

Drop Dead; Campaign is on for Liquidation" in the Wall Street Journal make clear the intention of Verizon CEO, Ivan Seidenberg, to continue the deception.

The denials in a response to the Forbes article contain direct lies. For example, the response argues the keeping of inventory "records was a paper shuffling exercise that had no impact on anything." In truth, there exists no other audit trail from the value of assets claimed to actual equipment in central offices. The fact that Verizon never performs an audit of the high level numbers against the actual existence of equipment does not alter the importance of the inventory records.

The reply claims Ernst & Young conducted an "independent" evaluation of the FCC audit and "discredited" the results. As an auditor for Verizon with liability for failing to detect flawed property records, Ernst & Young does not qualify as independent. No one except Verizon claimed the cursory evaluation discredited the results.

Teletruth estimates the undisclosed liability for inflating assets over the last 20 years at \$600 per telephone line or \$80 billion\*\*.

Verizon has an obligation to immediately write-off the unverifiable portion of assets.

Verizon needs to obtain an independent 100% audit of assets and stop reporting asset valuations it does not audit to the government regulators, credit rating agencies, and stock holders.

It remains the fiduciary responsibility of the Audit and Finance Committee Chairman to investigate allegations of accounting fraud starting with a directive to prevent destruction of records.

Mr. Seidenberg should recuse himself from participating in the investigation to assure independence. The company should place a hold on stock sales planned by responsible executives.

The cc: list includes individuals and agencies Teletruth contacted to assist in addressing the material misstatements associated with Verizon's inflated valuation of fixed assets.

Sincerely,



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