

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

April 3, 2002

BARRETT BUSINESS SERVICES, INC.
(Exact name of registrant as specified in charter)

Maryland
(State or other jurisdiction of incorporation)

0-21886
(SEC File Number)

52-0812977
(IRS Employer Identification No.)

4724 S.W. Macadam Avenue
Portland, Oregon
(Address of principal executive offices)

97201
(Zip Code)

Registrant's telephone number, including area code:

(503) 220-0988

Item 5. Other Events.

On April 3, 2002, Barrett Business Services, Inc. (the "Company"), issued a press release announcing amended financial results for the fourth quarter and year ended December 31, 2001, reflecting the recording of a \$1,837,000 after tax charge primarily related to additional reserves for workers' compensation expense at December 31, 2001, arising out of unforeseen adverse development in workers' compensation claims reported to the Company after its initial announcement of operating results for 2001 in early February 2002. A copy of the press release is attached to this report as Exhibit 99 and is incorporated herein by reference.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) The following exhibit is filed with this report:

99. Press release issued April 3 2002, by Barrett Business Services, Inc., announcing amended financial results for the fourth quarter and year ended December 31, 2001.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BARRETT BUSINESS SERVICES, INC.

Dated: April 3, 2002

By: /s/ Michael D. Mulholland

Michael D. Mulholland
Vice President - Finance

NEWS RELEASE

For Immediate Release

Contact: William W. Sherertz
 President and
 Chief Executive Officer
 Telephone: (503) 220-0988

BARRETT BUSINESS SERVICES, INC. ANNOUNCES
 AMENDED OPERATING RESULTS FOR FOURTH QUARTER AND
 12-MONTHS ENDED DECEMBER 31, 2001 AND
 SCHEDULES INVESTOR CONFERENCE CALL

PORTLAND, OREGON, April 3, 2002 - Barrett Business Services, Inc. (Nasdaq trading symbol: "BBSI") reported today that it has amended its previously announced operating results for the 2001 fourth quarter and 12-months ended December 31, 2001 by recognizing a \$1,837,000 after-tax charge in connection with post-year end adverse development of the estimated future expense of workers' compensation claims and, to a lesser extent, an increased provision for estimated bad debt expense related to one customer. Of the total after-tax charge of \$1,837,000 (\$3,000,000 pretax), \$1,745,000 (\$2,850,000 pretax) was attributable to higher workers' compensation expense and \$92,000 (\$150,000 pretax) was related to an increased estimate for bad debt expense. For the fourth quarter ended December 31, 2001, the Company's amended net loss totaled \$2,269,000, an increase of \$1,837,000 from the February 6, 2002 reported net loss of \$432,000. The basic and diluted net loss per share for the 2001 fourth quarter were \$.38. Cash flow per share (defined as net (loss) income plus depreciation and amortization divided by weighted average diluted shares outstanding) for the 2001 fourth quarter was a negative \$.24. The amended net loss for the year ended December 31, 2001 amounted to \$2,422,000, an increase of \$1,837,000 from the previously reported net loss of \$585,000. The basic and diluted net loss per share for 2001 were \$.39. Cash flow per share for 2001 was a positive \$.14.

Revenues for the 2001 fourth quarter and 12-months ended December 31, 2001 were unchanged at \$50.7 million and \$216.7 million, respectively.

During February and March 2002, the Company's third party administrator ("TPA") for California workers' compensation claims reported significant increases in the estimated future costs of claims to the Company. The increases in estimated future costs were due in part to adverse development of previous estimates for future claims costs, the TPA's recent completion of a review of all claims files it had assumed from the Company's predecessor TPA during 2001, and a change in claims reserving practices mandated by the State of California. Due to the increased estimates for future claims costs, the Company engaged its outside actuary to analyze the financial effect of the revised costs estimates, which in turn resulted in the Company's recognition of the additional charge for workers' compensation expense for 2001.

William W. Sherertz, President and Chief Executive Officer, commented that, "I believe this charge will have minimal, if any, effect on the future cash flow of the Company, as the increased estimated future claims expense is primarily related to older claims. It has been our experience that the newer or current year injury claims precipitate greater cash needs because of the medical attention required by our injured employees. From

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Barrett Business Services, Inc.
 News Release
 April 3, 2002

an operational standpoint, a significant number of the older claims originated from two customers served by one branch office. We have made personnel changes at the branch and corporate offices, changed customer service procedures to ensure that we have a more appropriate match between the customers' personnel needs and our available employees, and improved communications with our new California TPA firm. Although the cost of workers' compensation claims in California is far higher than any other zone within the Company, we believe that our management team has effectively addressed the operational issues. On a more positive note, we are encouraged that the burden of these increased cost estimates for prior year claims will not affect current and future year earnings."

