

HUBBARD COMMUNICATIONS OFFICE  
Saint Hill Manor, East Grinstead, Sussex

Gen Non-Remimeo  
Exec Secs Hats  
Org Secs Hats  
HCO Secs Hats  
Ethics Hats

HCO POLICY LETTER OF 9 JANUARY 1966  
Issue III

ACCOUNTS, INVALIDATING

I have just noted an accountant racket that may have injured your org.

The accountant of firm declares your records are "unauditable" unless very expensive bookkeeping is done.

The harm of this is that they excite tax people and our attorneys against us by making us look poor as record keepers and all because they want work or a fee or an award from the government by forcing us to pay illegal tax assessments "because our records are bad".

Beware of any person invalidating your accounts records or saying they or your system is bad.

This is only done for three reasons:

- (1) When done internally, to cover pilfering or mistakes by convincing executives they haven't any good accounts records that will detect them;
- (2) When done externally, to drive us into expensive useless bookkeeping actions and collect large fees;
- (3) To prevent us from making up tax accounts and get a portion of the penalty and fine or assessment from the government that results from our failure to file.

All three have the common denominator "to make money by slandering our records system".

Ours is the most basic system. It can be audited easily if properly kept. We bank all our money and we pay everything by cheque. We invoice all we get. We file all our bills. Out of this we can make up any record or balance sheet required quickly.

I will not manage an org that "keeps books" only such as "double entry" as such systems can be fiddled".

Our system is so easily investigated the dishonest hate it. So do it.

Keep good records. Adhere efficiently to our system.

And act fast and hard if anyone is invalidating your accounts records or saying they cannot be made up into balance sheets. That statement, if you use our system, will uncover one of the ulterior motives listed above.

Instances of the above have occurred in Washington DC and England that had far reaching consequences.

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L. RON HUBBARD