



Where Chaos Nests, Deceit Weaves Its Web

SCAM CANCER IN MYANMAR

March 2025





PROMOTING LEADERSHIP AND
STRENGTHENING CIVIC PARTICIPATION

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The English translation and original Burmese version of the event's recap memo were published on March 19, 2025.

CONCEPT NOTE

K *yar Phyant* has become a notorious Chinese word in the region, representing the widespread online scam operations carried out by transnational crime syndicates involving tens of thousands of individuals. The United Nations Office on Drugs and Crime (UNODC) estimates that these fraudulent activities have caused economic losses ranging from 18 to 37 billion U.S. dollars in East and Southeast Asia, as stated in their 2024 report (UNODC, 2024). These operations are not only ravaging the region but also spreading like a devastating cancer across the world. Tens of thousands who fall victim are trafficked and trapped within criminal strongholds along various borders, such as Cambodia, Laos, and Myanmar, where they face severe torture and forced labor.

These events have escalated to alarming levels, prompting initiatives to tackle the issue. The situation is highly intense and dramatic, akin to a film scene. Notably, *No More Bet*, a Chinese film, was released and gained popularity in China, sparking significant media pressure on authorities. Shortly after, Operation 1027 was initiated by Ethnic Armed Organizations (EAOs) along the Myanmar-China border in 2023. Following the operation, over 50,000 Chinese nationals were arrested and handed over to China.

Earlier this year, the Myanmar-Thailand border, controlled by the Karen Border Guard Force (Karen BGF), witnessed the shocking trafficking of famous Chinese celebrity Wang Xing at the gambling hotspot. This added a sensational twist to the narrative. After his release, with the help of Thailand, Shwe Kokko infamously became a crime city in the international spotlight. During the Chinese New Year, Liu Zhongyi, the Assistant Minister of Public Security of China, visited Thailand. Following his visit, meetings were initiated between Myanmar, Thailand, and Laos to collaborate on a large-scale crackdown on such crimes. Thailand has also cut off electricity, telecommunications, and fuel ►

- supplies to Myawaddy, exerting pressure on leaders of the Karen BGF and beginning the repatriation process of the trafficked victims.

These incidents indicate significant developmental disparities between northern and southern Myanmar. Northern Shan State, bordering China, faced heavy EAO military offensives, causing significant losses for Myanmar's Armed Forces, while Shwe Kokko and KK Park on the Thai border are entangled in ethnic political complexities, hindering China's intervention. In managing this crisis, there is a real risk of scapegoating, with the potential fallout turning Myanmar's border into an arena for fierce geopolitical contestation.

The root cause of *Kyar Phyant* cancer stems from the lawlessness and weak governance of the fragile state. As the saying goes, a rotten apple attracts worms. Viewing Myanmar as a prime target, crime syndicates exploit its chaotic rule of law. The ongoing transnational crackdown efforts amount to mere housekeeping. These crime syndicates could spread into territories controlled by other EAOs and even into urban centers like Yangon and Mandalay. Effectively addressing the *Kyar Phyant* issue demands more than superficial measures; it requires robust political will and the concerted efforts of national anti-corruption bodies.

Online scams are transnational crimes that could escalate into a political crisis over time depending on the local political contexts. Thailand's former PM Thaksin highlighted scam call centers along the Myanmar-Thailand border, noting, "The problem persists without addressing its root cause." Like narcotics, the *Kyar Phyant* scam has grown from crime into a major political crisis due to its intensity and key actors.

Kyar Phyant isn't just a cinematic narrative—it's a real challenge for any nation, reemerging like whack-a-mole in various forms. In Myanmar, already fragile with internal strife, it adds further complexity to a volatile situation. These matters are explored in this episode of *30 Minutes with the ISP*. ■

Where Chaos Nests, Deceit Weaves Its Web

SCAM CANCER IN MYANMAR



Yee Mon

Program Assistant
China Studies Program
Panelist



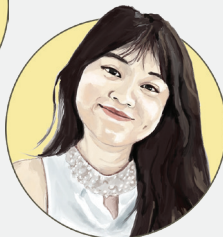
Ye Yint

Program Assistant
Conflict, Peace, and Security Program
Panelist



Aye Chan

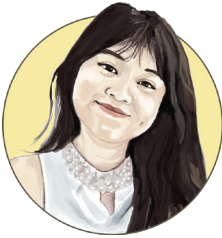
Program Assistant
China Studies Program
Panelist



