



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 27, 2022

Mr. Charles H. Bell, Jr., Esq.
455 Capitol Mall Suite 600
Sacramento, CA 95814

Re: ADR 1067 & 1068
Kern County Republican Central Committee (Fed) and Laurel Sheffield,
Treasurer (C00265603)

Dear Mr. Charles H. Bell, Jr., Esq.:

Enclosed is the signed copy of the Negotiated Settlement resolving the above-shown matter. The Negotiated Settlement was approved by the Commission on June 21, 2022 – the effective date of the agreement.

Note the specific time frames for compliance detailed in the agreement. Please forward to this office, a statement confirming Respondent's compliance with each term. The letter should note the dates on which Respondents satisfied each of the terms and contain the ADR case number. For your convenience, a compliance chart is attached.

Under the terms of the agreement, a civil penalty in the amount of \$3,400 is due on July 21, 2022. Kindly review the attached payment instructions for details on payment methods and the collection of unpaid debts.

As you are aware, the Negotiated Settlement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our negotiations, and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Records Office.

This agreement resolves this matter. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Roche". The signature is fluid and cursive, with a horizontal line extending to the right from the end of the name.

Krista J. Roche
Director
Alternative Dispute Resolution Office

Enc: Payment Instructions
Compliance Chart
Negotiated Settlement

ADRO Civil Penalty Payment Instructions

You may remit payment by credit card, debit card, or ACH withdrawal from your bank account through Pay.gov, the federal government's secure portal for online collections. Visit www.fec.gov/adrpayment to be directed to Pay.gov's FEC ADR Payment form.

Unpaid Civil Penalties

Unpaid civil money penalties will be subject to the Debt Collection Act of 1982 ("DCA") as amended by the Debt Collection Improvement Act of 1996 ("DCIA"), 31 U.S.C. § 3701 et seq. If you do not pay this debt within 30 days (or file a written petition to a federal district court - see below), the Commission will transfer the debt to the U.S. Department of the Treasury ("Treasury") for collection. Within 5 days of the transfer to Treasury, Treasury will contact you to request payment. Treasury currently charges a fee of 30% of the civil money penalty amount for its collection services. If the age of the debt is greater than or equal to two years old, Treasury will charge a fee of 32% of the civil money penalty amount for its collection services. The fee will be added to the amount of the civil money penalty that you owe. Should Treasury's attempts fail, Treasury will refer the debt to a private collection agency ("PCA"). If the debt remains unpaid, Treasury may recommend that the Commission refer the matter to the Department of Justice for litigation.

Actions which may be taken to enforce recovery of a delinquent debt by Treasury may also include: (1) offset of any payments, which the debtor is due, including tax refunds and salary; (2) referral of the debt to agency counsel for litigation; (3) reporting of the debt to a credit bureau; (4) administrative wage garnishment; and (5) reporting of the debt, if discharged, to the IRS as potential taxable income. In addition, under the provisions of DCIA and other statutes applicable to the FEC, the debtor may be subject to the assessment of other statutory interest, penalties, and administrative costs.

In accordance with the DCIA, at your request, the agency will offer you the opportunity to inspect and copy records relating to the debt, the opportunity for a review of the debt, and the opportunity to enter into a written repayment agreement.

ADR 1067 Compliance Chart

Type	Date Due
File Form 99	Thu 7/21/2022
Certify that a representative participated in an FEC training	Wed 6/21/2023
Certify internal control procedures have been followed	Fri 6/21/2024



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Case Number: ADR 1067 (P-MUR 646)
ADR 1068 (RR 20L-13)

Case Name: Kern County Republican Central Committee (Fed)

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission (FEC or the Commission) pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, (FECA) and resolve this matter, the Federal Election Commission (FEC or the Commission) entered into negotiations with Charles H. Bell, Jr., Esq., representing Kern County Republican Central Committee (Fed) and Laurel Sheffield, in the official capacity of Treasurer (the Committee or Respondents). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 52 U.S.C. § 30109.
2. Respondents voluntarily enter into this agreement with the Commission.
3. The Reports Analysis Division (RAD) referred Respondents after the Committee disclosed the refund of unauthorized disbursements totaling \$218,546.39 on their 2019 Mid-Year Report, filed on July 31, 2019. Respondents filed a *sua sponte* submission on October 23, 2020, acknowledging that their 2019 Mid-Year Report reflected two refunds from their former treasurer¹ comprising the partial restitution of embezzled funds. From 2013 to 2019, the former treasurer made approximately \$272,000 in unauthorized disbursements, which he failed to accurately disclose on the Committee's reports resulting in the Committee filing inaccurate reports with the Commission.²

