



March 5, 2014

Mr. Douglas Smith, Secretary Treasurer
Independent Coca Cola Employees' Local 1060
1601 Oregon Street
Lake Charles, LA 70607-1925

Case Number: 420-6000472 [REDACTED]
LM Number: 542798

Dear Mr. Smith:

This office has recently completed an audit of Independent Coca Cola Employees' Local 1060 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you and President Kenneth Amos on February 14, 2014, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Reporting Violation

The audit disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by Local 1060 for the fiscal year ended December 31, 2012, was deficient in that payments made to an arbitrator were reported in Item #54 (Other Disbursements) instead of the Item #49 (Professional Fees). All disbursements for "outside" legal services and other professional services (auditing, economic research, computer consulting, arbitration, etc.), including any disbursements made for the expenses of individuals or firms providing professional services to the union, must be reported in Item #49.

I am not requiring that Local 1060 file an amended LM report for 2012 to correct the deficient items, but Local 1060 has agreed to properly report the deficient items on all future reports it files with OLMS.

Other Violation

The audit disclosed the following other violation:

The LMRDA Section 502 (Bonding) requires that union officers and employees be bonded for no less than 10 percent of the total funds those individuals or their predecessors handled during the preceding fiscal year. The audit revealed that Local 1060's officers and employees were not bonded for the minimum amount required at the time of the audit. However, Local 1060 obtained adequate bonding coverage and provided evidence of this to OLMS during the audit. As a result, OLMS will take no further enforcement action regarding this issue.

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I want to extend my personal appreciation to Independent Coca Cola Employees' Local 1060 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

A solid black rectangular box redacting the signature of the sender.

Senior Investigator

cc: Mr. Kenneth Amos, President