



THE UNITED STATES
DEPARTMENT of JUSTICE

United States Attorney's Office
District of Oregon

FOR IMMEDIATE RELEASE
February 4, 2025
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**Oregon Check Casher Sentenced to Federal Prison for Payroll Tax Scheme
Involving \$177 Million**

PORTLAND, Ore.—A Tualatin, Oregon man was sentenced to federal prison today for conspiring to defraud the United States and filing false currency transaction reports.

David Katz, 48, was sentenced to 48 months in federal prison and three years' supervised release. He was also ordered to pay \$44,877,254 in restitution to the IRS.

According to court documents and trial testimony, from January 2014 through December 2017, Katz, as president 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. Acting as compliance officer, Katz allowed hundreds of false regulatory reports to be filed knowing they contained the fake identity.

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 with one count of conspiracy to defraud the United States and four counts of filing false currency transaction reports with FinCEN. On June 12, 2024, a federal jury in Portland [found](#) Katz guilty of all charges.

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

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