

First RICO Class Action Against H&R Block, Meta And Google Filed After "Shocking Breach" Of Taxpayers' Private Data

H&R Block customers' private income and financial records were used to train Meta's AI algorithms, create targeted ads

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/EINPresswire.com/ -- Citing organized crime statutes, attorneys with [Wisner Baum](#) have filed the first RICO [class](#)

[action](#) alleging that [H&R Block](#), Meta, and Google jointly schemed to install spyware on the H&R Block site, scraping customers' private tax return information for profit.



The suit comes on the heels of a July 2023 congressional report which found “a shocking breach of taxpayer privacy” when tax preparation companies shared millions of customers’ personal and financial information with Meta and Google, which used that information to create targeted ads.

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The congressional report describes how Meta and Google helped H&R Block and other tax prep firms place “pixels” on the websites where customers entered tax information, in order to share that information with Meta and Google. The report found firms like H&R Block were “shockingly careless with their treatment of taxpayer data,” and that Meta had used this data to target ads to taxpayers, and also to train Meta's AI algorithms.

The report further detailed a long list of troubling findings connected to Meta’s Pixel, including its default settings which provided “a broad set of sensitive information, from taxpayer reporting rental income to alimony.” Despite Meta’s claims that it “attempted” to filter sensitive data, including contact information, bank account and credit card numbers, and Social Security numbers, the congressional investigation “revealed serious gaps in this filtering mechanism,” and

concluded that it “did not seem to work.” The congressional report recommended regulatory and criminal investigations.

With allegations that hew closely to congressional findings, Wisner Baum’s filing seeks damages from the three firms under the Racketeering Influenced and Corrupt Organizations Act, alleging that the three companies’ joint conduct constitutes a “pattern of racketeering activity” on “a massive scale.”

H&R Block, an international firm, reports that it prepares more than 20 million tax returns annually. The Internal Revenue Code specifies that tax preparation companies may not disclose any information furnished to them for any purpose other than to prepare a tax return.

The suit seeks to hold the three firms accountable, alleging a coordinated plan to install spyware which would give Meta and Google access to virtually all information submitted by customers through HRBlock.com. H&R Block, which describes itself as “a company that strives to do the right thing for our clients, our employees, and the community,” then made clients’ addresses, income, filing status, birthdates, dependents, and all tax return information available to Meta and Google for use in selling lucrative targeted advertising, the suit alleges.

“People have become more aware of issues like online privacy violations and identity theft in recent years, but it’s still shocking to see a household name like H&R Block being so reckless, and so flagrantly violating the law,” said Harrison James, Wisner Baum attorney who filed the lawsuit. “People gave H&R Block Social Security numbers, income information, and bank statements for tax prep, not to sell to the highest bidder.”

“Most people would never post their kids’ college account or their retirement savings on Facebook, but H&R Block did something just like that when they handed customer income tax information over to a bunch of advertisers,” said R. Brent Wisner, Wisner Baum’s managing partner. “It’s like your income tax guy handing your pay stubs and tax returns over to a marketing firm. H&R Block, Google, and Meta ignored data privacy laws, and passed information about people’s financial lives around like candy.”

The suit alleges that H&R Block, Meta and Google failed to adequately warn consumers in privacy policies that their data was being sold, and instead intentionally engaged in a comprehensive program to mislead consumers and share the data for their own financial gain, breaking an array of laws in the process.

The suit has been jointly filed with Pendley, Baudin & Coffin LLC and Coffin Law LLC in U.S. District Court, Northern District of California. The case number is 3:23-cv-04953.

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Wisner Baum represents over 18,000 plaintiffs in a broad range of civil litigation and has won more than \$4 billion across all practice areas, including class action litigation, mass torts, commercial transportation cases, pharmaceutical product liability, and more. The firm has earned a reputation for breaking new legal ground, holding major corporations accountable, influencing public policy, and raising public awareness about important safety issues. Learn more at [WisnerBaum.com](https://www.wisnerbaum.com).

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