Su Lin Han

Program Assistant
Communications Department
Host

This event was held on February 22, 2025, exclusively for ISP Gabyin Community members. The recorded video of the event is available on ISP-Myanmar's YouTube Channel with English subtitles. DVB broadcasts the recorded video with English subtitles of the live event on its TV and social media channels regularly on Mondays and Wednesdays.



Su Lin Han

Program Assistant
Communications Department
Host

Greetings to all the Gabyin community members joining the *30 Minutes with the ISP* program. My name is Su Lin Han, and I'll be your host for today's event. This is the seventh episode of the *30 Minutes with the ISP* series. Today, we'll be discussing the topic, "Where Chaos Nests, Deceit Weaves Its Web: Scam Cancer in Myanmar." Our panelists leading this discussion are researchers from ISP-Myanmar: Yee Mon, Aye Chan, and Ye Yint.

Today's program will be rebroadcast on DVB TV News, ISP-Myanmar's website, and social media platforms. Let's get started. I would like to invite Ye Yint to kick off the discussion.



Ye Yint

Program Assistant
Conflict, Peace, and Security Program
Panelist

Greetings to everyone attending today's *30 Minutes with the ISP* program. First, I'd like to thank you for taking the time to join us. Today, we'll explore efforts to combat *Kyar Phyant*-online scam operations along the Thailand-Myanmar border and their impacts, breaking it down into three parts. To begin, I'd like to discuss the nature of scam operations in Myawaddy and how its crackdown efforts have veered into a dramatized, narrative-driven spectacle. These operations—online scams, human trafficking, and forced labor—surged in Myanmar since the 2021 military coup. If we examine their nature, we can see three pillar conditions that drive the growth of these operations. These operations are located in areas where the rule of law is weak, armed groups provide security, and access to human trafficking routes is easy due to their border location. When one of these conditions weakened, these operations either seep deeper into the country or relocate across borders to survive.

