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United States Attorney's Office  
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### **Oregon Check Casher Found Guilty for Role in Payroll Tax Scheme**

PORTLAND, Ore.—A federal jury in Portland found the operator of a local chain of check cashing businesses guilty today for his role in a multiyear scheme to obstruct the IRS from collecting payroll and income taxes on construction workers' wages.

David A. Katz, 48, of Tualatin, Oregon, was found guilty of conspiracy to defraud the United States and filing false currency transaction reports with the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN).

"This defendant's efforts to help others circumvent their tax responsibilities was thwarted thanks to the dedicated criminal investigators at the IRS. Business owners who abuse the system and help others hide taxable income will be held accountable," said Natalie Wight, U.S. Attorney for the District of Oregon.

"Our tax system is based on the honesty and integrity of taxpayers who understand that taxes fund the common good. However, there are some, like Mr. Katz, who choose to line their own pockets at the expense of their friends and neighbors," said Special Agent in Charge Adam Jobs, IRS Criminal Investigation (CI), Seattle Field Office. "Mr. Katz's conviction by a jury of his peers emphasizes the fact that no one is above paying their fair share, and shows that CI is committed to investigating those who choose to undermine their communities."

According to court documents and trial testimony, from January 2014 through December 2017, Katz, the compliance officer of Check Cash Pacific, Inc., conspired with others in the construction industry to defraud the United States by facilitating under-the-table payments to construction workers. To carry out the scheme, sham construction companies were created and used to cash more than \$177 million in payroll checks at different Check Cash Pacific locations. The cash was used to pay construction workers under-the-table, with no taxes being withheld or reported to the IRS.

Construction companies would notify Katz when they planned to bring checks into one of his check cashing locations so that Katz could ensure he had enough cash on hand to complete the transaction. Hundreds of thousands of dollars of payroll checks were cashed daily and Katz was aware that at least one of his co-conspirators used a false name and social security number.

For his role in the scheme, Katz received a 2% commission on each transaction which, in total, amounted to more than \$4 million. Over the course of their conspiracy, Katz and his co-conspirators prevented the IRS from collecting more than \$44 million in payroll and income taxes due on the cash wages.

On December 2, 2021, a federal grand jury in Portland returned a five-count indictment charging Katz and five others with conspiracy to defraud the United States. Katz was charged in the same indictment with four counts of filing false currency transaction reports with FinCEN.

Conspiracy to defraud the United States is punishable by up to five years in federal prison, a \$250,000 fine, and three years' supervised release. Filing false currency transaction reports is punishable by up to 10 years in federal prison, a \$250,000 fine, and three years' supervised release.

Three of Katz's co-conspirators have pleaded guilty to felony charges stemming from their roles in the conspiracy. Two are awaiting sentencing and the third was [sentenced](#) to 30 months in federal prison. Another co-conspirator is awaiting trial and one is a fugitive.

This case was investigated by IRS-CI. It was prosecuted by Robert S. Trisotto and Andrew T. Ho, Assistant U.S. Attorneys for the District of Oregon.

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