

# The United States Attorney's Office

## Southern District of Florida

### Public Affairs Office:

**Yovanny Lopez**

Public Affairs Specialist

(305) 961-9316

### Public Affairs Fax

(305) 530-7055

## Press Release

### **CHECKMATE FINANCIAL, INC., DEFENDANTS SENTENCED ON BUSINESS OPPORTUNITY FRAUD CHARGES**

September 27, 2006

#### **FOR IMMEDIATE RELEASE**

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Henry Gutierrez, Postal Inspector in Charge, United States Postal Inspection Service, announced today that defendants **Max Bacal** and **Ian Alan Weiss** were sentenced by United States District Court Judge Cecilia M. Altonaga, in Miami, Florida. Bacal was sentenced to a term of 70 months' imprisonment and a term of 3 years of supervised release. Weiss was sentenced to a term of 51 months' imprisonment and a term of 3 years of supervised release. A hearing was scheduled for November 17, 2006 to determine the amount of restitution owed by each defendant.

On March 23, 2006, a grand jury returned a twenty-two count Indictment charging defendants Bacal, Weiss and others with conspiracy to commit mail fraud and wire fraud, in violation of Title 18, United States Code, Section 1349; mail fraud, in violation of Title 18, United States Code, Section 1341; and wire fraud, in violation of Title 18, United States Code, Section 1343.

On July 19, 2006, defendant Bacal entered a guilty plea in Miami Federal District Court to one count of the Indictment pending against him, charging conspiracy to commit mail and wire fraud. That same day, July 19, 2006, defendant Weiss entered a guilty plea in Miami Federal District Court to one count of the Indictment pending against him, charging conspiracy to commit wire fraud.

According to the Indictment, Bacal, Weiss and others engaged in the solicitation of investments through CheckMate Financial, Inc., to support a supposed mobile check cashing operation. Bacal, Weiss and others fraudulently induced investors around the country to invest in CheckMate Financial, by misrepresenting that CheckMate Financial had at least one mobile check cashing unit that was in operation cashing checks in Florida. In fact, however, CheckMate Financial did not have a mobile check cashing unit that was cashing checks in Florida, or anywhere else.

According to the Indictment, potential investors were told that CheckMate Financial had numerous routes in operation with a mobile unit cashing checks at places such as construction sites to provide onsite payroll check cashing benefits for employees at these places. In fact, however, CheckMate Financial did not have a mobile check cashing unit in operation nor did CheckMate Financial have

a license from the State of Florida to cash checks. The Checkmate Financial co-conspirators also told potential investors that they would earn a substantial return on their investment from CheckMate Financial's check cashing operations.

Bacal and Weiss served as salespersons for CheckMate Financial. CheckMate Financial promoted the investment opportunity across the country through unsolicited telephone calls to potential investors. Approximately 140 individuals invested a total of more than \$3 million in CheckMate Financial.

On September 14, 2006, CheckMate Financial's President and Chief Executive Office, Chester Potash, was sentenced by United States District Court Judge Cecilia M. Altonaga in Miami, Florida, to a term of 102 months in prison and a term of three years of supervised release. Melvin Webman, a CheckMate Vice-president and salesman, was sentenced to 102 months in prison on August 24, 2006. Ronald Sloan, another salesman, received a prison term of 63 months at his June 30 sentencing. Salesman Scott Rose was convicted by a jury on August 4, 2006, and will be sentenced on October 17, 2006.

Mr. Acosta commended the investigative efforts of the United States Postal Inspection Service and the State of Florida's Office of Financial Regulation. This case was prosecuted by Jeffrey Steger and David Farnham, Trial Attorneys, United States Department of Justice, Office of Consumer Litigation.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov/> or on <http://pacer.flsd.uscourts.gov/>.

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