THE UNITED STATES DEPARTMENT of JUSTICE

United States Attorney's Office
District of Oregon

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Former Oregon Lumber Company Bookkeeper Pleads Guilty to Embezzling Nearly $1 Million From Employer Over Decade-Long Scheme

PORTLAND, Ore.— U.S. Attorney Scott E. Bradford announced today that **Christina Klauda, 53,** of Riddle, Oregon, has pleaded guilty to **one count of bank fraud** and **two counts of making and subscribing false federal income tax returns** for a years-long embezzlement and tax fraud scheme that targeted her former employer.

According to court documents, Klauda served as the office manager and bookkeeper for Tower Timber Services, Inc., a lumber company based in Riddle, Oregon, beginning in 2014. In that role, she was responsible for payroll, accounts payable, invoicing, employee dispatch and preparation of employee tax forms.

Klauda admitted that she used her position of trust and control over the company's financial systems to systematically steal from Tower Timber from 2014 through 2023. The government estimates the company's losses at more than $1.08 million, while Klauda acknowledges losses of at least $944,371.97.

According to the plea agreement, Klauda began the scheme by increasing her hourly and overtime rates and overstating her work hours in the company's payroll system. Beginning in 2018, she created a second employee profile in the company's accounting software and arranged to receive duplicate payroll payments. Klauda received one payment through direct deposit and a second payment through paper checks that she concealed by deleting records of the transactions from the accounting software.

Klauda also admitted to using the company owner's signature stamp without authorization to issue additional checks to herself and her personal creditors. She disguised these payments as loans, reimbursements or draws, removed the transactions from company records, and failed to report the income to the Internal Revenue Service.

As part of the scheme, Klauda filed false federal income tax returns for tax years 2018 and 2019 by failing to report income she had stolen from the company. Specifically, she failed to report approximately $38,140 in income in 2018 and $74,144 in income in 2019, causing a total tax loss of $27,985.

The bank fraud charge carries a maximum sentence of 30 years in federal prison, a $1 million fine and five years of supervised release. Each tax fraud charge carries a maximum sentence of three years in federal prison, a $100,000 fine and one year of supervised release.

Klauda has also agreed to pay restitution to the victims. The parties estimate total restitution will be between approximately $972,356.97 and $1,111,771.56, including losses sustained by Tower Timber and the IRS.

The case was investigated by the IRS-Criminal Investigation.

Assistant U.S. Attorney Katherine A. Rykken is prosecuting the case.

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