



For more information, contact:
Mike Gowrylow
(360) 534-1610

Whatcom County restaurant owner charged with theft of sales tax, filing fraudulent tax returns

BELLINGHAM, WA – March 14, 2013 – The operator of the now-closed Bayside Café in Bellingham has been charged with the theft of at least \$286,000 in sales tax he collected from customers but failed to remit to the Washington State Department of Revenue.

The Washington State Attorney General's Office filed the charges of theft and 24 counts of filing false tax returns against James Alpha Brown, 78, at the request of the Department.

The charges brought in Whatcom County Superior Court were the result of a Department audit that determined that Brown had reported only about 27 percent of the sales tax he had collected from 2008 through early 2012. The restaurant closed in September 2012.

The felony charges carry a maximum penalty of 20 years in prison and a \$20,000 fine.

Brown operated the restaurant through Port Investments, Inc., which previously operated The Marina restaurant from 1987 through October 1997. It closed after the Department audited that business and assessed it \$211,000 for understating its income.

During an interview with auditors, Brown stated that he had undergone financial difficulties and had used the tax revenues he collected to pay family members' salaries.

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