

hosted some one thousand guests, Denmark's tax minister and leading business people, to celebrate the feat of **Entrepreneur of the Year**, Stein Bagger, while he was surrendering to police in New York for what from investigators now describe as Denmark's biggest business scam in decades. According to **Wall Street Journal accounts**, Asger Jensby, chairman of **IT Factory**, founded by Mr. Bagger, "... says he is flabbergasted by the fate of what he thought was a 'real company' run by a chief executive who was 'sharp, a bit arrogant, very articulate and extremely orderly.'" **KPMG** audited **IT Factory's** accounts from 2005 through 2007. **Deloitte** the previous two years. **KPMG** in Denmark says it is "shocked" and "cooperating with police." **Deloitte's** Danish unit said it has double-checked its 2003 and 2004 audits and found no problems.

What does this mean to us? Well, **KPMG** is our annual accounting firm as hired by PCM and our Select Audit Committee. We are assured that accounting practices as noted above, do NOT occur in the part of **KPMG** that handles our accounting.

A **LARGE** firm is certainly no assurance of competent and/or honest results. Our Mutual Directors have been made aware of the lawsuits that have been brought against **KPMG** by other U.S. companies and apparently do not feel that there is any exposure to our monies as a result of the "clean bill of health" audits they provide yearly.

You might ask your Directors if they are aware of the accounting problems that **KPMG** is facing all over the world and how they can be assured that we are not exposed to a lack of **"OVERSIGHT"** that is due to us.

Deja Vu

Does this sound familiar?

"Our findings indicate that the costs associated with operating the business are high, and the current level of service can be improved. During the time we spent at Leisure World, we saw evidence of excess capacity; inadequate supervisory control of work activities; excessive, burdensome paperwork; opportunities to improve communication and coordination; and, significant opportunities to reduce operating cost.

*Sincerely,
Science Management Corporation
1991"*

Isn't it time to verify that we have not reverted back to old habits? We need an

AUDIT!

Save Open Space

The SOS in Laguna Woods club will have their general meeting on **Feb 9 at Clubhouse #5, Multi-purpose Room 2 at 6:30 pm**. PLEASE NOTE THE "NEW" LOCATION FOR THIS MEETING! We will have elections for our 2009 officers and discuss our plans for the year. Consider seriously offering your service to our group in addressing the very important issues that affect our city and our community. Light refreshments will be served. All residents are encouraged to attend.