

330 West Broadway
San Diego, CA 92101
(619) 531-4040
SanDiegoDA.com



DWAIN D. WOODLEY
ASSISTANT DISTRICT ATTORNEY

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For Immediate Release

Contact: [Steve Walker](#) (619) 843-7977
[Tanya Sierra](#) (619) 531-3315
En Español [Barbara Medina](#) (619) 531-3305

Political Consultant Jesus Cardenas Sentenced on Grand Theft Charges

Defendant Ordered to Pay More than \$200,000 in Restitution

San Diego County District Attorney [Summer Stephan](#) said today that defendant Jesus Cardenas, 41, has been sentenced to 45 days in work furlough, 135 days in home detention and two years formal probation for committing two felony counts of grand theft. Should he violate the terms of his probation, Cardenas could be ordered to serve up to two years and eight months in custody. Cardenas pleaded guilty to fraud related to funds obtained from the federal Paycheck Protection Program and the state Employment Development Department. Cardenas acknowledged cheating the U.S. government out of \$176,000 in COVID-19 relief funds which he laundered and used to pay for personal expenses. He also unlawfully applied for over \$26,000 in unemployment benefits.

As part of his probation, Superior Court Judge Rachel Cano ordered Cardenas must submit to search and seizure, must operate any business legally and comply with all rules and regulations of such business including being licensed, paying taxes, and comply with any campaign finance laws. He must also pay back the full amount of the funds he stole including \$176,227 to the Small Business Administration joint and several with the co-defendant Andrea Cardenas, \$26,700 to the Employment Development Department, and an amount to be determined to the Franchise Tax Board.

“Our dedicated prosecution team conducted a thorough investigation resulting in the service of 27 search warrants to examine financial and email accounts,” DA Stephan said. “They uncovered and proved that Cardenas had engaged in multiple fraud schemes over several years. In these types of cases, we often rely on the public, the media, or people who suspect wrongdoing to report potential public integrity crimes to our office so we can investigate. Members of the public, and members of local media outlets like La Prensa deserve recognition for their reporting, which helped bring this case to light.”

Cardenas began operating a political consulting firm called Grassroots Resources in 2016. In 2019, Grassroots Resources began acting as a payroll service for one of their clients, Harbor Collective, a marijuana dispensary. In early 2021, Grassroots Resources was being pressured to pay off debts including money owed to TMC Direct, a political mailing company.

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In February 2021, Cardenas filed for a Paycheck Protection Program (PPP) Loan from the Small Business Administration via PayPal. He misrepresented multiple items on the application, including: that Grassroots had 34 employees, when in reality these 30 of these individuals worked for Harbor Collective; that they were not engaged in activity illegal under federal law (marijuana dispensaries are not legal under federal law); that they were not a business engaged in political consulting; and that the loan funds would be used to cover payroll expenses. The loan was approved for \$176,227.

On May 3, 2021, the \$176,227 of PPP loan funds were deposited into a Grassroots Business account. Over the course of the next two weeks, the money was transferred between two different Grassroots accounts. From there, Cardenas used the PPP funds to pay off multiple personal expenses including \$21,000 owed to American Express and he transferred \$35,000 to his sister's personal Wells Fargo account where much of it was used to pay of campaign debt she owed.

In a separate fraud scheme, in 2020, Cardenas unlawfully applied for unemployment benefits and received \$26,700 from the Employment Development Department. He misrepresented on applications that he was not working and not receiving any income. However, his political consulting business was fully operational during that election year, handling the campaigns of multiple candidates and other entities.

This case was prosecuted by the San Diego County District Attorney's Office Public Integrity Unit. Team members included Deputy District Attorney Chandelle Boyce, Deputy District Attorney Hector Jimenez, Deputy District Attorney Leon Schorr, District Attorney Investigator James Hawksley, District Attorney Investigator Justin Bostic, and Forensic Accountant Kevin Boyne. The investigation was also assisted by the Department of Homeland Security COVID Fraud Unit.

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About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.

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