



826 Broadway, 9th floor
New York, NY 10003

The Honorable Harvey L. Pitt
Chairman
Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Re: COMPLAINT: Verizon Cost Accounting Discrepancies (File # HO 375124)

Dear Chairman Pitt:

This letter seeks an investigation into New York Telephone's (Verizon - NYSE: VZ) accounting for equipment expenses and the value of assets reported to the SEC and other regulators.

Teletruth received a tip from a person with direct knowledge of a Federal Communications Commission audit that revealed discrepancies between equipment lists used for cost accounting purposes and the actual inventory of equipment.

The Federal Communication Commission published some of the findings as "Audit Report of the Continuing Property Records of the NYNEX Telephone Operating Companies."

See http://www.fcc.gov/wcb/asd/reports/ny_rpt.wp

Investors and creditors have no assurance the value of assets claimed by Verizon on SEC filings corresponds with reality.

The issue also raises questions about Verizon CEO Ivan Seidenberg's compliance with the Commission's June 27th order requiring the filing of sworn statements pursuant to Section 21(a)(1) of the Securities Exchange Act of 1934. Exhibit A of the June 27th order describing the sworn statements requires the assertion: "* no covered report omitted to state a material fact necessary to make the statements..."

TeleTruth Alliance is a national, independent, customer advocacy group, dedicated to fixing the problems in telecommunications -- from customer overcharging and harm to competitors, to the customer issues surrounding Broadband deployment and competition.

TeleTruth can arrange a briefing if the SEC can address the whistleblower's concerns about confidentiality.

Sincerely,

/s/ Bruce Kushick, Chairman, TeleTruth, bruce@newnetworks.com, 212.777.5418

/s/ Daniel Berninger, Director, TeleTruth, dan@pulver.com, 410.279.1220

ENCLOSURES:

TeleTruth Alliance:

<http://www.teletruth.org>

TeleTruth Audits Page:

<http://www.teletruth.org/audit.html>

FCC Audit Report:

<http://www.fcc.gov/web/asd/audits>

FCC Commissioner's comments on public release of audit report:

http://www.fcc.gov/Bureaus/Common_Carrier/Orders/1999/fcc99034.pdf

MCI Comments on FCC Audit Results:

<http://www1.worldcom.com/us/about/publicpolicy/industry/filings/files/bellauditreply.pdf>

Representative Tauzin's Letter to FCC on Bell company audits:

http://www.house.gov/commerce_democrats/press/106ltr5.htm

New York Public Service Commission Audit of New York Telephone confirming FCC findings:

<http://newnetworks.com/Nyplantdoc10309.pdf>

TeleTruth Complaint to New York State Attorney General requesting audit follow-up:

<http://www.newnetworks.com/fccauditcomplaintny.html>

GAO Report Recommending FCC Audit of Bell companies:

Reports available by search on Report Number at <http://www.gao.gov:8765>

GAO/RCED-88-34 (Oct. 23, 1987)

GAO/RCED-93-34 (Feb. 3, 1993)

SEC Documents:

- General info regarding Sworn Statements <http://www.sec.gov/news/press/2002-115.htm>
- Exhibit A <http://www.sec.gov/rules/other/4-460a.htm>
- Compliance list <http://www.sec.gov/rules/extra/ceocfo.html>