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	(Unaudited) Fourth Quarter Ended December 31,		(Unaudited) Year Ended December 31,	
Results of Operations	2001	2000	2001	2000
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(in thousands, except per share amounts)

	<C>	<C>	<C>	<C>
Revenues:				
<S>				
Staffing services	\$ 28,351	\$ 39,154	\$123,110	\$188,500
Professional employer services	22,326	28,944	93,553	133,966
Total revenues	50,677	68,098	216,663	322,466
Cost of revenues:				
Direct payroll costs	39,368	52,991	168,022	251,015
Payroll taxes and benefits	3,841	5,219	17,635	27,007
Workers' compensation	5,927	3,378	12,971	12,639
Total cost of revenues	49,136	61,588	198,628	290,661
Gross margin	1,541	6,510	18,035	31,805
Selling, general and administrative expenses	4,468	5,506	18,737	24,583
Depreciation and amortization	808	819	3,277	3,192
(Loss) income from operations	(3,735)	185	(3,979)	4,030
Other income (expense), net	6	(78)	(17)	(483)
(Loss) income before taxes	(3,729)	107	(3,996)	3,547
(Benefit from) provision for income taxes	(1,460)	44	(1,574)	1,446
Net (loss) income	\$ (2,269)	\$ 63	\$ (2,422)	\$ 2,101
Basic (loss) earnings per share	\$ (.38)	\$.01	\$ (.39)	\$.29
Weighted average basic shares outstanding	5,969	6,838	6,193	7,237
Diluted (loss) earnings per share	\$ (.38)	\$.01	\$ (.39)	\$.29
Weighted average diluted shares outstanding	5,969	6,864	6,193	7,277
Cash flow per share	\$ (.24)	\$.13	\$.14	\$.73

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The following summarizes the unaudited balance sheets at December 31, 2001 and December 31, 2000.

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(\$ in thousands)	December 31,	
	2001	2000
Assets		
Current assets:		
<S>	<C>	<C>
Cash and cash equivalents	\$ 1,142	\$ 516
Trade accounts receivable, net	13,760	20,660
Prepaid expenses and other	1,022	1,222
Deferred tax assets	2,841	2,702
Total current assets	18,765	25,100
Intangibles, net	18,878	20,982
Property, equipment and software, net	6,084	7,177
Restricted marketable securities and workers' compensation deposits	5,425	4,254
Unrestricted marketable securities	-	1,386
Deferred tax assets	2,268	839
Other assets	1,146	1,127
	\$52,566	\$60,865

Liabilities and Stockholders' Equity

Current liabilities:		
Current portion of long-term debt	\$ 708	\$ 2,939
Line of credit payable	3,424	2,628
Accounts payable	686	1,013
Accrued payroll, payroll taxes and related benefits	5,165	7,893

Workers' compensation claim and safety incentive liabilities	5,735	5,274
Other accrued liabilities	389	1,622
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Total current liabilities	16,107	21,369
Long-term debt, net of current portion	922	2,283
Customer deposits	520	614
Long-term workers' compensation liabilities	3,515	682
Other long-term liabilities	968	1,000
Stockholders' equity	30,534	34,917
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	\$52,566	\$60,865
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On Thursday, April 4, 2002, at 8:00 a.m. Pacific Time, William W. Sherertz will host an investor telephone conference call to discuss the amended operating results. To participate in the call, dial (800)399-3080 shortly before 8:00 a.m. Pacific Time on Thursday, April 4, 2002. A recording of the call will be available beginning April 4, 2002 at 12 noon and ending April 11, 2002 at 12 noon. To listen to the recording, dial (800)642-1687 and enter conference identification code 3742987.

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Barrett Business Services, Inc. is a human resource management company with offices in ten states, which serve customers in approximately 15 states.

Statements in this release about future events or performance are forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. Factors that could affect future results include economic conditions in the Company's service areas, the effect of changes in the Company's mix of services on gross margin, and future workers' compensation claims experience, among others. Although forward-looking statements help to provide complete information about the Company, readers should keep in mind that forward-looking statements may be less reliable than historical information.

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