

DON'T BE A BLOCKHEAD

NOVEMBER 2005

"Would you go to a dentist whose teeth were rotted and black?"

Unless you were a recent contestant on Fear Factor and revel in consuming insects or rotten food, your answer, I assume, would be in the negative. Using the same logic or common sense, I am perplexed, confused, and bewildered at why so many people would utilize an accounting firm that cannot keep its own books straight?

H&R Block did over 19 million American households' tax returns. However, the largest United States tax preparer blamed accounting errors for overstating net income for 2003 and 2004 fiscal years by \$91.1 million which is the equivalent of 50 cents a share. H&R Block also stated in a regulatory filing that it also found a "material weakness" in its financial controls. The company said it had "insufficient resources" to identify and report complex transactions in its corporate tax accounting.

Even worse...

A federal judge in Chicago denied H&R Block's proposal to settle a class-action lawsuit over its tax-refund loans for \$360 million. The crooks at H&R Block are accused of victimizing customers by providing "refund anticipation loans" at interest rates that would make Tony Soprano blush, upwards of 100%!

I bet you didn't realize that in order to become an H&R Block "**tax expert**" all you need to do is take a six week course. I think my Drivers Ed course back in high school was more intensive. How H&R Block thinks that a six week course would qualify people in mastering a 9 million word tax code is beyond my comprehension. But hey, who cares if all you have to do is keep tricking people into agreeing to loans upwards of 100%. H&R Block with its vast network of shops that have sprung up like weeds at seemingly every strip mall in the country (you know between the nail salon and the *pinch a penny*), are expanding into the much more lucrative markets of investment advice and mortgages. Maybe they added a week or two on to their comprehensive training program. With all due respect I would rather eat bugs.