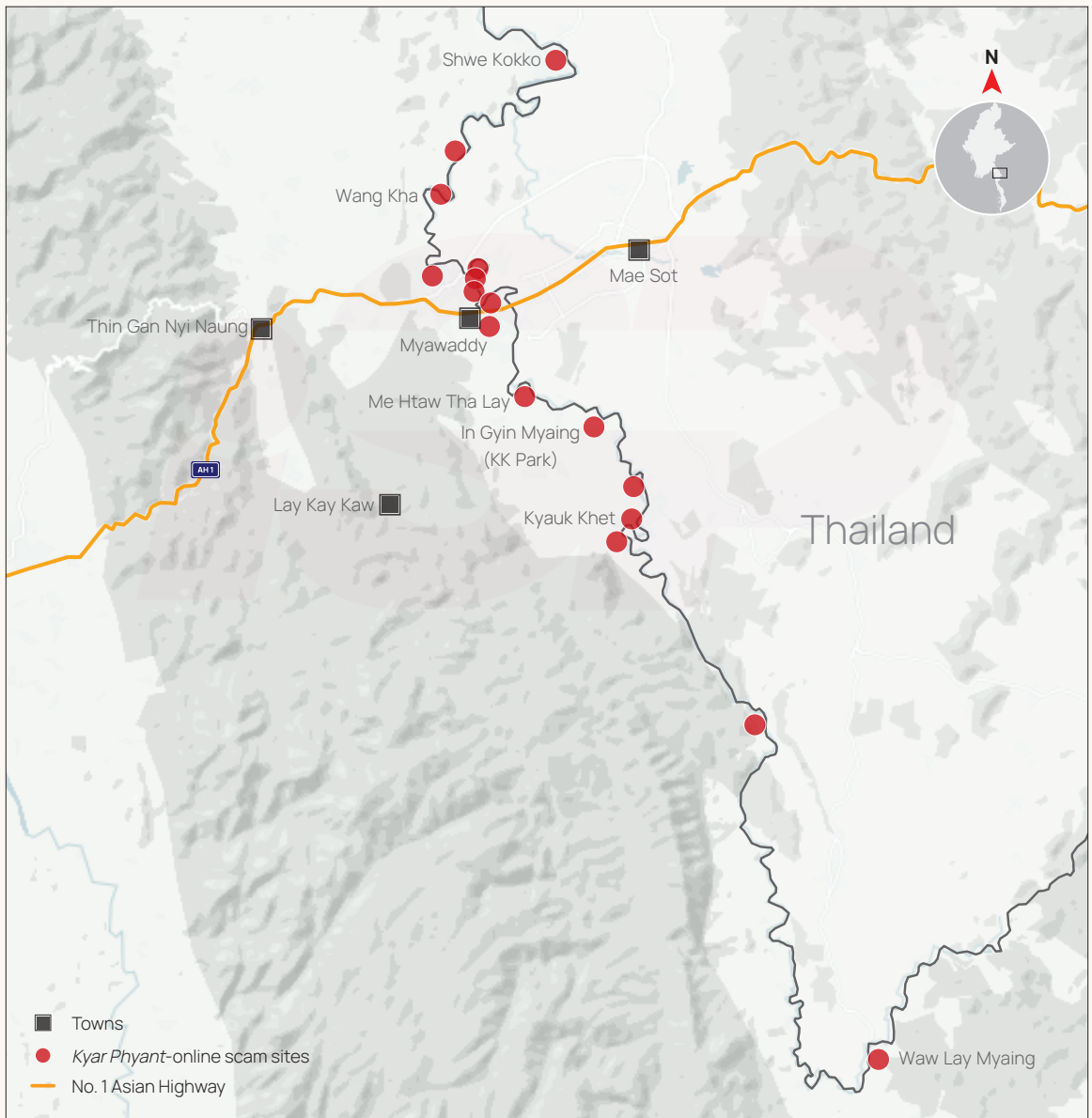
Let's take a look back at Operation 1027 and China's crackdown. It seemed like scam operations in Kokang and Wa regions were wiped out, but no, they didn't disappear entirely. They simply relocated to more fertile ground. Especially Myawaddy, with a well-established scam hub, saw these operations grow larger after Operation 1027. People often associate scam hubs along the Thailand-Myanmar border with Shwe Kokko under Col. Saw Chit Thu's Border Guard Force (BGF). In reality, these operations span all of Myawaddy, not just Shwe Kokko.

■ *Kyar Phyant*-Online Scam Sites Inside Myawaddy


ISP Mapping Number 86

ISP Myanmar

Kyar Phyant-online scam operations are prevalent not only in Shwe Kokko, north of Myawaddy, but also in southern areas such as Me Htaung Tha Lay, In Gyi Myaing, Kyauk Khet, and Waw Lay Myaing. At the same time, these scam sites also operate in downtown areas of Myawaddy. The majority of *Kyar Phyant*-online scam sites operate along the Myanmar-Thailand border.



Shwe Kokko, a so-called "new city project" in the north of Myawaddy, is one of the sites for scam operations. Beyond that, sites are scattered south in areas like Me Htaw Tha Lay, In Gyin Myaing, Kyauk Khet, and Waw Lay Myaing. Even within Myawaddy town, they operate openly, like licensed businesses. Myawaddy and scam operations are seen glued together, always intertwined.

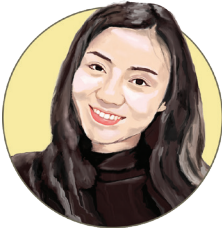


In local terms, the places where *Kyar Phyant* online scams operate are known as "Chinese sites." They follow typical organized crime patterns. First, these groups enter the area by promising regional development or casinos. Later, they unveil their main earner: *Kyar Phyant*- online scams. Some use casinos as a front while running scam businesses behind the scenes; while others focus solely on scam operations. To set up in a region, they partner with local powers like the DKBA and BGF, leasing land, co-building infrastructure, and securing protection—sharing the profits. Thus, crime syndicates and local armed groups become business partners. We've seen this in northern Shan State and are revisiting the same thing in Myawaddy. Reports suggest involvement of the BGF, DKBA, and even some SAC and KNU members. But what we're missing here is the true masterminds behind the network. Like organized crime, scams are run by lower-level gangs and affiliates. So, it's important to remember that the true kingpin stays concealed.

