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October 23, 2020

**Confidential Communication
By Electronic Mail Transmission**cela@fec.govFederal Election Commission
Office of Complaints Examination
& Legal Administration
Attn: Christal Dennis, Paralegal
1050 First Street, NE
Washington, DC 20463RE: *RR 20L-13 – Kern County Republican Central Committee (Federal)*

Dear Ms. Dennis:

This letter is in response to the Commission's above-referenced matter, as set forth in the July 28, 2020 letter from Jeff Jordan, Assistant General Counsel to Ms. Laurel Sheffield, and the current Treasurer of the above-referenced Committee. This also responds to the July 24, 2020 RAD Referral to the Office of General Counsel attached thereto.

As I noted in my recent call to you, the two above-referenced FEC documents were not received by the Committee and shared with the undersigned until recently. The Committee has updated its current address information to ensure receipt of such correspondence from the Commission on a timely basis. As indicated in the RAD Referral, in April 2020, in my communication with the RAD Analyst, I indicated the Committee's willingness to enter into a self-referral. By this communication, this is to confirm the Committee intends by this self-referral to enter into discussions with the Commission to resolve the issues identified in the RAD Referral and which were addressed in summary in its Form 99 submission earlier in April 2020.

The self-referral concerns the Commission's identification of misconduct by former Treasurer Bryan Williams. As noted in the July 24, 2020 RAD Referral, Mr. Williams served as treasurer of the Committee (and its non-federal committee) from March 18, 2013 to February 20, 2019.

Sometime in early January 2019, the Committee became aware of possible internal embezzlement activity involving Mr. Williams. The Committee undertook an investigation of its records (receipts, expenditures and supporting documents). Upon verifying at least significant

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corroborating information, the committee immediately dismissed Mr. Williams as its treasurer, closed its existing bank accounts and established new Committee bank accounts at its existing bank.

The Committee engaged Mr. Tom Montgomery as interim treasurer, and in consultation with legal counsel, took the following actions: (1) appointed a new treasurer; (2) reviewed and adopted best practices recommended by the FEC, including the adoption of organizational controls to ensure that the Committee would be fully aware of all receipts, proposed expenditures and close internal oversight of all financial activities; (3) instituted rigorous bank account controls for all disbursements requiring two approvals for each disbursement - the committee chair, a certified public accountant, and appointed a new permanent treasurer, Ms. Sheffield, who is a local businesswoman and Central Committee member; (4) required the committee chair and treasurer to review original invoices before approval; (5) provided online access to all bank account records to all four Executive Committee members, including the Committee's Chair and its Treasurer; (6) provided full monthly reports to the central committee of all federal and non-federal receipts and disbursements along with copies of the FEC and state FPPC reports.¹

Additionally, in a separate line of action, the Committee confronted the dismissed treasurer and suspected embezzler, Mr. Williams, with evidence of the suspected embezzlement activity and sought and obtained partial restitution from him. He provided two separate checks to the Committee to repay what the Committee believes is a very substantial portion of the total amount which may have been embezzled from the Committee's accounts. Attachment 2 to the RAD Referral contains a chart identifying the dates and amounts of the two payments to the Committee.

Further, the Committee authorized retained counsel, Douglas Gosling, Esq., to meet with law enforcement authorities to report the activity, which occurred promptly thereafter in mid-spring 2019. Mr. Gosling contacted the Federal Bureau of Investigation ("FBI") and met with an FBI agent to provide Committee information in support of its complaint. The matter remains under investigation by law enforcement authorities. We are awaiting additional information on the findings of the FBI's law enforcement investigation to provide guidance as to any further extent of the treasurer's activity and whether their forensic efforts identify whether further restitution may be appropriate.

Just to be clear, no other Committee officers, members or consultants, in particular the current treasurer, Ms. Sheffield, had any prior knowledge of the former Treasurer's illegal activity, and the Committee has been united in its desire to resolve the matter promptly with the Commission.

¹ The specific elements of the Committee's efforts to conform to the FEC's best practice guidelines are summarized in "Attachment A" to this letter.

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The Committee is prepared to provide further information to the Commission concerning the matter, and is fully prepared to discuss further the six discrete elements of its efforts described above to bring the Committee into full compliance with the Commission's best practices.

Please feel free to contact me upon receipt of this letter.

Very truly yours,

A handwritten signature in black ink that reads "Charles H. Bell, Jr." in a cursive style.

Charles H. Bell, Jr.
Designated Counsel

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Attachment A

1. Committee Oversight Team - The following individuals compose the Committee's Oversight Team: chair (Ken Weir), Treasurer (Laurel Sheffield), Cathy Abernathy (elected member and consultant to committee), Matthew Martin (elected member and member of Ms. Abernathy's firm). Any campaign spending made between meetings is approved via email from Cathy Abernathy to the 4 elected officers (Weir, Sheffield, Michael Caves and Clayton Campbell).
2. Oversight of Committee Bank Accounts - Online viewing of bank accounts available to Chair and Treasurer and the other 2 officers and Matthew Martin.
3. Bank Account Reconciliations - Treasurer Sheffield handles reconciliation as does Chair Weir (a full-time licensed Certified Public Accountant).
4. Handling and Review of Committee Deposits - Other than the Committee's annual Lincoln Day annual fundraiser, there are few donations, but all contributions are deposited by the Committee Chair and/or Committee Treasurer; all expenses and receipts and invoices given to retained reports preparation specialist - Tom Montgomery.
5. Disbursement Controls - All bills are sent to Committee Treasurer and Committee Chair for approval. Those two officers determine who will write the check or pay thru electronic means. The Committee Chair (a licensed CPA, as noted above, with his staff) handles monitoring along with the Treasurer Sheffield who has online access.
6. Committee has NO cash transactions.
7. Committee has NO central committee credit card.
8. Oversight Access for Contributions and Other Committee Campaign Finance Information - (a) Daily backup - Anedot® (our online contribution program) provides this information for online contributions; (b) All data is available online to which and thru emails copied to all 4 officers.
9. FEC Guideline Review - Matthew Martin, Committee officer and member, working in the office with Committee consultant Cathy Abernathy, review these materials along with hired FEC / State FPPC consultant and report preparer Tom Montgomery.