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Contact: Yating Campbell
1-916-327-8988

Orange County Bicycle Shop Owner Sentenced To 27 Months in Jail for Sales Tax Evasion

Sacramento – The California State Board of Equalization (BOE) announced today that former bicycle shop owner Douglas Payson Lachman, 59, of Costa Mesa, was sentenced Friday, June 13, 2014, to 27 months in jail after pleading guilty to nine counts of felony sales tax evasion on January 16, 2013.

Lachman, who was the owner and operator of Let It Roll bicycle shop, had two locations in Newport Beach and Costa Mesa that catered to customers looking for bikes to ride around on the beach – typically known as “beach cruisers.” In addition to offering rental and repair services, Lachman sold bicycles, parts, and accessories.

The investigation into Lachman and his business started in 2010 when he failed to report a large amount of sales tax and submitted false records to the BOE. Investigators found that sales tax evasion took place from 2002 to 2009, resulting in understated taxable sales of approximately \$7 million, and a sales tax loss of \$553,478.

In addition to his incarceration, Lachman has paid \$125,000 of the \$553,478 owed in restitution to the BOE. After his release from jail, he will be placed on supervised release for five years and nine months. The case was prosecuted by Deputy District Attorney Sean O’Brien of the Orange County District Attorney’s Office.

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The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects \$56 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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