Looking back, these scam operations predate the coup. They slowly gained momentum afterward. ISP-Myanmar previously highlighted how post-coup Myanmar became a transnational crime hub. By Operation 1027, the issue grew louder and more visible. The SAC's superficial response back then—like brushing it with a feather—missed the mark, and we all know the fallout. This year, when Chinese actor Wang Xin went missing and was found in a Myawaddy scam operation, efforts to suppress scam operation roared back into focus. This time, China really stepped up its game. Their Assistant Minister of Public Security visited Mae Sot. ►

- A day before the Thai PM met President Xi in Beijing, Thailand cut power and fuel supplies to Myanmar. During that trip, the BGF handed trafficked victims to Thailand. Looking closely, all these events played out like an action thriller series with a tight script and sharp direction. After that, the DKBA also transferred *Kyar Phyant* victims to Thailand in rounds. Throughout all this, Col. Saw Chit Thu was featured as the main character of the ongoing crackdown saga in Myawaddy.

Looking back at the entire play, the Myawaddy crackdown unfolded in just two months with a fast-paced and dramatic flair. But shaping it into a thrilling tale risks pulling us far from the root cause. We need to ask: Is it appropriate to dramatize this issue? Does it truly resolve the issue? The 1027's crackdown shifted political and military balances significantly. How does Thailand's border effort differ, and what might its endgame bring? Yee Mon will discuss this further. Over to you.



Yee Mon

Program Assistant
China Studies Program
Panelist

As Ye Yint noted, it has been over a month since the tripartite efforts by Thailand, Myanmar, and China to curb *Kyar Phyant* in the Karen State. But compared to the northern Shan crackdown, it's noticeably less effective. Let me explain why with three points. The first point is Thailand's pressure tactics. That includes cutting internet, electricity, and fuel to the scam-operated areas. They are not effective in attacking *Kyar Phyant* scam sites. Instead, these tactics hit locals harder. These scam sites keep their operations running with generators and stockpiled fuel. They stay lit while locals live in the darkness. While these sites can store fuel supplies, locals must go to Mae Sot, Thailand, for fuel. So, Thailand's measures have brought more social hardship to the grassroots rather than curbing these scam operations.

Secondly, repatriating trafficked victims takes longer than it did in northern Shan. The BGF pledged to transfer 500 victims, but it takes time, only sending 200-300 victims, and later said to have paused the transfer due to high expenditures. Repatriation at this rate could drag on for months for the rest of the victims. In the northern Shan case, Chinese authorities asserted direct control. Since the northern Shan was on their border, they had more control in taking action.

Additionally, the crackdown was rapid as their interests aligned with those of EAOs in northern Shan. But in the case of the Karen State, China can't lead the efforts; but can only pressure Thailand and Myanmar to act. The political will of the actors in these two countries doesn't match China's level as these actors' interests are tangled in the businesses. ►

- Dismantling scam operations isn't the main focus. Instead, the real question is: whose interests carry more weight, who gains the upper hand, and who ends up being the scapegoat in this game?

Third, *Kyar Phyant* crackdown in Karen State lacks transparency. In northern Shan, China's pressure resulted in repatriation of over 50,000 victims. Additionally, China caught regional syndicate leaders. Just like Ye Yint discussed earlier, despite Myawaddy's infamous hub like KK Park, neither Thailand nor Myanmar has been able to name the mastermind behind it. The BGF claims over 2,000 transfers include gang leaders, but it's unclear who they are, and has not published official details. So, because of these ineffective pressures, delays in transfers, and lack of transparency, the crackdown efforts on scams in the Karen State aren't hitting the mark.

