

20L-13

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: July 24, 2020

ANALYST: Michael Adamsky

I. COMMITTEE:

Kern County Republican Central
Committee (Fed)
(C00265603)
Laurel Sheffield, Treasurer (7/28/19 –
Present)
Thomas E. Montgomery, Treasurer
(2/21/19 – 7/27/19)
Bryan Williams, Treasurer (3/18/13 –
2/20/19)
P.O. Box 1144
Bakersfield, CA 93302

II. RELEVANT STATUTE:

52 U.S.C § 30102(b) and (c)
52 U.S.C § 30104(b)
11 CFR § 102.9
11 CFR § 102.15
11 CFR § 104.3

III. BACKGROUND:

Other Violations of the Federal Election Campaign Act (Unauthorized Use of Campaign Funds)

Kern County Republican Central Committee (Fed) (“the Committee”) filed its 2019 Mid-Year Report to disclose the refund of apparent unauthorized disbursements totaling \$218,546.39 (Attachment 2).

On July 31, 2019, the Committee filed its 2019 Mid-Year Report, covering the period from March 1, 2019 through June 30, 2019. The report disclosed two (2) receipts from “Williams, Bryan” totaling \$218,546.39 on Schedule A, supporting Line 17 (Other Federal Receipts) with a transaction description of “Refund of disputed payments” (Image 201907319161327033, Attachment 2).

On November 7, 2019, a Request for Additional Information (RFAI) was sent to the Committee referencing the 2019 Mid-Year Report. Among other items, the RFAI requested clarification regarding the refund of previously unreported contributions disclosed on the report¹ (Image 201911070300050916).

On December 19, 2019, the Committee filed an FEC Form 99 (Miscellaneous Electronic Submission) in response to the RFAI referencing the 2019 Mid-Year Report. The Committee stated:

“We would like to ask for an extension to the deadline of December 12, 2019 to respond to the RFAI issued November 7, 2019 for the mid-year report” (Image 201912199166422153).

On January 21, 2020, the Reports Analyst Division (RAD) Analyst called Mr. Montgomery, the Committee’s contact at the time, and received his voice mailbox. The Analyst left a message requesting a return phone call (Attachment 3).

On January 22, 2020, the RAD Analyst called Mr. Montgomery again and detailed the issue that needed to be addressed, explaining that the matter could be referred to another office at the Commission for potential further action. The Analyst left a message requesting a return phone call. Later, the Analyst received a call from Mr. Montgomery informing them that the Committee’s Counsel would be calling to provide an update (Attachment 3).

Also on January 22, 2020, Charles Bell, the Committee’s Counsel, called the Analyst to discuss the RFAI sent on the 2019 Mid-Year Report. He explained that the Committee had become aware of funds embezzled by a former staffer. Mr. Bell stated he was not aware of the total amount but explained that the Committee had contacted law enforcement. The Analyst informed Mr. Bell that they would be in touch with the appropriate next steps (Attachment 3).

On January 29, 2020, the RAD Analyst called Mr. Bell and asked that he submit an FEC Form 99 explaining the situation as soon as possible. Mr. Bell offered some additional details about the situation, including that the unauthorized use of funds was done by an internal source and that the Committee has implemented new internal controls based on FEC best practices. The Analyst asked that these details be included in the FEC Form 99 (Attachment 3).

¹ This Request for Additional Information was sent for a separate issue than the one included in this referral. The Committee’s response to the RFAI indicated the unauthorized disbursement of Committee funds, which prompted an additional RFAI to be sent on this report.

On January 31, 2020, the RAD Analyst called Mr. Bell and received his voice mailbox. The Analyst left a message requesting a return phone call. Later, on the same day, Mr. Bell returned the RAD Analyst's call and the Analyst informed Mr. Bell that he should contact the Office of General Counsel (OGC) if he wished to make a *sua sponte* submission. The Analyst provided the contact information for OGC (Attachment 3).

On April 7, 2020, the RAD Analyst called Mr. Bell to ask for an update and to confirm that he had spoken with OGC, as no FEC Form 99 had been submitted. Mr. Bell confirmed that he had not and that he had instead been working on assessing the full scope of the embezzlement. The Analyst instructed him to file a FEC Form 99 as soon as possible and to reach out to OGC (Attachment 3).

