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Tigard Man Indicted for Insurance Fraud Scheme and Obtaining Pandemic Unemployment Assistance for Time in Federal Prison

PORTLAND, Ore.—A federal grand jury in Portland has returned a two-count indictment charging a Tigard man with perpetrating separate insurance and COVID-relief fraud schemes while on federal supervised release.

Johnell Lee Cleveland aka “Bankroll Johnny”, 40, a resident of Tigard, has been charged with one count each of conspiracy to commit wire fraud and wire fraud.

Cleveland’s co-conspirator, Tanya Renee Morrow, 33, of Las Vegas, Nevada, is also named in the indictment for her role in the insurance fraud scheme.

According to the indictment, in 2018, law enforcement executed multiple search warrants as part of an ongoing investigation of Cleveland, a suspected distributor of counterfeit oxycodone pills in the Portland Metropolitan Area. On March 7, 2018, federal agents arrested Cleveland and seized hundreds of oxycodone pills containing fentanyl; a ballistic vest; seven firearms, including a machine gun; more than \$180,000 in cash and more than \$100,000 in jewelry from his Portland residence.

On April 2, 2019, Cleveland pleaded guilty to conspiring to possess with intent to distribute and distribution of cyclopropyl fentanyl, possessing an unregistered firearm, and money laundering and, on July 11, 2019, he was sentenced to 57 months in federal prison. At Cleveland’s sentencing, a federal judge signed a forfeiture order, forfeiting items previously seized from Cleveland, including multiple pieces of jewelry.

In the summer of 2020, Cleveland sought and obtained a compassionate early release from prison based on the health risks associated with the COVID-19 pandemic and was released on August 4, 2020. Later the same month, Cleveland and Morrow submitted a personal articles insurance policy application to State Farm Insurance for nine pieces of jewelry previously seized by law enforcement. On October 9, 2020, State Farm issued Cleveland and Morrow a policy valued at more than \$100,000 without a physical examination of the insured jewelry.

On February 8, 2021, Morrow submitted a burglary report to the Las Vegas Police Department claiming that her Mercedes-Benz C300 sedan and items from her Las Vegas residence had been stolen, including the nine pieces of insured jewelry. Two weeks later, Cleveland emailed State Farm a notarized statement of loss signed by both him and Morrow. Over the next several

months, Cleveland and Morrow submitted additional documents and made affirmative statements to State Farm in support of their loss claim.

Beginning in October 2020, while the insurance fraud scheme involving Morrow was ongoing, Cleveland devised a separate scheme to fraudulently obtain Covid-relief funds authorized under the federal Coronavirus Aid, Relief, and Economic Security (CARES) act. The CARES Act, signed into law on March 27, 2020, created the Pandemic Unemployment Assistance (PUA) program, which provided unemployment benefits to individuals not eligible for regular unemployment compensation. PUA claims in Oregon are received and processed by the State of Oregon's Employment Department.

On October 14, 2020, Cleveland applied for PUA benefits beginning on April 11, 2020 and continuing through September 12, 2020, claiming he was unemployed because of the COVID-19 pandemic. In reality, Cleveland was unemployed due to having been incarcerated during the period of time for which he was seeking employment benefits. Despite these false claims, Cleveland's application was approved and, between October 2020 and August 2021, he received thousands of dollars in PUA payments.

Cleveland was arrested today and made his initial appearance in federal court before a U.S. Magistrate Judge. He was arraigned, pleaded not guilty, and ordered detained pending a 4-day jury trial scheduled to begin on January 4, 2021.

If convicted, Cleveland faces a maximum sentence of 20 years in federal prison, 5 years' supervised release, and a fine of \$250,000.

Morrow was also arrested today and will make her first appearance in federal court on November 4, 2021 in Las Vegas.

Acting U.S. Attorney Scott Erik Asphaug of the District of Oregon made the announcement.

This case was investigated by IRS-Criminal Investigation and the FBI, with assistance from the Portland Police Bureau and the U.S. Marshals Service. Assistant U.S. Attorney Peter D. Sax is prosecuting the case.

Cleveland and Morrow's insurance fraud scheme was first discovered by a State Farm insurance claim specialist who alerted federal authorities for further investigation.

An indictment is only an accusation of a crime, and defendants are presumed innocent unless and until proven guilty.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form.

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