In short, the current *Kyar Phyant* crackdown only targets repatriation and aims to arrest gang leaders involved. The mastermind is missing like Ye Yint mentioned. Basically, this is like sweeping the floor in a collapsing house, superficial at best. SAC's spokesperson, Maj. Gen. Zaw Min Tun claims they can handle the scam operations if they were to spread to Yangon and Mandalay. Meanwhile, these operations have already made their way to urban cities like Yangon, Mandalay and towns in southern Shan state. They're much like spreading cancer cells. Unless its root cause is addressed, they are shifted from place to place. The current crackdowns, repatriating trafficked victims, and arresting regional syndicate leaders are only a short remedy. They'll just pop up in a new place in a new shape unless the entire network is taken down.

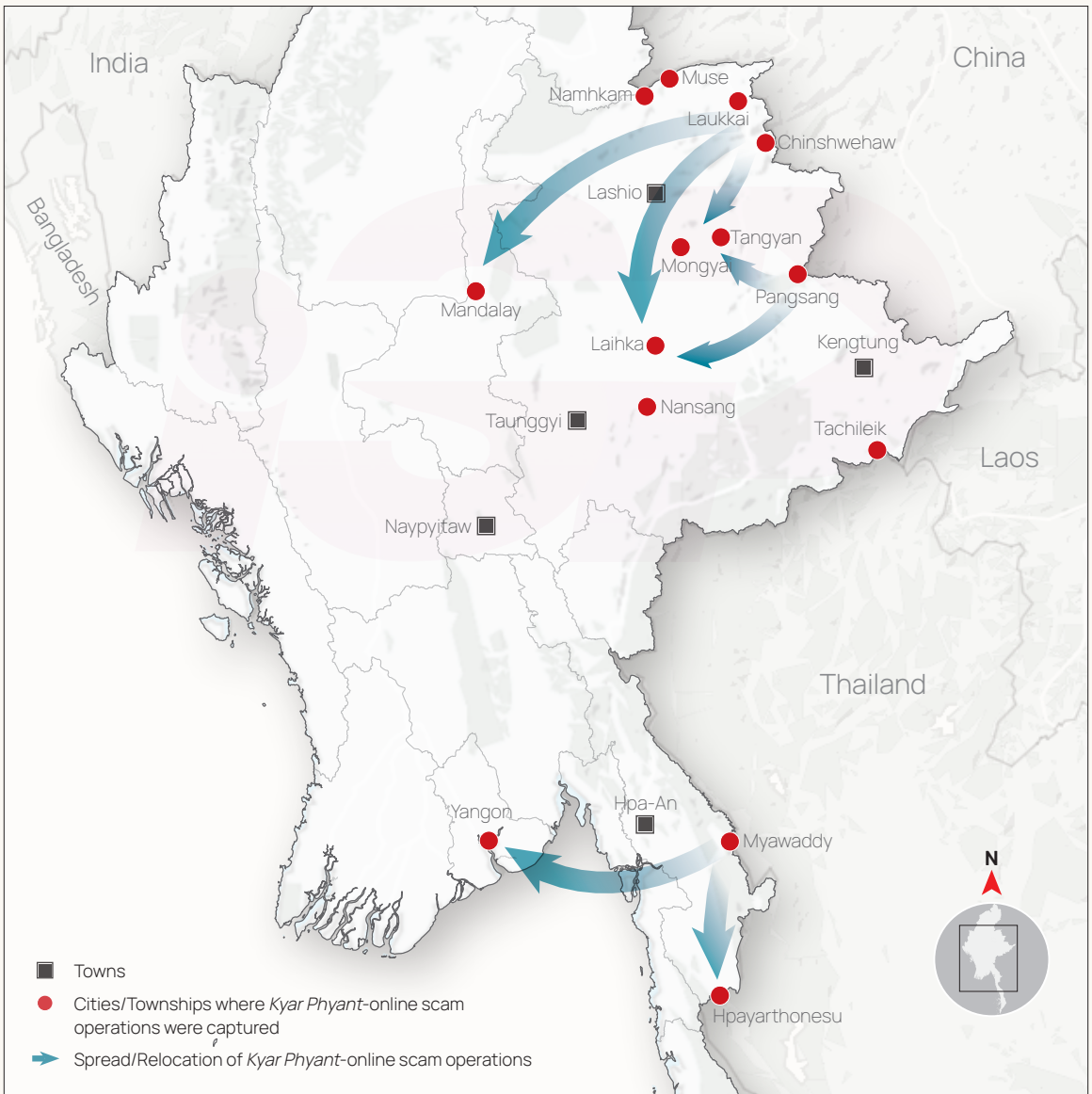
In Myanmar, with ongoing internal conflict and deteriorating rule of law, the threat isn't just the *Kyar Phyant*-online scams. It also invites other illicit businesses, much like a stench that attracts flies. So what are the impacts on regional countries, and how significant is it? Aye Chan will discuss this issue. Over to you, Aye Chan.

