**Scamland Myanmar: how conflict and crime syndicates built a global fraud industry**

8 September 2025

While it’s commonly understood that conflict-affected landscapes can often act as safe havens for transnational organised crime, little attention is paid to the central role that state actors play. In those areas, criminal networks can operate with impunity, frequently feeding into the conflict and subsistence economy. Those groups exploit law-enforcement gaps and complex territorial control patterns to capitalise on the prevailing disorder. However, in some cases, they find ways to integrate into the wartime economy through close collaboration with state authorities. A recent example of this is the late Assad regime’s dependence on the illegal drug trade, specifically the large-scale production and export of Captagon.

In the Indo-Pacific, Myanmar is emerging as a haven for transnational organised crime outfits. This industry has now grown to such a scale that it poses a significant international threat to countries well beyond the footprint of other elements of the Burmese crisis. Transnational organised crime syndicates now operate and construct large and complex scam centres (Kyar Phyant) and are actively involved in fraud-based scamming, money laundering and human trafficking. Those activities result in substantial costs, not only for the individuals trafficked and those scammed, but also for the social and economic development of the region.

Since 2020, this industry has evolved at a faster pace than ever, outpacing the more traditional scams, such as ‘tech support’ and ‘refund’ scams, which many people have become accustomed to. Scammers are now employing increasingly complex methods to target individuals worldwide. That growth has been driven by the rising prominence of digital business following the Covid-19 pandemic, as well as the ‘empty’ casino complexes and real estate that were developed before the pandemic. Additionally, it’s been influenced by the increasingly permissive landscape in Burma after the 2021 coup.

The schemes have been thoroughly integrated into Myanmar’s conflict economy, and the ruling Burmese junta permits and facilitates scam projects to enrich military allies. Thus, instead of just one actor orchestrating those scams, a multitude of actors are involved, particularly non-state groups allied with the Burmese junta, along with the mainly Chinese criminal syndicates that directly run the facilities.

That greatly complicates the threat landscape and leads to a scenario in which conventional bilateral negotiations between states fall short in addressing the schemes. Instead, an effective strategy must increase the operational costs of the scam centres for all parties involved and reduce the advantages they gain.

This report provides basic details on the who, what, where, when and why of the scam centres along the Burmese borders and beyond. It will enable more nuanced policy discussions about options that could be used to combat the scam operations.

Actions taken by Thai authorities in early 2025 highlight the challenges that an incomplete understanding of the political-economic dynamics surrounding the centres presents. Initial repatriations were done on the basis of bilateral engagement with the Democratic Karen Benevolent Army (DKBA), which is a nominally junta-aligned non-state armed group that runs a handful of scam centres south of Myawaddy. However, people who had been trafficked by other armed groups—primarily the junta-linked Border Guard Force (BGF)—were ignored for months. That created a situation in which thousands of individuals were left stranded at the border, and militias overseeing the scam centres delayed any further repatriation efforts.

Thailand has few options to combat the continued movement of the scam compounds further into Myanmar and out of the reach of Thai authorities—a shift that we’ve seen accelerate in recent months.

The scam industry remains one that the ruling military junta is still able to facilitate and enable across the country, serving as a conduit for it to develop effective patronage networks among its allied militias.

Ultimately, for Naypyidaw, there’s a strategic logic to the scam centres. The junta views the loyalty of aligned militias as an existential necessity. As the junta suffers sustained military defeats on the ground, its ability to provide patronage through natural-resource extraction and the traditional strategy of ‘ceasefire capitalism’ has also faltered.

A key feature of the pro-government militia system in Burma is that, while the militias receive supplies and support from the Burmese Army, they also finance themselves. Since the 1960s, the military has encouraged the loyalty of the affiliated militias not through direct funding, but by overlooking their involvement in illicit activities.

As long as the Burmese junta is in an existential fight, it will be unwilling and unable to take decisive action to dismantle the extensive network of scam centres in areas under its effective control.

By contrast, armed groups associated with the national resistance have successfully removed scam centres from areas they have captured, especially along the border with China. Since then, those operations have mostly moved to regions under the junta’s influence across the rest of Myanmar.

Efforts to remove the scam centres could ultimately result in an endless game of cat and mouse across the country, from one area of sanctuary to another. Vigilant enforcement along Myanmar’s foreign borders may be able to prevent the proliferation of dedicated facilities similar to those that currently exist along the Thai border. However, in essence, scam centres require only a small footprint: a rented hotel, computers, electricity, an internet connection and permissive local law enforcement. That makes it almost impossible to stamp out comprehensively across the region.

The only reliable and sustainable mechanism for controlling and reducing those smaller-footprint facilities is to remove the final requirement: permissive law enforcement—in this case, the permissive environment created by the Burmese junta.