On April 15, 2020, the Committee filed an additional FEC Form 99 in response to the RFAI referencing the 2019 Mid-Year Report. The Committee stated:

“In response to the Commission's RFAI, dated November 9, 2019, item 1, the committee's 2019 Mid-Year Report discloses two refunds from its former treasurer for funds embezzled from the committee. Upon discovery of the former treasurer's activity, the committee dismissed him, appointed a new treasurer, closed its existing committee bank accounts and opened new bank accounts, and sought and obtained a refund of a substantial amount from the former treasurer. The committee also modified its procedures to comply in a fulsome manner with the FEC's best practices for management of its accounts. The committee also referred the matter to law enforcement authorities. We are awaiting additional information on the findings of the law enforcement investigation to provide guidance as to any further extent of the treasurer's activity and whether further restitution will be needed” (Image 202004159219365497).

On April 20, 2020, the RAD Analyst called Mr. Bell and received his voice mailbox. The Analyst left a message asking for a return phone call. Later on the same day, Mr. Bell returned the RAD Analyst's call and the Analyst informed him that the FEC had received the FEC Form 99 he submitted, that the matter could be referred to another office at the Commission for potential further action, and to remind him that he could still self-report to OGC. Mr. Bell indicated that he would (Attachment 3).

Also, on April 20, 2020, an RFAI was sent to the Committee referencing the 2019 Mid-Year Report. The RFAI requested clarification regarding the apparent unauthorized use of committee funds disclosed on the report (Image 202004200300064091).

To date, no further communications have been received from the Committee regarding this matter.

O-Index (2019-2020)															
Cmte. ID: C00265603 Cmte. Name: KERN COUNTY REPUBLICAN CENTRAL COMMITTEE (FED)															
Treasurer Name: SHEFFIELD, LAUREL Address: P.O. BOX 1144, BAKERSFIELD, CA 93302															
Cmte. Type: Y (QUALIFIED PARTY) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
MS-M			3/20/2019	1	201903209145892811				-	-	-	-	-	-	-
MS-O			3/26/2019	2	201903260300036167				-	-	-	-	-	-	-
MS-T			12/19/2019	1	201912199166422153				-	-	-	-	-	-	-
MS-T			4/15/2020	1	202004159219365497				-	-	-	-	-	-	-
RQ2	MY	N	4/20/2020	2	202004200300064091	3/1/2019	6/30/2019	4/20/2020	-	-	-	-	-	-	-
RQ2	MY	N	11/7/2019	2	201911070300050916	3/1/2019	6/30/2019	11/7/2019	-	-	-	-	-	-	-
F3XN	M2	N	2/21/2019	11	201902219145578515	1/1/2019	1/31/2019		\$860	\$13,300	\$2,395	\$11,764	-	\$100	\$100
F3XN	M3	N	3/20/2019	39	201903209145901272	2/1/2019	2/28/2019		\$11,764	\$92,575	\$49,946	\$54,393	-	\$100	\$100
F3XN	MY	N	7/31/2019	18	201907319161327027	3/1/2019	6/30/2019		\$54,393	\$231,046	\$42,904	\$242,535	-	\$0	\$0
F3XN	YE	N	1/31/2020	12	202001319185081638	7/1/2019	12/31/2019		\$242,535	\$0	\$19,108	\$223,426	-	-	\$0
F3XN	Q1	N	4/15/2020	55	202004159219634440	1/1/2020	3/31/2020		\$223,426	\$160,964	\$81,788	\$302,603	-	-	\$0
F3XN	Q2	N	7/15/2020	11	202007159249914771	4/1/2020	6/30/2020		\$302,603	\$1,275	\$42,423	\$261,455	-	-	\$0
F1A		A	7/28/2019	4	201907289151683890				-	-	-	-	-	-	-
F1A		A	2/21/2019	4	201902219145578526				-	-	-	-	-	-	-
F1A		A	2/21/2019	4	201902219145578530				-	-	-	-	-	-	-
F1A		A	2/12/2020	4	202002129186499836				-	-	-	-	-	-	-
F1A		A	7/19/2019	4	201907199151507945				-	-	-	-	-	-	-
F1A		A	7/19/2019	4	201907199151507949				-	-	-	-	-	-	-
Totals										\$499,161	\$238,566				