¹ Bryan Williams was the treasurer from March 18, 2013, to February 20, 2019. The Committee amended its Statement of Organization (Form 1) on July 28, 2019, to list Laurel Sheffield as its treasurer. In the interim, Thomas E. Montgomery served as treasurer.

² See Conciliation Agreement & Cert. (December 22, 2021), MUR 7922 (Bryan Williams).

4. Political committees, through their treasurers, must report all financial activity, including maintaining an accurate account of all receipts, disbursements, and cash-on-hand balances, pursuant to the FECA. 52 U.S.C. §§ 30102 (c), 30104(b); 11 C.F.R. § 104.3.
5. The Committee acknowledges that at the time of the unauthorized disbursements, it did not qualify for safe harbor under the Commission's policy.³ Regarding internal controls, it failed to complete monthly reviews of bank statements or reconciliations of accounting records, disbursements over \$1,000 were not authorized by two persons, and an individual who does not handle the Committee's accounting or have banking authority did not monitor incoming receipts. At the time the embezzlement occurred, bank accounts were in the Committee's name and there was no petty cash system, failing to satisfy three of the five internal controls detailed in the safe harbor policy.
6. The Committee states that upon the discovery of unauthorized disbursements, it undertook an investigation; appointed a new treasurer; and implemented internal controls in accordance with the Commission's best practices for internal controls. Further, the Committee sought and obtained partial restitution from the embezzler. The Committee reported the matter to law enforcement authorities and disclosed two restitution checks on the 2019 Mid-Year Report, thus notifying the Commission of the misappropriation. The Committee states that due to difficulties obtaining records, it did not promptly file amended reports to correct reporting errors. As such, the Committee completed two of the three post-discovery steps detailed in the safe harbor policy.
7. Respondents, in an effort to avoid similar errors in the future, agree to:
 - (a) certify internal control procedures consistent with those described in the Commission's Internal Controls and Political Committees advisory document (2007) and the Best Practices for Committee Management (published in the April 2009 Record, available at www.fec.gov/pages/brochures/bestpractices.shtml) and as recommended to the Committee by the FEC's Audit Division, in a memorandum dated April 13, 2022, have been followed consistently for two (2) years from the effective date of this agreement;
 - (b) certify that a representative of the Committee participated in an FEC conference, webinar, or other training program developed in consultation with the FEC's Information Division within twelve (12) months of the effective date of this agreement;
 - (c) file a Form 99 (Miscellaneous Electronic Submission) accurately and fully disclosing the unauthorized disbursements and adjust their cash-on-hand balance, if necessary, to clarify the public record; and
 - (d) pay a civil penalty of \$3,400 within thirty (30) days of the effective date of this agreement.
8. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.

³ See Statement of Policy: Safe Harbor for Misreporting Due to Embezzlement, 72 Fed. Reg. 16,695 (Apr. 5, 2007).

9. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance. Unpaid civil money penalties are subject to the Debt Collection Act of 1982 as amended by the Debt Collection Improvement Act of 1996 (DCIA), 31 U.S.C. § 3701 et seq. The Commission will transfer debt to the United States Department of the Treasury (Treasury) for collection.
10. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of this agreement as set out in paragraph 7 above and shall certify compliance with the above settlement terms in writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.
11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 1067 (P-MUR 646) and ADR 1068 (RR 20L-13), and resolves those issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:


Krista J. Roche, Director
Alternative Dispute Resolution Office



6/21/22

Date Signed

FOR THE RESPONDENTS:


CLERK OF COURT
 Charles H. Bell, Jr., Esq.

Representing Kern County Republican Central
Committee (Fed) and Laurel Sheffield, Treasurer

May 16, 2022

Date Signed