■ Movement of *Kyar Phyant*-Online Scam Operations

ISP Mapping Number 87

ISP Myanmar

Over 17 townships in Myanmar, where *Kyar Phyant*-online scam operations previously took place, have undergone significant crackdowns, particularly in the Wa and Kokang Self-Administered Zones. Following these interventions, the operations have moved from Kokang and Wa territories along the Myanmar-China border to urban centers like Yangon and Mandalay, as well as central region of Shan State. Similarly, operations from Myawaddy on the Myanmar-Thailand border have moved to Hpayarthonesu and Yangon.



The data, covering October 2023 to February 20, 2025, are based on ISP-Myanmar's research and may differ from other sources due to variations in data availability and methodology.



Aye Chan

Program Assistant
China Studies Program
Panelist

As Yee Mon said—flies gather where there's a stench. Myanmar's fragility invites international crime, and more trouble could follow. I'd like to zoom in on how these scam operations could spark geopolitical rivalries. I'll break the discussions into two parts. The first part is the Mekong region's strategic value to China's interests. The second part is the potential of regional competition between China and other countries.

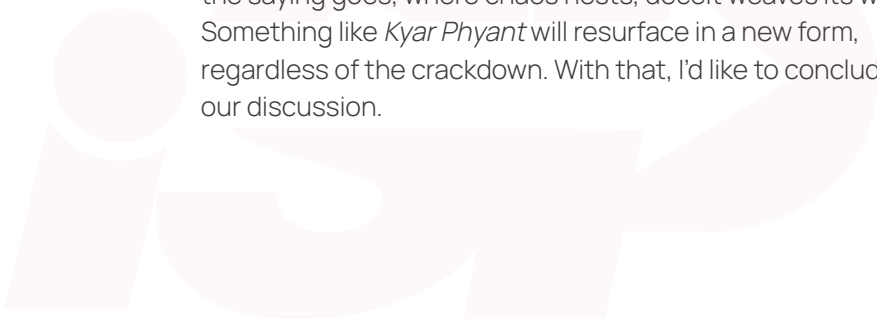
Let's jump straight to these points. The Mekong region, including Myanmar, where the scams are reportedly based, serves as a strategic link between China and Southeast Asia. It's a key area for China's trade routes and various projects. It's true that China is active in the crackdowns as its citizens are being targeted. Another reason is that instability in the Mekong region threatens its strategic interests. That's why we're seeing that China is enhancing its security foothold in that region. This means Chinese security forces will lead the *Kyar Phyang* crackdowns themselves, and increase security cooperation with other Mekong countries.

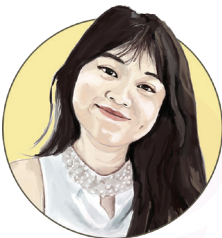
Secondly, I want to discuss the impact of China's increasing involvement in security terms, in other words, the competition between China and other nations. While it's true that China has a massive regional influence, they're not the only superpower here. There's the US, Japan and India. These nations also have their own cooperations in the region. While the US's foreign policy does not necessarily prioritize the Mekong region, it could become a field of competition in the Indo-Pacific region. So, considering how crucial the Mekong region is, from the crackdown on scams to broader geopolitical tensions,



- Myanmar, already weighed down by its regime, could end up a casualty of this intense competition.

