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We leave you with one thought. Director Connors, with tongue well in cheek, recently proposed doing away with free lunches and coffee and gifts for directors over at 3rd. She actually put that into the form of a motion, which was passed. Yes, IT PASSED! Oops, and none of that bounty of leftovers (surely the surplus was ordered in error) will now find their way upstairs. We can only hope that Ms. Connors and some of the fat cat di-

rectors over at GRF will take note that this is time for financial restraint. Parties are being eliminated, wages frozen, staffing levels are being reduced. Take a page from the Nike commercial and where fiscal responsibility is concerned...*just do it!* And then, maybe some responsible person will realize that for two cents plain you can get a glass of seltzer, and sometimes that's better than a seventeen cent party which comes from everyone's pockets.

Audits? Sleep Peacefully, LWV!

How many times have we heard, "There are only a very few auditing firms that are big enough to do a competent audit on a company with a \$95M budget? That's why it is necessary to hire companies the size of **KPMG** or **Ernst & Young** to do our audits."

The following are abstracts from CotoBlogzz dated 12/23/2008 1:00 PM.

What is the common denominator between Denmark's Entrepreneur of the Year, KPMG Aide to Madoff, and the HOA/CID board of directors' fiduciary duty?

In doing research for a series of articles dealing with HOA/CID fiduciary responsibilities, we have stumbled upon a number of whistle blower incidents, not unlike the typical breach in for-profit organizations: When someone wants to cook the books, he or she simply does it with or without the help of an auditing firm.

For instance, in a Reuters' article dated March 27, 2008, Amanda Beck reports that "*Auditor **KPMG KPMG.U**L either initiated accounting fraud at New Century Financial Corp **NEWCQ.PK** or stood idly by as the failed subprime mortgage lender committed fraud in 2005 and 2006, an independent report requested by the U.S. Department of Justice shows*". In other instances, the client sues its auditor, such as the case of Fannie Mae suing, **KPMG**, for negligence and breach of contract, as reported in the December 12, 2006 issue of CFO.com: "*Filed Tuesday with the Superior Court of the District of Columbia, the complaint accuses the **Big Four** accounting firm of failing to serve its role as an independent watchdog and prevent \$6.3 billion in accounting errors, according to Bloomberg*". More dramatically, last month in Copenhagen, accounting firm **Ernst & Young**,

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