcement and border police.

The synthetic drug trade has been expanding in recent years, and factories have been established in the country making it a production base for methamphetamine. Additionally, Cambodia is being used as a transit hub for ketamine, with industrial-scale ketamine production facilities found inside the country linked to Taiwanese and Chinese organized crime. Cambodia's response to drug use has been repressive and human rights violations have been reported. The use of synthetic opioids like fentanyl is also a concern, and amphetamine-type stimulant use is on the rise among urban youth. Cambodia is also increasingly becoming a staging ground for processing, distributing and exporting illegal drugs.

## CYBER-DEPENDENT CRIMES

Cryptocurrency scams in Cambodia are recurrent and many of these operations are run by Chinese criminal syndicates using sophisticated online applications. Other types of cybercrime, including distributed denial-of-service (DDoS) attacks, also take place in the country. Cambodia's limited cyber-infrastructure, weak institutions and low information-and-communications-technology awareness have made it vulnerable to diverse forms of cyberattacks. This includes government websites, which have been hacked with thousands of official documents being leaked.

## FINANCIAL CRIMES

Cambodia has emerged as a hub for cyber-enabled financial crimes, with large compounds located in Sihanoukville, Phnom Penh and special economic zones serving as factories for online fraud targeting victims throughout Asia. These online fraud operations commonly use social media and dating apps to lure victims into investing in fraudulent exchanges. The COVID-19 pandemic has led to an increase in fraud and corruption in Cambodia. The government has attempted to address tax evasion, but it is challenging because of the country's patronage system, which prioritizes payments up the chain over formalized tax systems. Banks in Cambodia are increasingly concerned about fraud that targets their customers, particularly high earners, the elderly and those with low technological literacy, who are vulnerable to 'confidence scams' that drain their funds. Moreover, Cambodian citizens are more susceptible to online scams through shopping sites.

There are also concerns about criminals stealing or borrowing identity cards to establish fraudulent bank accounts and businesses. Credit and debit card scanners are also being utilized to copy card details from unsuspecting users. Citizenship in Cambodia can be acquired through investment or cash donations, and Chinese nationals involved in financial crimes have used that method to seek citizenship. Investigations have revealed that Cambodian political elites and their families have spent millions of dollars, often from unexplained sources, on properties in Australia and investments in Cyprus. Some are under investigation for making multi-million-dollar citizenship investments through credit card payments.

## CRIMINAL ACTORS

Mafia-style groups are becoming increasingly powerful in Cambodia. The most important ones are involved in real estate, casinos, security and cryptocurrency business dealings throughout the region, while others collaborate with foreign groups in drug trafficking, illegal logging, wildlife trafficking, human smuggling and human trafficking. Cambodian officials are worried about the unpredictable connections of these groups with the government and transnational entities. In fact, foreign criminal groups, particularly those from China, have played a key role in the expansion of organized crime in Cambodia. They are involved in various illicit activities, including human trafficking, drug trafficking and money laundering through casinos and construction projects. These groups often form alliances with local groups and cooperate with criminals in neighbouring countries. Cambodia is a significant transit point for drug trafficking, which is controlled almost exclusively by transnational organized crime groups that exert a substantial amount of economic power. Smaller criminal networks also operate in Cambodia, with involvement in human trafficking, human

smuggling, wildlife trade and cyber-scams. Many of these networks pay tribute to local policing agencies and are said to be undisturbed, particularly in relation to illicit logging and wildlife trafficking.

Cambodia's ruling party has been in power for over three decades, and there have been allegations of state-embedded actors involved in illegal activities such as illegal logging, timber and wildlife trafficking. Corruption and nepotism are rampant, with high officials and relatives of the prime minister amassing business interests worth hundreds of millions of dollars. Public institutions in Cambodia operate on a patronage system, where employees often report paying bribes to secure their positions and a percentage of their earnings to their superiors, creating a strong motivation for those within the state apparatus to engage in profit-generating illegal activities. Despite allegations of corruption, state-embedded actors in Cambodia appear to be untouchable, with no evidence of decline in their power and leadership.

