

PRESS RELEASE

One Defendant Pleads Guilty And Two Others Charged With Fraudulently Obtaining \$59 Million In Public Benefits And Laundering Proceeds To China

Wednesday, January 29, 2025

For Immediate Release

U.S. Attorney's Office, Middle District of Pennsylvania

HARRISBURG - The United States Attorney's Office for the Middle District of Pennsylvania announced that Bruce Jin, age 60, pleaded guilty before United States District Court Judge Jennifer P. Wilson to one count of conspiracy to commit wire fraud and one count of conspiracy to launder monetary instruments in the amount of approximately \$59 million. The United States Attorney's Office also announced that Jin was charged with those offenses in August 2023, along with Brian R. Cleland, age 71, and Carlos A. Grijalva, age 59. All three defendants are residents of the Los Angeles, California area. The indictment also contains additional wire fraud charges against Cleland and Jin individually.

According to Acting United States Attorney John C. Gurganus, the indictment alleges that Cleland, Jin, and Grijalva, along with other unnamed coconspirators, conspired to obtain state unemployment compensation funds, and other public funds, through fraudulent means. The indictment alleges that the defendants and others entered into a series of agreements to make it appear as if they were operating legitimate businesses selling masks and other COVID19 personal protective equipment. In reality, the funds that the defendants obtained and laundered through their companies were derived from fraudulently obtained state unemployment compensation ("UC") benefits. The indictment alleges that Economic Impact Payments, or "stimulus payments," were also obtained through fraudulent means.

According to the indictment, unnamed members of the conspiracy, including some believed to be located in China, established thousands of accounts at banks across the United States using the personal identifying information ("PII") of identity theft victims. From there, fraudulent UC claims were generated and paid to these accounts, including

accounts in the names of people residing in the Middle District of Pennsylvania. The indictment alleges that these fraudulent UC claims were also generated by fraudsters based in China. As a result of this fraudulent activity, millions of dollars in fraudulent UC payments were made by Pennsylvania, Virginia, Florida, and other states.

After UC funds were paid out, they were then transferred from identity theft victims' accounts to companies controlled by Cleland, Jin, and Grijalva. For instance, Jin, through companies that he controlled known as Ample International and Jin Commerce, allegedly received over \$12 million in UC funds from the accounts of identity theft victims. In addition, the defendants are alleged to have used ACH processing—a type of electronic bank-to-bank transfer—to obtain over \$45 million in fraudulent funds from the accounts of identity theft victims. This money mostly went from the accounts of identity theft victims to companies controlled by Cleland and Grijalva, including MexUS Service, Group Mex USA, CCB Group, GC Accounting, and CLECO. After that, Cleland and Grijalva transferred over \$30 million to Jin's companies and over \$6 million to a company controlled by an associate of Jin who is referred to in the indictment as COCONSPIRATOR 1. That associate's company is known in the indictment as COMPANY 1.

After Jin received the fraudulent funds, either from identity theft victims' accounts or from Cleland and Grijalva through ACH processing, he then made international wire transfers totaling over \$35 million to a bank account in China associated with a company known in the indictment as COMPANY 2. COMPANY 2 is controlled by an individual known in the indictment as COCONSPIRATOR 2, who, like COMPANY 2, is allegedly located in China. Jin also transferred over \$2 million directly to COCONSPIRATOR 2.

The indictment also contains forfeiture allegations seeking over \$59 million in US currency, as well as the contents of three bank accounts belonging to COMPANY 1 and a property in Honolulu, Hawaii that was purchased by COCONSPIRATOR 1 using funds connected to the charged offenses.

During his guilty plea, Bruce Jin admitted to the conduct that he is alleged to have engaged in with Cleland, Grijalva, and COCONSPIRATOR 2, as described above.

Jin has been detained since his arrest in August 2023. Cleland and Grijalva have been released pending trial on conditions. Cleland and Grijalva have both pleaded not guilty to the charged offenses and are scheduled for trial in May 2025.

"The Department of Justice is committed to identifying and punishing those who defrauded pandemic-era benefits programs, regardless of where they are located," said

Mandy Riedel, Director, COVID-19 Fraud Enforcement. "I commend the hard work of the prosecutors and investigators in the Middle District of Pennsylvania who doggedly pursued these organized overseas criminals to seek justice and the return of stolen tax payer funds."

"Bruce Jin and his co-defendants engaged in an unemployment insurance (UI) fraud scheme that targeted multiple state workforce agencies, including the Pennsylvania Department of Labor and Industry," stated Syreeta Scott, Special Agent-in-Charge of the Mid-Atlantic Region, U.S. Department of Labor, Office of Inspector General. "Jin conspired to file fraudulent UI claims in the names of identity theft victims who were not entitled to such benefits. We will continue to work with our law enforcement partners to protect the integrity of the UI system from those who seek to exploit this critical benefit program."

"The millions of dollars fraudulently obtained in this case were meant to support struggling Americans, not to be funneled overseas," said Wayne A. Jacobs, Special Agent in Charge of FBI Philadelphia. "The FBI is grateful for the ongoing collaboration of our partners as we work to hold accountable those who commit such egregious and complex financial crimes."

The case was investigated by the Federal Bureau of Investigation and the U.S. Department of Labor, Office of Inspector General. Assistant U.S. Attorney Ravi Romel Sharma is prosecuting the case.

The U.S. Attorney General has established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. For more information on the department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

The maximum penalty under federal law for wire fraud and conspiracy to commit wire fraud is 20 years of imprisonment, a term of supervised release following imprisonment, and a fine. The maximum penalty for conspiracy to commit money laundering is also 20 years of imprisonment, a term of supervised release following imprisonment, and a fine.

A sentence following a finding of guilt is imposed by the Judge after consideration of the applicable federal sentencing statutes and the Federal Sentencing Guidelines.

Indictments are only allegations. All persons charged are presumed to be innocent unless and until found guilty in court.

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Topic

FINANCIAL FRAUD

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