O-Index (2017-2018)															
Cmte. ID: C00265603 Cmte. Name: KERN COUNTY REPUBLICAN CENTRAL COMMITTEE (FED)															
Treasurer Name: SHEFFIELD, LAUREL Address: P.O. BOX 1144, BAKERSFIELD, CA 93302															
Cmte. Type: Y (QUALIFIED PARTY) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
MS-T			4/6/2017	1	201704069052024957				-	-	-	-	-	-	-
MS-T			4/6/2017	1	201704069052025008				-	-	-	-	-	-	-
RQ1		A	1/28/2018	2	201801280300096959			1/28/2018	-	-	-	-	-	-	-
RQ2	M3	A	7/5/2017	2	201707050300087751	2/1/2017	2/28/2017	7/5/2017	-	-	-	-	-	-	-
RQ2	M3	N	3/27/2018	2	201803270300001596	2/1/2018	2/28/2018	3/27/2018	-	-	-	-	-	-	-
F3XN	M2	N	2/19/2017	10	201702199049726675	1/1/2017	1/31/2017		\$19	\$350	\$147	\$222	-	-	\$0
F3XA	M2	A	2/20/2017	10	201702209049730011	1/1/2017	1/31/2017		\$19	\$350	\$147	\$222	-	-	\$0
F3XN	M3	N	3/19/2017	31	201703199050885641	2/1/2017	2/28/2017		\$222	\$80,220	\$40,136	\$40,306	-	-	\$0
F3XA	M3	A	4/10/2017	35	201704109052055224	2/1/2017	2/28/2017		\$222	\$80,220	\$51,715	\$28,726	-	-	\$0
F3XN	M4	N	4/10/2017	15	201704109052061907	3/1/2017	3/31/2017		\$28,726	\$11,775	\$20,722	\$19,779	-	-	\$0
F3XA	M4	A	5/8/2017	14	201705089053508565	3/1/2017	3/31/2017		\$28,726	\$4,275	\$13,222	\$19,779	-	-	\$0
F3XN	M5	N	5/8/2017	10	201705089053508584	4/1/2017	4/30/2017		\$19,779	\$0	\$6,277	\$13,501	-	-	\$0
F3XN	M6	N	6/15/2017	10	201706159056530913	5/1/2017	5/31/2017		\$13,501	\$0	\$5,813	\$7,688	-	-	\$0
F3XN	M7	N	7/19/2017	13	201707199066811602	6/1/2017	6/30/2017		\$7,688	\$4,258	\$5,207	\$6,739	-	-	\$0
F3XN	M8	N	8/17/2017	9	201708179070387766	7/1/2017	7/31/2017		\$6,739	\$0	\$1,833	\$4,905	-	-	\$0
F3XN	M9	N	9/17/2017	8	201709179074737715	8/1/2017	8/31/2017		\$4,905	\$0	\$2,810	\$2,095	-	-	\$0
F3XN	M10	N	10/6/2017	8	201710069075583100	9/1/2017	9/30/2017		\$2,095	\$0	\$1,467	\$628	-	-	\$0
F3XN	M11	N	11/17/2017	6	201711179086727715	10/1/2017	10/31/2017		\$628	\$0	\$288	\$339	-	-	\$0

