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June 17, 2015

Federal Election Commission
Office of Complaints Examination & Legal Administration
Attn: Mary Beth deBeau
999 E Street, N.W.
Washington, DC 20436



Digitally signed by CELA Stamp
_ Mary Beth deBeau
DN: cn=CELA Stamp _ Mary
Beth deBeau, o=Federal
Election Commission, ou=OGC,
email=mdebeau@fec.gov,
c=US
Date: 2015.06.25 13:19:30
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Re: RR 15L-12

Dear Ms. deBeau

The House Conservatives Fund (HCF) and Lisa Lisker, as treasurer, hereby respond by counsel to the Reports Analysis Division Referral 15L-12, dated May 8, 2015.

The referral accurately states the facts contained therein, which describe HCF's receipt of a partial restitution check via the U.S. Treasury, which HCF disclosed in its 2014 Year-End Report, as well as an amendment when the Treasury Department disclosed to the treasurer more information. Lisa Lisker Declaration, ¶ 3.

HCF had retained an outside "caging" vendor, Stonewood Marketing, owner Ken Pate, to process all contributions HCF received by direct mail. ¶ 4. The vendor facilitated the embezzlement of HCF's funds by opening, and depositing contribution checks into, a separate bank account in HCF's name, for which he had signature authority. ¶ 5.

HCF's treasurer discovered the theft when a contributor to another client, which had retained the same vendor, indicated that she had not received a customary thank-you acknowledgment for her contribution. The treasurer had been unaware of this or any other embezzled contribution. ¶ 6. Review of the contributor's cancelled check and follow-up with the client's bank revealed the aforementioned method of embezzlement of both the other client's and HCF's funds. ¶ 7.

To date, the Treasury Department has not disclosed to HCF the embezzled contributions. HCF will file an amended report(s) when it receives contributor data. ¶ 8. HCF has since retained another caging vendor to process direct mail contributions, which does not have signature authority. ¶ 9.

Given that HCF has taken measures to prevent future embezzlement by its direct mail processing vendor, and nothing more can be done short of frustrating the purpose in retaining a direct mail processor vendor, the committee requests that the referral be dismissed with a

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