The Cambodian private sector has been linked to criminal activity, including illegal logging, drug trafficking, human trafficking, financial crime and wildlife trafficking. Logging tycoons have been internationally sanctioned, but they continue to operate with impunity under the protection of senior government officials and the armed forces. These groups have also been involved in large-scale human trafficking, unlawful detention, forced labour, cyber-scams and unexplained deaths. Additionally, the lack of regulatory oversight in Cambodia's casino sector has led to a rise in organized crime, including money laundering, methamphetamine trafficking, wildlife and timber trafficking as well as counterfeiting. Many of Cambodia's largest private sector companies have close links to or are part-owned by members of the ruling elite.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

In recent years, the Cambodian government's involvement in transnational organized crime has become increasingly evident. The government has banned journalists from covering police investigations, which suggests that officials may be trying to hide their involvement in illicit markets. The state is often considered corrupt and lacking accountability and transparency; even individuals who have been internationally sanctioned continue to receive development contracts from the government. Despite calls for accountability in the public sector and the empowerment of a new generation of leadership, the government has not responded adequately to these claims. Corruption in Cambodia is pervasive, and

this phenomenon affects all sectors of society. Efforts to improve transparency and accountability have been seen as attempts to consolidate power in the ruling party and the anti-corruption legal framework is implemented selectively.

Cambodia has been enhancing its cooperation with international partners to prevent and combat transnational crimes. One of its major supporters is China, which cooperates with Cambodian police in responding to organized crime investigations. Cambodia is a signatory to various international conventions and has extradition treaties with a number of countries.

Although Cambodian legislation generally covers criminal activities like human trafficking, drug trafficking, wildlife crimes and arms trafficking, its effectiveness has been questioned, particularly in specific criminal markets like human trafficking. The penalties for wildlife crimes are considered too low to be a deterrent, and the forestry agency does not clearly prohibit or regulate the trade in non-native endangered species. Additionally, the legislative process is slow, and reforms may take years to pass and implement. The legal landscape in Cambodia also tends to criminalize whistle-blowers rather than perpetrators, and activists and journalists who have documented evidence of corporate environmental violations or human trafficking have been arrested and imprisoned on incitement charges. The country's drug policy focuses on prohibition, criminalizing users and street-level dealers, leading to overcrowded prisons and abusive rehabilitation centres without reducing drug use.

## CRIMINAL JUSTICE AND SECURITY

Cambodia's judicial system has been criticized by various organizations for a range of issues, including government constraints, corruption, lack of access to information on legal rights, weak regulatory enforcement and a lack of civil justice. The judiciary is widely regarded as corrupt, with judges facilitating unlawful charges against activists and journalists on behalf of the ruling party. Shortcomings in the detention system have also been identified, with overcrowding and underfunding in jails, and thousands of Cambodians detained without trial in so-called drug rehabilitation centres. The COVID-19 pandemic has exacerbated the situation, with limited prisoner access to lawyers or family visitors. Prior to the pandemic, there were reports that prison guards and officials often demanded bribes from inmates before allowing them to see visitors, attend their own hearings or leave after serving the full term of their imprisonment. The prison population has grown significantly since the government has criminalized drug users some years ago.

The law enforcement system in Cambodia comprises the Gendarmerie and the Cambodian National Police (CNP). The Gendarmerie primarily focuses on military police tasks, such as preventing organized crime, terrorism, and acts by violent groups, while the CNP handles law enforcement in rural areas. However, the CNP is understaffed, undertrained and underequipped in many rural areas, and its effectiveness is hindered by patron-client relations and corruption among high-level officials. The patronage system results in police officials having to pay a proportion of their salary to their superiors, which leads to greater police corruption and less time spent tackling organized crime. The law enforcement process in Cambodia is plagued by major shortcomings, including poor training, corruption and a lack of regulations governing recruitment and promotion. The lack of funding for proper investigations and execution of court orders also contributes to the failure of law enforcement in Cambodia.

