

PRESS RELEASE

Third Defendant Pleads Guilty For Fraudulently Obtaining Millions In Public Benefits And Laundering Proceeds To China

Tuesday, November 18, 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 Brian R. Cleland, age 72, pleaded guilty on November 17, 2025, to one count of conspiracy to launder monetary instruments in the amount of approximately \$46.4 million. Cleland is the third defendant to plead guilty in connection with this case, following the guilty pleas of Bruce Jin in January 2025 and Carlos A. Grijalva in May 2025. In April 2025, Cleland and Grijalva were charged in a superseding indictment with conspiracy to launder monetary instruments and other offenses, after charges were originally filed against all three defendants in August 2023.

According to United States Attorney Brian D. Miller, Cleland admitted that, from 2021 to early 2022, he, Grijalva, and Jin, along with other unnamed coconspirators, agreed to launder state unemployment compensation funds that they knew had been obtained through fraud. Cleland also admitted that he and the others entered into a series of agreements that made it appear as if they were operating legitimate businesses selling masks and other COVID19 personal protective equipment while knowing that funds obtained and laundered through their companies were derived from fraudulently obtained state unemployment compensation ("UC") benefits.

Cleland also admitted to knowing that bank accounts of identity theft victims were unlawfully created and accessed across the United States and that fraudulent UC claims were generated and paid to these accounts. Cleland also admitted to knowing that this fraudulent activity was being conducted by fraudsters located in China. Through this pattern of financial activity, tens of millions of dollars of fraudulent UC payments were issued to accounts by the Pennsylvania Treasury Department and other state treasuries around the United States.

Cleland also admitted that he and Grijalva then provided the bank account information of these identity theft victims to payment processing companies to generate ACH payments to accounts controlled by him and Grijalva. This bank account information, including account numbers and routing numbers, was from an individual in China, known in the superseding indictment as "COCONSPIRATOR 2."

Cleland admitted that he and Grijalva transferred over \$46 million through this pattern of unlawful activity and that he and Grijalva discussed, on a number of occasions, that the supposed sale of COVID-19-related PPE would be their cover story for it. They also used code language to hide the true nature of their financial activity. For example, they used the term "call center" to refer to the people conducting the fraudulent activity from China and "product" to refer to the fraudulent commercial activity that they conducted with those overseas criminal actors.

After that, Cleland and Grijalva, using a number of different bank accounts, transferred over \$30 million to companies controlled by Bruce Jin, as well as transferring additional funds to an individual known as "COCONSPIRATOR 1" in the superseding indictment. Cleland admitted that he and Grijalva made transfers to Jin knowing that Jin would, in turn, transfer at least a portion of these funds to parties located in China.

Cleland also admitted that he and Grijalva each made an estimated \$2.2 million dollars in personal profit from the scheme. Together, their profit represents approximately 10% of the funds that they were responsible for transferring.

Cleland agreed to certain property forfeitures as part of his plea agreement, including approximately \$46.4 million in US currency, as well as the contents of several bank accounts and real properties located in Hawaii and California that were purchased using funds traceable to the charged offenses. One of these properties, located in California, was purchased in the name of one of Grijalva's family members.

All three named defendants are now scheduled to be sentenced in 2026.

The case was investigated by the Federal Bureau of Investigation and the U.S. Department of Labor, Office of Inspector General. Assistant U.S. Attorneys Ravi Romel Sharma and K. Wesley Mishoe and Trial Attorney Patrick B. Gushue of the Department of Justice's Money Laundering & Asset Recovery Section, Bank Integrity Unit, are prosecuting the case.

The U.S. Attorney General previously 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 for conspiracy to launder monetary instruments is 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.

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