

Treasury Sanctions Burma Warlord and Militia Tied to Cyber Scam Operations

Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned the **Karen National Army (KNA)**, a militia group in Burma, as a transnational criminal organization, along with the group's leader **Saw Chit Thu**, and his two sons, **Saw Htoo Eh Moo** and **Saw Chit Chit**, for their role in facilitating cyber scams that harm U.S. citizens, human trafficking, and cross-border smuggling. The KNA-controlled region, located on the Thai-Burmese border, is home to multiple cyber scam syndicates, and the KNA has benefitted from its connection to Burma's military in its criminal operations. Although statistics vary, American victims of cyber scams like the ones emanating from Burma have collectively lost billions of dollars over the last three years.

SOPHISTICATED CYBER SCAMS TARGETING AMERICANS

A significant portion of cyber scam operations targeting Americans and others around the globe emanate from Southeast Asia. This action follows FinCEN's May 1, 2025 identification of Huione Group, a Cambodian financial institution, as a primary money laundering concern pursuant to Section 311 of the USA PATRIOT Act. Huione Group has served as a critical node for laundering proceeds of cyber heists carried out by the Democratic People's Republic of Korea (DPRK) and for transnational criminal organizations (TCOs) in Southeast Asia perpetrating convertible virtual currency (CVC) investment scams, commonly known as "pig butchering" scams, as well as other types of CVC-related scams. In September 2024, OFAC sanctioned Cambodian businessman Ly Yong Phat, his conglomerate L.Y.P. Group, and four of his hotels and resorts for their role in serious human rights abuse related to the mistreatment of trafficked workers in Cambodia-based scam centers. In September 2023, the Treasury Department's Financial Crimes Enforcement Network (FinCEN) also published an alert about these virtual currency investment scams.

In these operations, scammers, who are often themselves lured or trafficked into prison-like call centers or retrofitted hotels and casinos, are forced—with threats of physical violence and humiliation—into scamming strangers online. The scams are elaborate. They often play out over the course of months while scammers build rapport with their victims. Initially, scammers exploit victims' vulnerabilities like recent breakups, bereavement, or financial hardship and, in some cases, employ attractive models to assuage victims' apprehension with the occasional videochat. Scammers present victims with hints of a wealthy, glamorous lifestyle and induce them to "invest" in bogus cryptocurrency and trading platforms controlled by the scammers themselves. Victims are shown fake "returns" on their investments and duped into investing greater and greater sums until the scammers go silent after stealing everything they can from their victims. Estimates indicate Americans are suffering increasing financial losses as a result of these sophisticated cyber scams emanating from Burma and other Southeast Asian countries, amounting to over \$2 billion in 2022 and \$3.5 billion in 2023.

A MILITIA-CONTROLLED HAVEN FOR CYBER SCAM OPERATIONS

The KNA is headquartered in Shwe Kokko, Myawaddy Township in Burma's southeast Karen State along the border with Thailand. The KNA has leveraged its former role as a Border Guard Force (BGF) with Burma's military to facilitate a transborder criminal empire; the majority of cyber scam syndicates in Karen State operate in the KNA-controlled border region. While the KNA (formerly known as the Karen Border Guard

Force) changed its name in March 2024 in an effort to distance itself from Burma's military regime, it has continued its cooperation with the Burmese military as recently as September 2024.

The KNA profits from cyber scam schemes on an industrial scale by leasing land it controls to other organized crime groups, and providing support for human trafficking, smuggling, and the sale of utilities used to provide energy to scam operations. The KNA also provides security at scam compounds in Karen State. Survivors from KK Park—an infamous scam site—who were coerced into forced criminality to commit cyber scams have reported that the uniforms of soldiers guarding the compound bore the insignia of the KNA.

As the leader of the KNA, Saw Chit Thu has emerged as one of the central figures in Burma's scam economy, facilitating transnational crimes in a KNA-controlled zone along the border with Thailand. Under Saw Chit Thu's leadership, the KNA has become a key enabler of scam operations in the region, providing security at compounds and leasing land to criminal organizations while profiting handsomely at the expense of scam victims and of the otherwise innocent people forced to carry out these crimes. Saw Chit Thu was sanctioned by the United Kingdom in 2023 and the European Union in 2024 for his involvement in scam compounds and with Burma's military regime.

Saw Chit Thu appointed his two sons, Saw Htoo Eh Moo and Saw Chit Chit, as officers in the KNA. Both have served in key roles in the KNA criminal enterprise. Saw Htoo Eh Moo has an interest in KNA-affiliated business ventures, including cyber scam centers. Saw Chit Chit is active in military operations alongside the military regime and has commanded KNA battalions fighting against anti-regime rebel groups. He also holds shares and directorships in several KNA-linked businesses.

OFAC is designating the Karen National Army pursuant to E.O. 13581, as amended, for being a foreign person that constitutes a significant transnational criminal organization. OFAC is also designating the Karen National Army pursuant to E.O. 14014 for being responsible for or complicit in, or having directly or indirectly engaged or attempted to engage in actions or policies that threaten the peace, security, or stability of Burma.

OFAC is designating Saw Chit Thu and his two sons, Saw Htoo Eh Moo and Saw Chit Chit, pursuant to E.O. 13581, as amended, for having acted or purported to act for or on behalf of, directly or indirectly, the Karen National Army, and pursuant to E.O. 14014 for having acted or purported to act for or on behalf of, directly or indirectly, the Karen National Army. Saw Htoo Eh Moo and Saw Chit Chit are also being designated pursuant to E.O. 14014 for being the adult children of Saw Chit Thu.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the blocked persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons.

Dated 5th May, 2025

