PRESS RELEASE

California Man Sentenced to 72 Months in Prison for Fraudulently Obtaining $46 Million In Public Benefits and Laundering Proceeds to China

Thursday, September 10, 2026

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 Carlos A. Grijalva, age 60, of Simi Valley, California, was sentenced yesterday to 72 months in prison to be followed by three years of supervised release by United States District Judge Jennifer P. Wilson for conspiracy to launder monetary instruments in the amount of approximately $46.4 million.

According to United States Attorney Brian D. Miller, Grijalva previously pleaded guilty and admitted that he and his coconspirators, Brian R. Cleland, age 72, and Bruce Jin, age 61, along with other unnamed coconspirators, conspired to obtain state unemployment compensation funds, and other public funds, through fraudulent means. Grijalva, Cleland, and Jin, 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. The funds that the defendants obtained and laundered through their companies were derived mostly from fraudulently obtained state unemployment compensation (“UC”) benefits.

Unnamed members of the conspiracy, including some believed to be 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. These fraudulent UC claims were also generated by fraudsters based in China. As a result of this fraudulent activity, tens of millions of dollars in fraudulent UC payments were made by Pennsylvania and other states.

After UC funds were paid out, they were then transferred from identity theft victims' accounts to companies controlled by Grijalva, Cleland, and Jin. Grijalva and Cleland, for instance, used ACH processing—a type of electronic bank-to-bank transfer—to obtain over $46 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, and GC Accounting. After that, Grijalva and Cleland transferred over $30 million to Jin's companies, knowing that some of the funds were then going to be transferred to parties located in China.

Grijalva was also ordered to pay certain property forfeitures, 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.

Jin was sentenced on April 30, 2026, to 144 months in prison and was ordered to forfeit over $59 million in US currency, along with other properties. Cleland was sentenced on May 14, 2026, to 120 months in prison and was ordered to forfeit approximately $46.4 million.

On April 7, the Department of Justice announced the creation of the National Fraud Enforcement Division ("Fraud Division"). The Fraud Division is laser-focused on investigating and prosecuting those who commit fraud against the American people. The Department's work to combat fraud supports President Trump's Task Force to Eliminate Fraud, a whole-of-government effort chaired by Vice President J.D. Vance to eliminate fraud, waste, and abuse within Federal benefit programs.

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 are prosecuting the case.

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