The porous border between Cambodia and its neighbours, Vietnam and Thailand, has made it a key transit zone for drug and human trafficking. Despite efforts to improve cross-border cooperation and enhance border security, Cambodian authorities struggle to stop the activity of organized crime and trafficking groups in and around border areas because of poor facilities, insufficient specialized knowledge and limited budgets. Furthermore, large-scale human trafficking and scam operations inside the country often go unchecked due to the strength and influence of criminal organizations involved or the widespread complicity of corrupt Cambodian authorities. The government has made efforts to improve border security, but sovereignty and territorial integrity remain the highest priority, with criminal matters not receiving the same attention unless they threaten national territory. Special economic zones in Cambodia are often informally controlled by Chinese representatives and seen as outside the jurisdiction of local authorities. Additionally, the Cambodian state lacks the capacity to protect national infrastructure from cyber-threats.

## ECONOMIC AND FINANCIAL ENVIRONMENT

Cambodia is ranked as having one of the highest risks for money laundering and terrorist financing worldwide, because of having a weak anti-money laundering regime, a cash-based economy, porous borders and limited capacity to oversee the fast-growing financial and banking industries. Although Cambodia has made progress in some areas, it still faces problems such as lacking clear definitions of beneficial ownership and legal entities, limited ability to cooperate with or exchange information with other jurisdictions and adequately regulate cryptocurrency exchanges. Additionally, casinos in Cambodia offer highly favourable tax rates, which encourages money laundering as a result of corrupt relationships between officials and casino owners. Illicit trafficking activities like human, wildlife, drug and timber trafficking are linked to money laundering.

Although Cambodia has been one of the most open to foreign investment countries in South East Asia and the Pacific region since joining the Association of Southeast Asian Nations in 1999, corruption, property perpetration, tax evasion, inefficient government bureaucracy and the inability to enforce laws and regulations are reported to be the top factors that impair the investment climate. To address this issue and the effects of the pandemic, Cambodia has recently introduced a new law that generally guarantees foreign investments are treated the same as domestic investments, with the exception of foreign-owned companies not being allowed to own land. Extensive casino complexes have been identified as locations for bulk cash smuggling and the laundering of organized crime revenues, leading to a surge in gambling.

## CIVIL SOCIETY AND SOCIAL PROTECTION

Cambodia lacks support mechanisms for trafficking victims, and authorities continuously fail to identify and protect victims among vulnerable populations. Although guidelines for victim identification, referral and repatriation have been developed, these efforts remain disparate and under-developed. While Cambodian criminal law does regulate protection for witnesses and whistle-blowers, implementation remains weak. Those who speak out potentially face persecution from the police and government.

In response to the increase in gender-based violence during the pandemic, the Cambodian government and international organizations have been partnering to develop community-based policing to prevent such violence in high-risk areas such as Phnom Penh. However, there is a lack of information regarding any follow-ups and results from previous community policing initiatives, despite some effective community-style policing in some rural areas. NGOs have reported limited government funding for anti-trafficking activities, leading some to cover the expenses of government activities. Additionally, there is no national strategy to prevent and tackle organized crime in its complexity, and a 'user pays' policing system prevails.

The legal environment for civil society organizations in Cambodia has deteriorated, with increased harassment of journalists, human rights defenders and trade unions. The government has banned journalists from filming, recording and live-streaming active police investigations of criminal activities, as well as identifying suspects or their location. The Cambodian government has interfered with the work of civil society organizations, and environmentalists are targeted, with police accused of opening fire on forest activists. The new 'Public Order' bill will make it easier for the government to crack down on free speech and dissent with little justification. Cambodia's press freedom is reported to be severely restricted, and negative reporting on the government can result in arrests or harassment of journalists, leading to greater self-censorship. Despite these challenges, some civil society organizations continue to contribute to the protection of victims and witnesses in cases of child sexual exploitation and forced labour.

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