

KAUFMAN LEGAL GROUP
A PROFESSIONAL CORPORATION

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VIA EMAIL & FEDERAL EXPRESS

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Complaints Examination & Legal Administration
Federal Election Commission
999 E Street, NW
Washington D.C. 20463

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FEDERAL ELECTION
COMMISSION
2013 JAN -7 PM 3:16
OFFICE OF GENERAL
COUNSEL

Re: Los Angeles County Democratic Central Committee (AR 12-09)

Dear Mr. Jordan:

This responds to your letter addressed to the current treasurer of the above named committee ("Committee"), Mark Gonzalez, regarding the referral of the Committee's Final Audit Report ("Audit Report") to your office for a recommendation on whether there is reason to believe that he and the Committee violated the Federal Election Campaign Act of 1971 ("Act").

As you are already aware, the two findings in the Audit Report, both misstatements of financial activity, arose from the unprecedented criminal actions of the Committee's former treasurer, Kinde Durkee. To hold the Committee, an innocent victim of Ms. Durkee's actions, and Mr. Gonzalez, who had absolutely no prior involvement with these activities, responsible in an enforcement proceeding would be grossly unjust and would cause the Committee to be doubly victimized for actions Ms. Durkee purposefully concealed from its leadership.

A detailed description of Ms. Durkee's criminal practices is set forth on pages 1 and 2 of the background section of the Audit Report (copy attached), under the heading "Unauthorized Activity of Former Treasurer." In language adopted by the Commission, the salient facts pertaining to the Committee with regard to the audit findings were summarized as follows:

LACDCC provided what documents and information it could obtain to support its belief that all the transactions underlying the findings in the report resulted from Ms. Durkee's unauthorized activity. Moreover, the kind of activities described in her plea agreement as outlined above could account for many of the problems identified during the audit and cited in this report.

The final language adopted by the Commission was reflective of a recurring sentiment expressed by the Commissioners at the December 14, 2011 audit hearing and subsequent June 7 and

October 18, 2012 meetings, that the Committee should not be portrayed as the wrongdoer in this case.

Since the Final Audit Report was issued, Ms. Durkee was sentenced to more than eight years in prison and ordered to pay \$107,152 in restitution to the Los Angeles County Democratic Party for her embezzlement and subsequent cover up scheme, which naturally depended on filing false campaign finance reports so as to obscure the truth from her clients. It was these false statements in the Committee's campaign reports that led to the misstatement findings in the Audit Report.

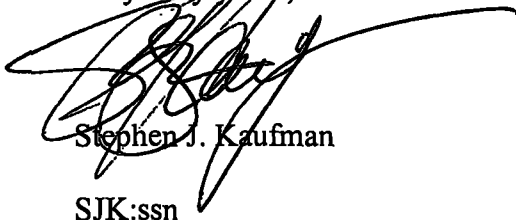
For your convenience, we have attached copies of our prior letter submissions to the Commission which describe, to the best of the Committee's ability, how Ms. Durkee's criminal actions directly caused the misstatements of financial information. The letters also describe the new internal controls that the Committee has put into place since discovering Ms. Durkee's embezzlement. As some Commissioners acknowledged during the audit hearing, however, when this type of egregious criminal behavior and cover up is conducted by a committee's professional treasurer – the person at the very top who is charged with safeguarding the committee's assets and who, for that very reason, is held personally responsible – there may be no internal controls that can prevent it.

Thus, for the reasons set forth in in this letter, the Audit Report, and our prior correspondence to the Commission, there is no reason to believe that the Committee and Mr. Gonzalez violated the Act. Any enforcement action arising out of the Audit Report, Ms. Durkee's embezzlement, and her fraudulently filed campaign reports, should be directed at Ms. Durkee personally, and not the Committee and its current treasurer, who should not be held accountable for being victimized by the most egregious campaign embezzlement case in history.

Please feel free to contact us should you require any additional information.

Thank you for your attention to this matter.

Very truly yours,



Stephen J. Kaufman

SJK:ssn

cc: Eric Bauman, Chair, LACDP
Adam Seiden, Executive Director, LACDP