

The US Department of State, US Department of the Treasury and US Department of Commerce have issued a joint advisory cautioning American companies either operating in or considering operating in Cambodia against interactions with certain entities and sectors of concern, including the casino industry.

The advisory highlights Illicit finance activities and interactions with Cambodian entities involved in the trafficking of people, wildlife and narcotics as the two primary areas of risk exposure for US companies, with casinos – particularly those located in Sihanoukville – closely linked to both. Other industries of concern include the financial, real estate and infrastructure sectors.

In a section dedicated to casinos, the advisory points to a 263% increase in casino licenses issued in Cambodia between 2014 and 2019 as having “outpaced regulators’ capacity to monitor and police these establishments, attracting organized crime elements that invest in casinos and use them to launder money.

“Recognizing these vulnerabilities related to new casinos and other commercial enterprises in Preah Sihanouk province, which hosts most of the casinos, the government established an inter-ministerial task force to investigate alleged money laundering and human trafficking. The task force has not issued a report on its findings, as of October 2021.”

Cambodia was gray-listed by the Financial Action Task Force – an intergovernmental organization tasked with leading global anti-money laundering and counter-terrorism financing efforts – in 2019 for deficiencies in its programs and remains gray-listed to this day due to “limited regulations and oversight.” Corruption is “endemic and widespread,” the advisory states.

It also advises US businesses to consider the threat of human trafficking and child exploitation, particularly when investing in the Cambodian tourism industry.

“Rampant development in Sihanoukville, the site of dozens of new casinos built in the last five years, raises concerns of child exploitation and trafficking,” it said.

Written by Administrator

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“Cambodia’s [2020 ban on online gambling](#) and the subsequent shuttering of many casinos and other entertainment establishments have reduced such trafficking, though the problem persists and will likely grow as the Cambodian economy recovers from COVID-19.

“The government lacks the capacity to deal with child labor and is overwhelmed by the scale of the issue, particularly in Preah Sihanouk, leading to an increase in the number of child laborers at construction sites and entertainment venues, including casinos, hotels, and karaoke bars.”

While the advisory does not name out any specific companies or businesses of concern, it does single out two individuals for special mention, with 14K identity “Broken Tooth” Wan Kuok Koi and North Korean official Kim Chol Sok described as examples of criminal elements involved in Cambodia’s casino sector.

Read more <https://www.asgam.com/index.php/2021/11/11/us-companies-warned-against-investing-in-cambodias-casino-financial-sectors-on-trafficking-money-laundering-concerns/>