

STATE OF NEW YORK
DIVISION OF HUMAN RIGHTS
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FOR IMMEDIATE RELEASE

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Contact: Thomas D. Shanahan
tshanahan@dhr.state.ny.us
(718) 741-3223

***State Supreme Court Affirms the Division of
Human Right's Investigation of H & R Block's
Alleged Discriminatory Practices in Connection
with High-Interest Loan Products***

In a significant decision, *New York State Division of Human Rights v. H & R Block*, New York State Supreme Court Judge Betty Owen Stinson recognized and affirmed the broad jurisdiction of the New York State Division of Human Rights ("Division") to initiate its own investigations and prosecutions into alleged practices of discrimination. Specifically, Judge Stinson ordered H & R Block to comply with subpoenas served by the Division seeking information related to its activities in connection with its Refund Anticipation Loan program ("RALs"), payday loans, and other potentially predatory products, which are the subject of Division investigations against H & R Block and other tax preparation companies.

The Division is investigating whether H & R Block is targeting military families and communities of color for, among other products, RALs and pay day loans, which are short-term loans, based upon an individual's paycheck or anticipated income tax refund and that carry high fees and exorbitant interest rates. Such activity would be unlawful under the State's anti-discrimination law. In rejecting H & R Block's efforts to shield its allegedly discriminatory practices from scrutiny, the court held: "Given statistics tending to show that the New York customers most likely to make use of these loans are in the military or located in minority neighborhood . . . it is clearly within the purview of the Division to ascertain whether that customer base is due to marketing practices by H & R Block that specifically target these protected groups."

The Division's Commissioner, Kumiki Gibson, applauded the court's ruling, stating: "This decision puts to rest any doubt about the Division's law enforcement authority to investigate patterns and/or practices of alleged discrimination, so to attack systematic forms of discrimination that have wide adverse effects and impact. New Yorkers can rest assured that the

Division is committed to aggressively pursuing wrongdoers across the State and will continue to do so with the full force of the law."

The Division has maintained that these products are not only abusive and predatory, but completely unnecessary. For instance, taxpayers can file on-line directly with the IRS and receive their refunds in approximately ten days. In addition, there are tax assistance centers around the state which will assist taxpayers for free. For a list of locations for these services, visit the Division's website at www.dhr.state.ny.us.

The court's decision in *New York State Division v. H&R Block* is available on the Division's website: www.dhr.state.ny.us/court_orders.html.

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New York has the proud distinction of being the first state in the nation to enact a Human Rights Law, which affords every citizen "an equal opportunity to enjoy a full and productive life." The New York State Division of Human Rights was created to enforce this important law and does so through, among other things, the vigorous prosecution of unlawful discriminatory practices and the receipt, investigation, and resolution of complaints of discrimination. Please visit the Division's website at www.dhr.state.ny.us for additional information about the agency and its work.