F3XN	M12	N	12/8/2017	5	201712089089144956	11/1/2017	11/30/2017		\$339	\$0	\$23	\$316	-	-	\$0
F3XN	YE	N	1/14/2018	5	201801149090407488	12/1/2017	12/31/2017		\$316	\$0	\$23	\$293	-	-	\$0
F3XN	M2	N	2/14/2018	5	201802149094565117	1/1/2018	1/31/2018		\$293	\$0	\$23	\$270	-	-	\$0
F3XA	M2	A	4/1/2018	7	201804019097934699	1/1/2018	1/31/2018		\$293	\$0	\$23	\$270	-	-	\$0
F3XN	M3	N	3/14/2018	13	201803149096557573	2/1/2018	2/28/2018		\$270	\$32,900	\$16,542	\$16,628	-	\$100	\$100
F3XA	M3	A	4/1/2018	15	201804019097934706	2/1/2018	2/28/2018		\$270	\$32,900	\$16,640	\$16,530	-	\$100	\$100
F3XN	M4	N	4/5/2018	49	201804059103538070	3/1/2018	3/31/2018		\$16,530	\$80,200	\$84,182	\$12,548	-	\$100	\$100
F3XN	M5	N	5/13/2018	8	201805139112026841	4/1/2018	4/30/2018		\$12,548	\$0	\$4,092	\$8,455	-	\$100	\$100
F3XN	M6	N	6/19/2018	11	201806199113748020	5/1/2018	5/31/2018		\$8,455	\$5,300	\$9,087	\$4,668	-	\$100	\$100
F3XA	M6	A	6/19/2018	12	201806199113751122	5/1/2018	5/31/2018		\$8,455	\$5,300	\$9,087	\$4,668	-	\$100	\$100
F3XA	M6	A	8/1/2018	12	201808019119339165	5/1/2018	5/31/2018		\$8,455	\$5,300	\$9,087	\$4,668	-	\$100	\$100
F3XN	M7	N	7/9/2018	7	201807099115259366	6/1/2018	6/30/2018		\$4,668	\$0	\$945	\$3,723	-	\$100	\$100
F3XA	M7	A	8/1/2018	8	201808019119339177	6/1/2018	6/30/2018		\$4,668	\$0	\$945	\$3,723	-	\$100	\$100
F3XN	M8	N	8/1/2018	6	201808019119339225	7/1/2018	7/31/2018		\$3,723	\$0	\$0	\$3,723	-	\$100	\$100
F3XN	M9	N	9/17/2018	8	201809179121724907	8/1/2018	8/31/2018		\$3,723	\$0	\$1,351	\$2,371	-	\$100	\$100
F3XN	M10	N	10/16/2018	6	201810169125558457	9/1/2018	9/30/2018		\$2,371	\$0	\$0	\$2,371	-	\$100	\$100
F3XN	12G	N	10/19/2018	6	201810199125783673	10/1/2018	10/17/2018		\$2,371	\$0	\$0	\$2,371	-	\$100	\$100
F3XN	30G	N	11/28/2018	7	201811289133862073	10/18/2018	11/26/2018		\$2,371	\$0	\$262	\$2,108	-	\$100	\$100
F3XN	YE	N	1/15/2019	9	201901159143828361	11/27/2018	12/31/2018		\$2,108	\$0	\$1,248	\$860	-	\$100	\$100
F1A		A	1/18/2018	4	201801189090444320				-	-	-	-	-	-	-
F1A		A	1/18/2018	4	201801189090444464				-	-	-	-	-	-	-
Totals										\$207,503	\$206,662				

O-Index (2015-2016)															
Cmte. ID: C00265603 Cmte. Name: KERN COUNTY REPUBLICAN CENTRAL COMMITTEE (FED)															
Treasurer Name: SHEFFIELD, LAUREL Address: P.O. BOX 1144, BAKERSFIELD, CA 93302															
Cmte. Type: Y (QUALIFIED PARTY) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER															
Form Tp	Rpt Tp	A/I	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
MS-T			6/23/2015	1	15971241306				-	-	-	-	-	-	-
RQ2	M5	N	5/19/2015	2	15330083078	4/1/2015	4/30/2015	5/19/2015	-	-	-	-	-	-	-
RQ2	30G	N	3/2/2017	4	201703020300081806	10/20/2016	11/28/2016	3/2/2017	-	-	-	-	-	-	-
RQ2	YE	A	3/2/2017	2	201703020300081810	11/29/2016	12/31/2016	3/2/2017	-	-	-	-	-	-	-
F3XN	M2	N	2/10/2015	10	15970263479	1/1/2015	1/31/2015		\$11	\$1,575	\$38	\$1,548	-	-	\$0
F3XN	M3	N	3/20/2015	41	15970309976	2/1/2015	2/28/2015		\$1,548	\$74,675	\$63,958	\$12,266	-	-	\$0
F3XA	M3	A	4/7/2015	41	15970330210	2/1/2015	2/28/2015		\$1,548	\$74,675	\$63,958	\$12,266	-	-	\$0
F3XN	M4	N	4/7/2015	17	15951113385	3/1/2015	3/31/2015		\$12,266	\$6,425	\$16,804	\$1,886	-	-	\$0
F3XN	M5	N	5/13/2015	12	15951370099	4/1/2015	4/30/2015		\$1,886	\$32,432	\$10,243	\$24,075	-	-	\$0
F3XA	M5	A	6/23/2015	12	15971241294	4/1/2015	4/30/2015		\$1,886	\$32,432	\$10,243	\$24,075	-	-	\$0
F3XN	M6	N	6/19/2015	11	15951511863	5/1/2015	5/31/2015		\$24,075	\$0	\$6,858	\$17,216	-	-	\$0
F3XA	M6	A	6/19/2015	12	15951511874	5/1/2015	5/31/2015		\$24,075	\$0	\$6,858	\$17,216	-	-	\$0
F3XA	M6	A	6/23/2015	12	15951518108	5/1/2015	5/31/2015		\$24,075	\$0	\$6,858	\$17,216	-	-	\$0
F3XN	M7	N	7/12/2015	13	201507129000088638	6/1/2015	6/30/2015		\$17,216	\$0	\$10,190	\$7,025	-	-	\$0
F3XN	M8	N	8/14/2015	10	201508149000830233	7/1/2015	7/31/2015		\$7,025	\$0	\$3,719	\$3,305	-	-	\$0
F3XN	M9	N	9/22/2015	16	201509229002774283	8/1/2015	8/31/2015		\$3,305	\$5,935	\$6,250	\$2,990	-	-	\$0
F3XN	M10	N	10/16/2015	12	201510169003100008	9/1/2015	9/30/2015		\$2,990	\$0	\$2,210	\$780	-	-	\$0
F3XN	M11	N	11/18/2015	11	201511189003373418	10/1/2015	10/31/2015		\$780	\$0	(\$51)	\$831	-	-	\$0
F3XN	M12	N	12/14/2015	10	201512149004183038	11/1/2015	11/30/2015		\$831	\$0	\$689	\$142	-	-	\$0
F3XN	YE	N	1/17/2016	9	201601179004512355	12/1/2015	12/31/2015		\$142	\$0	\$138	\$4	-	-	\$0