To recap our discussion, the crackdowns are dramatic, as discussed by Ye Yint. These dramatic portrayals distort public understanding and distract us from the root cause. Secondly, as Yee Mon discussed, when we compare cases in the North and the South, just rescuing trafficked victims, shutting down sites, and transferring the gang leaders isn't enough. They'll just pop up endlessly, like playing whack-a-mole at Happy World arcades. If it's not resolved, the geopolitical rivalries may grow, as I've outlined. So if the *Kyar Phyant* issue isn't tackled with effective regional cooperation, other tragedies may arise; just like the saying goes, where chaos nests, deceit weaves its web. Something like *Kyar Phyant* will resurface in a new form, regardless of the crackdown. With that, I'd like to conclude our discussion.

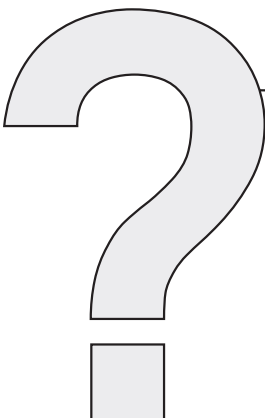




Su Lin Han

Program Assistant
Communications Department
Host

Thank you to our panelists for your insights.
That concludes our main discussion. Now, let's move
to the Q&A. We've pre-collected questions from the
Gabyin community members. We've narrowed it down
to three questions. Here's the first:



Many countries lose money to *Kyar Phyant*-online scams,
but why is China particularly active in the crackdown?
Is it because most involved are Chinese?
What's driving this?



Yee Mon

Program Assistant
China Studies Program
Panelist

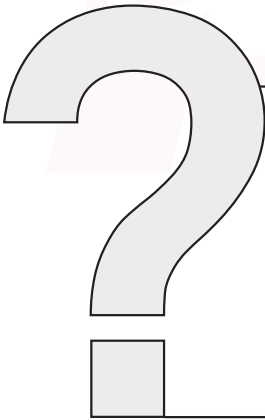
China is leading the crackdown efforts, as everyone knows. There could be many reasons, but I want to highlight their domestic conditions. Post-pandemic, China is facing a declining economy, a property sector crisis, and reduced consumer spending. These impacted the Chinese people significantly. In the case of northern Shan, Chinese citizens have had to push the Chinese government on social media for years to deal with these scams. Since other economic issues are harder to turn into success stories, by cracking down on scams, they scored political points by showing they were listening to the people. Another point is that the majority of people trafficked into scams are Chinese people. This underscores the decline in job opportunities in China that pushes people abroad. The crackdown on *Kyar Phyant* operations gives President Xi Jinping a chance to gain public support. As I mentioned earlier, these crackdowns provide an outlet for economic frustrations. Due to these opportunities, China seems to be leading the crackdown efforts.



Su Lin Han

Program Assistant
Communications Department
Host

Thanks, Yee Mon. Onto the second question. It asks,



Former Thai PM Thaksin said scam profits fuel
Myanmar's civil war. What's your take?



Aye Chan

Program Assistant
China Studies Program
Panelist

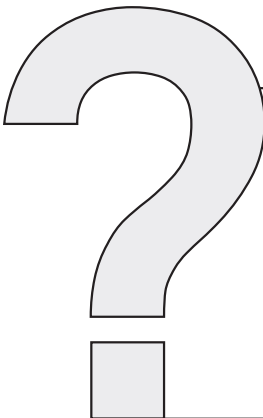
Our finding diverges from Thaksin's view. I'll give you an example; think of it as a disease and its symptoms. The civil war is the disease, and scams are one of many symptoms. Other symptoms here include increased drug production, conscription law, and transnational crimes. Thaksin frames online scams as the disease itself and emphasizes it. This risks misguiding the crackdowns. We analyze that *Kyar Phyant* is a symptom of the civil war, which also requires remedies. But I'd like to say that it should not be mistreated as a disease.



Su Lin Han

Program Assistant
Communications Department
Host

Thank you, Aye Chan. Here's the third question:



How much could these *Kyar Phyant* online scam operations impact Myanmar internally?



