



# THE UNITED STATES DEPARTMENT of JUSTICE

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## **Tigard Repeat Offender Sentenced to Federal Prison for Transporting a Victim Across State Lines for Illegal Sexual Activity and Laundering Proceeds Through a Bottled Water Company**

PORTLAND, Ore.—A Tigard, Oregon man with a lengthy criminal history was sentenced to federal prison today for transporting an adult victim across state lines for illegal sexual activity and laundering the proceeds through a Portland-based bottled water company.

Johnell Lee Cleveland, 42, was sentenced to 108 months in federal prison and seven years' supervised release. He was also ordered to pay \$32,115 in restitution to the Oregon Department of Employment. The sum of restitution Cleveland must pay to his adult victim will be determined at a later date.

"In the summer of 2020, Johnell Cleveland received a rare early release from federal prison he could have used as an opportunity to chart a new path away from criminality. Unfortunately, he did the exact opposite, diving headfirst into a remarkable series of crimes," said Steven T. Mygrant, Chief of the Narcotics and Criminal Enterprises Unit of the United States Attorney's Office for the District of Oregon. "We thank the FBI, IRS, and PPB for their efforts in holding Cleveland accountable and securing this nine-year prison sentence."

"Johnell Cleveland has demonstrated a flagrant disregard for the law," said Douglas A. Olson, Special Agent in Charge of the FBI Portland Field Office. "Even after serving a prison term, Cleveland continued his chronic criminal behavior with money laundering, wire fraud, and transporting an adult victim for illegal sexual activity. The FBI, along with our partners, is dedicated to maintaining the safety of our communities, and with Cleveland behind bars, our community is more secure."

"30 days is long enough to form positive habits; it is also more than long enough to return to bad ones, as Mr. Cleveland unfortunately chose to do," said Special Agent in Charge Adam Jobes, IRS Criminal Investigation (CI), Seattle Field Office. "Given a second chance, Mr. Cleveland did not choose to better himself. Instead, he proceeded to cause immense harm to the people and to the communities around him. This sentencing shows that CI, along with our partners in law enforcement, will bring justice to repeat offenders as many times as needed, as Mr. Cleveland is finding out today."

According to court documents, in July 2019, Cleveland was [sentenced](#) to 57 months in federal prison for distributing cyclopropyl fentanyl, possessing a machine gun and money laundering. In the summer of 2020, nineteen months before his original projected release date, Cleveland

sought and was granted a compassionate release from prison based on health risks associated with the COVID-19 pandemic.

Less than 30 days following his release from prison, Cleveland and an associate submitted a fraudulent insurance policy application for nine pieces of jewelry previously seized by law enforcement. Approximately four months after Cleveland and his associate were issued an insurance policy worth more than \$100,000, his associate submitted a false burglary report to the Las Vegas Police Department claiming her Mercedes-Benz sedan and various personal property, including the nine pieces of insured jewelry, had been stolen. Seeking reimbursement, Cleveland quickly notified his insurance company of the purported jewelry theft.

While his insurance fraud scheme was ongoing, in October 2020, Cleveland devised a separate scheme to fraudulently obtain COVID relief program funds. On October 14, 2020, he applied for Pandemic Unemployment Assistance (PUA) benefits for a five-month period beginning in April 2020, claiming he was unemployed because of the COVID-19 pandemic. In reality, Cleveland was unemployed during this time because he was in federal prison. Despite his false claims, Cleveland's application was approved, and he began receiving PUA benefits.

Investigators later learned that during this same time period, Cleveland transported for illegal sexual activity an adult woman he had, in August 2020, commenced a romantic relationship with. Cleveland told the woman that he needed money to get his business ventures off the ground and fund their future together. Over time, Cleveland became less friendly and more menacing toward the woman, demanding she travel frequently and engage in more commercial sex. Meanwhile, Cleveland kept all the money the woman earned and threatened her with various punishments he claimed to have used on other women, including locking her in a dog cage.

To conceal and disguise the nature of his victim's proceeds, Cleveland used the money to pay business expenses for the bottled water company, including costs for bottling and manufacturing, rental of corporate office space in Portland, merchandising, and a monthly retainer with a modeling agency.

On November 3, 2021, Cleveland was arrested without incident in Portland. The same day, investigators seized Cleveland's vehicle. A subsequent search of the vehicle resulted in the discovery of a secret compartment in the driver-side door that concealed a loaded handgun.

On October 19, 2021, a federal grand jury in Portland returned an indictment [charging](#) Cleveland and his insurance fraud associate with conspiring to commit and committing wire fraud. Later, in on March 10, 2022, Cleveland was [indicted](#) a second time for sex trafficking by force, fraud, and coercion; illegally possessing a firearm as a convicted felon; and money laundering.

On February 4, 2024, Cleveland pleaded guilty to both counts of his fraud indictment and a three-count superseding criminal information charging him with transportation for illegal sexual activity, illegally possessing a firearm as a convicted felon, and money laundering.

This case was investigated by the FBI, IRS CI, and the Portland Police Bureau Human Trafficking Unit. It was prosecuted by Peter Sax and Nicole Bockelman, Assistant U.S. Attorneys for the District of Oregon.

If you or someone you know is in danger, please call 911. If you are a human trafficking victim or have information about a potential human trafficking situation, please call the National

Human Trafficking Resource Center at 1-888-373-7888 or by texting 233733. Calls and texts are answered 24 hours a day, seven days a week.

Human trafficking is a serious federal crime where individuals are compelled by force, fraud, or coercion to engage in commercial sex, labor, or domestic servitude against their will. Traffickers exploit and endanger some of the most vulnerable members of our society and cause unimaginable harm. In February 2022, Attorney General Merrick B. Garland [launched](#) a new national strategy to combat human trafficking that aims to prevent all forms of trafficking, prosecute trafficking cases, and support trafficking victims and survivors.

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