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F3XN	M2	N	2/8/2016	10	201602089008450677	1/1/2016	1/31/2016		\$4	\$400	\$270	\$134	-	-	\$0
F3XA	M2	A	3/19/2016	11	201603199009818256	1/1/2016	1/31/2016		\$4	\$400	\$270	\$134	-	-	\$0
F3XN	M3	N	3/19/2016	47	201603199009818360	2/1/2016	2/29/2016		\$134	\$98,807	\$75,132	\$23,809	-	-	\$0
F3XA	M3	A	4/13/2016	48	201604139012321620	2/1/2016	2/29/2016		\$134	\$98,807	\$76,532	\$22,409	-	-	\$0
F3XN	M4	N	4/13/2016	19	201604139012321711	3/1/2016	3/31/2016		\$22,409	\$8,930	\$13,150	\$18,188	-	-	\$0
F3XN	M5	N	5/5/2016	9	201605059015389783	4/1/2016	4/30/2016		\$18,188	\$0	\$2,279	\$15,909	-	-	\$0
F3XN	M6	N	6/14/2016	9	201606149017580539	5/1/2016	5/31/2016		\$15,909	\$0	\$2,419	\$13,489	-	-	\$0
F3XN	M7	N	7/18/2016	15	201607189020688418	6/1/2016	6/30/2016		\$13,489	\$0	\$6,231	\$7,258	-	-	\$0
F3XN	M8	N	8/18/2016	13	201608189022512597	7/1/2016	7/31/2016		\$7,258	\$0	\$6,508	\$749	-	-	\$0
F3XN	M9	N	9/20/2016	14	201609209030987435	8/1/2016	8/31/2016		\$749	\$9,315	\$8,684	\$1,379	-	-	\$0
F3XN	M10	N	10/16/2016	13	201610169032880430	9/1/2016	9/30/2016		\$1,379	\$3,420	\$4,681	\$118	-	-	\$0
F3XN	12G	N	10/23/2016	11	201610239034533515	10/1/2016	10/19/2016		\$118	\$1,000	\$897	\$221	-	-	\$0
F3XN	30G	N	12/6/2016	9	201612069037668691	10/20/2016	11/28/2016		\$221	\$7,500	\$700	\$7,020	-	-	\$0
F3XN	YE	N	1/10/2017	11	201701109041361464	11/29/2016	12/31/2016		\$7,020	\$135	\$7,135	\$19	-	-	\$0
F3XA	YE	A	2/19/2017	11	201702199049726664	11/29/2016	12/31/2016		\$7,020	\$35	\$7,035	\$19	-	-	\$0
F3XA	YE	A	2/20/2017	10	201702209049729957	11/29/2016	12/31/2016		\$7,020	\$35	\$7,035	\$19	-	-	\$0
F3XA	YE	A	4/6/2017	10	201704069052024998	11/29/2016	12/31/2016		\$7,020	\$135	\$7,135	\$19	-	-	\$0
Totals										\$250,550	\$250,542				

Kern County Republican Central Committee (Fed) (C00265603)
2019 Mid-Year Report, received 7/31/19 (Image 201907319161327033)

Refunds of Unauthorized Disbursements

Name of Payer	Date	Amount	Purpose
Williams, Bryan	3/22/19	\$80,000.00	Refund of disputed payments
Williams, Bryan	4/12/19	\$138,546.39	Refund of disputed payments
Total Refunds of Unauthorized Disbursements:		\$218,546.39	