Ye Yint

Program Assistant

Conflict, Peace, and Security Program

Panelist

Kyar Phyant spread across regional countries, including Cambodia and Laos. However, the international narratives pin Myanmar as the headquarters. Yet, Myanmar nationals are also the major victims. They've been scammed online through different methods, losing their money and reputation. Even people from cities like Yangon and Mandalay get trafficked at the borders. Looking back at the scam incidents, accountability eroded following the coup. Scammed victims could only vent on social media platforms like Facebook. That's the end of it, without ever investigating the perpetrators or why it happened. So far, the victims lose and never get help. This is one of the country's weaknesses.

Another weakness is the lack of data on how much money Myanmar people got scammed. Lastly, the cybersecurity law fails to prevent these cases. People of Myanmar live in the conflict zone while also getting scammed. Myanmar, as a country, is getting defamed. For the Myanmar populace, it's like an insult added to injury. That being said, I just want to answer that the impacts fall hugely on the Myanmar people as well.



Su Lin Han

Program Assistant
Communications Department
Host

Thank you Ye Yint for your answer. I'll now invite live questions or comments from attendees. Let's check the Q&A session. Here's one that asks,



ISP Gabyin Member

Unconfirmed reports suggest Myanmar's military regime is directly involved in scams. In that case, can China, Thailand, Cambodia, and Laos suppress them at the border? Could these operations shift to Yangon or Naypyitaw?



Yee Mon

Program Assistant
China Studies Program
Panelist

As we've discussed, scams are like festering cancer. They cannot be resolved simply by getting rid of the frontmen. The question says the SAC is involved; some say DKBA, Thailand, or even Malaysia. It seems like many global actors are involved. So, getting rid of one actor is not the answer. This is also related to the second question and our mappings have demonstrated that too. These scam sites aren't just limited to border areas; they can pop up anywhere with good security, internet, and electricity. This isn't just happening in Myanmar; Vietnam and Cambodia experienced the same. I want to emphasize that arresting the king pins behind all this will wrap things up. Nabbing frontmen and cracking down on these networks will never end the issue.



Su Lin Han
Program Assistant
Communications Department
Host

Let's take another question. Anyone with raised hands?
Here's another from the Q&A,



ISP Gabyin Member

In regions where *Kyar Phyant* online scams exist,
could wealth disparities affect local social life?



Ye Yint

Program Assistant
Conflict, Peace, and Security Program
Panelist

It's true that these scam operations hit the public hard. As the question pointed out, yes, there are wealth disparities. *Kyar Phyant* scammers have a better income and, in turn, spend more money. The disproportionate spending attracts local services and creates social inequality. Social harmony gets disturbed increasingly. This is because *Kyar Phyant* online scam sites use huge investments to operate. As I mentioned, these operations scam people, and as the question points out, their investments and spending disrupt social harmony in the community, creating yet another problem.



Su Lin Han

Program Assistant
Communications Department
Host

Thank you Ye Yint. We would like to conclude our presentation here. In addition to the information presented today, you can also explore other research findings on our website at www.ispmyanmar.com and on our social media platforms, all of which are freely accessible. We would like to extend our heartfelt thanks to each and every one of Gabyin members for taking the time to attend today's program. By saying our appreciation, we will conclude the program for today. ■

Appendix Questions

The question listed below was submitted via chat during the
30 Minutes with the ISP event on February 22, 2024.



Some young people knowingly work in these *Kyar Phyant* scam operations. What kind of harm might there be afterward, even if it can be suppressed?

Based on our observations, a significant number of Myanmar's youth have been drawn into *Kyar Phyant* operations in northern Shan State and Karen State, notably after the coup. This trend highlights that crises are at every corner. Some we interviewed admitted to knowingly engaging in deceptive practices and human rights abuses driven by the promise of income despite awareness of exploitation and mistreatment. As discussed, *Kyar Phyant* crackdowns alone won't eliminate it; it could spread to cities with weak rule of law or other regions, potentially ensnaring more urban youth as new victims. These exploitations are multi-lingual, as *Kyar Phyant* scams target multiple countries. This is a critical issue requiring close attention. ■

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