

MORE FROM THE BLOCKHEADS

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I couldn't make this stuff up if I wanted to.

H&R Block Inc, the most recognized and certainly the most advertised accounting company in the country; a company that does the taxes for millions of Americans announced that they got their own taxes wrong over the past few years. Block will have to restate results for fiscal years 2004 and 2005, plus the previous 2006 quarters. Block understated its state income tax liability by approximately \$32 million as of the end of April 2005.

Let's not forget that H&R Block took a \$31.7 million charge due to the settlement of a class-action lawsuit that was tied to their "refund anticipation loan program" that is hawked profusely on television. Those short-term cash advances were as if they were written by a New Jersey loan shark with rates as high as 40% to 700% a year. H&R Block is another example of the unmitigated disaster our financial services industry is in.

How does an accountant recommend a loan program to a client at a 700% rate?