

Opposing the appointment of Coke's auditors, Ernst & Young, because of massive accounting fraud

The New York Times reported in December 2010 that:

New York attorney general Andrew Cuomo, now governor of New York, sued Ernst & Young, accusing the firm of helping Lehman Brothers “engage in a massive accounting fraud” by misleading investors about the investment bank's financial health...”

Ernst & Young, Lehman's and Coca-Cola's longtime outside auditor, certified the bank's financial statements from 2001 until its bankruptcy filing in 2008.

In March 2012, Reuters reported, “the lawsuit seeks to recoup the \$150 million in fees that Ernst & Young earned as Lehman's auditor...”

The suit questions Ernst & Young's approval of transactions involving the secret “removal of tens of billions of dollars of securities from Lehman's balance sheet to create a false impression of Lehman's liquidity, thereby defrauding the investing public.”



It's irresponsible that nowhere in Coke's financial statements is there any mention of potential liabilities that could cost the Company hundreds of millions of dollars.

These liabilities include current lawsuits against Coca-Cola and its operations alleging human rights abuses in Guatemala to thwart union activities, including murder, attempted murder and gang rape; extensive racial discrimination at operations in New York, contamination of residents' drinking water in Paw Paw, Michigan, and lawsuits and investigations for fraudulent activity including conspiring to cheat Mexican workers and the government out of hundreds of millions of dollars through an illegal

scheme of outsourcing and tax evasion.

In India, after years of Coca-Cola's lying and denying any wrongdoing, a High Power Committee established by the state government of Kerala has recommended that Coca-Cola be held liable for \$48 million, or more, to compensate victims in Plachimada for water pollution, agricultural losses and endangering the health of thousands. And this is just the tip of the iceberg regarding environmental damage that Coca-Cola and its operations are causing in India, China and El Salvador.

Is Ernst & Young advising Coke to hide these potential liabilities, which could defraud all of us? Perhaps we can help to clean up our own act by voting against the appointment of Ernst & Young.