

KPMG plead guilty

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[Forbes](#) and others have reported on KPMG's latest tax misfortunes, this time in Texas. KPMG have pleaded guilty to 96 tax offences, accepted the maximum fine and are on probation (in effect) for three years if they still want to be allowed to practice in that State.

KPMG say that these matters all relate to partners that have now left, but what is significant is that [WebCPA](#) say:

KPMG admitted that through the actions of former partners and employees it prepared fraudulent tax returns for clients; drafted false statements to support the tax shelters; issued opinions that were false; concealed the tax shelters and the facts regarding them from the Internal Revenue Service; failed to locate and produce documents sought by the IRS, and misrepresented to the IRS KPMG's role in creating the tax shelters.

This is serious stuff, and shows that the offences continued after the original shelters were created. I have to say I agree with [Dennis Howlrett](#) on this when he says:

I know there is a large majority of professionals who see tax avoidance as a business cost. But when set out in these stark terms, it is hard to understand how advisors can justify that position when they must know they're attempting to manipulate the law for advantage. I can't understand that logic.

I'm sure KPMG have tried to get rid of those involved. That's the good news. But the question that remains is as important. Has the profession got rid of them, or are they now in what Dave Hartnett at our Revenue calls the '[spivvy boutiques](#)' that are selling tax planning they are refusing to report even though required to do so by UK law?

Until the profession as a whole takes action to clean up its act, KPMG's period of remorse is not enough. But I'm not seeing either the Big 4 or the professional bodies taking the lead on this. That worries me.