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United States Attorney's Office  
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**Construction Company Operator Sentenced to Federal Prison for Role in  
Payroll Tax Evasion Scheme**

PORTLAND, Ore.—A Portland area construction company operator was sentenced to federal prison today for his role in a multiyear scheme to evade the payment of payroll and income taxes on the wages of construction workers.

Melesio Gomez-Rivera, 49, of Aloha, Oregon, was sentenced to 30 months in federal prison and three years' supervised release. He was also ordered to pay \$29.9 million in restitution to the IRS.

According to court documents, Gomez-Rivera owned and operated a residential construction company called Novatos Construction. From January 2014 until December 2017, Gomez-Rivera and several other construction company owners conspired with each other and David A. Katz, 47, of Tualatin, Oregon, the operator of Check Cash Pacific, Inc., a check cashing business with locations in the Portland area and Vancouver, Washington, to defraud the U.S. by facilitating under-the-table cash wage payments to construction workers. Their actions, individually and collectively, impeded and obstructed the IRS's ability to compute, assess, and collect payroll and income taxes due on the cash wages.

To carry out the scheme, Gomez-Rivera and the other company owners cashed or had other individuals cash millions of dollars in payroll checks at various locations of Katz's check cashing business, used the cash to pay construction workers under-the-table, and filed false business and payroll tax returns. In total, the group cashed approximately \$192 million in payroll checks, causing a combined employment and individual income tax loss of \$68 million.

On December 2, 2021, a federal grand jury in Portland returned a five-count indictment [charging](#) Gomez-Rivera, Katz and four other individuals with conspiring with one another to defraud the United States. Katz was additionally charged with four counts of filing false currency transaction reports with the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN).

On March 1, 2023, Gomez-Rivera became the first of the six co-conspirators to plead guilty. All others are awaiting a 10-day jury trial scheduled to begin on December 5, 2023.

This case was investigated by IRS-Criminal Investigation. Assistant U.S. Attorneys Seth D. Uram and Gavin W. Bruce of the District of Oregon are prosecuting the case.

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