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December 29, 2014

Re: Audit of Kevin McCarthy for Congress

Federal Election Commission
Audit Division
Kendrick Smith
999 E Street, NW
Washington, DC 20463

Dear Mr. Smith:

The purpose of this letter is to respond to the Audit Division's Interim Audit Report ("IAR") regarding Kevin McCarthy for Congress ("Committee") during the period January 1, 2011 - December 31, 2012. This response is sent within the requested 30 days of receipt.

The Audit Division reached two findings in the IAR. Those findings are repeated below along with our comments.

Finding 1. Receipt of Contributions in Excess of the Limit

As stated in the IAR, Audit staff identified apparent excessive contributions from individuals totaling \$77,094. According to the Audit staff, all excessive contributions were the result of the Committee not resolving the excessive portion of contributions by timely forwarding a presumptive letter to its contributors informing them how their contribution had been redesignated and/or reattributed, or refunding the excessive contribution.

As noted in the IAR, the Committee's representatives submitted presumptive reattribution and redesignation letters that were sent to the contributors relative to the apparent excessive contributions. The IAR concluded that the Committee resolved the excessive contributions, but determined its actions were untimely.

The Committee believes that it did indeed timely forward presumptive letters to its contributors informing them how their contribution had been redesignated and/or reattributed. However, because such efforts would have been undertaken by its prior treasurer, the Committee could not prove so with a degree of acceptable certainty. Therefore, the Committee sent and fully tracked presumptive reattribution and redesignation letters, which resulted in resolving the excessive contributions to the Audit staff's satisfaction. The Committee nevertheless disagrees that such actions were untimely as determined by Audit staff.

Finding 2. Misstatement of Financial Activity

During audit fieldwork, the Audit staff reconciled the Committee's reported activity with its bank records for 2011 and 2012. The Audit staff discussed this matter during the exit conference at the conclusion of the fieldwork and provided Committee representatives with reconciliations for 2011 and 2012 based on disclosure reports filed by the Committee prior to audit notification and amended reports filed subsequently. The Audit staff informed the representatives that the amendments filed after audit notification materially corrected the misstatements.

It should be noted for the record that prior to Audit notification, the Committee on its own began to take corrective and prophylactic action regarding these findings. It was well on its way to correcting the two matters identified by Audit staff, and as noted in the IAR, has completely done so to Audit staff's satisfaction. The Committee had also engaged a new treasurer and new representatives including regular outside counsel and a new compliance firm. It has since adopted new internal procedures and safeguards to minimize future administrative issues. Therefore, because both findings have been corrected, the Audit staff make no further recommendations, the engagement of a new treasurer and new representatives, and the adoption of internal procedures and safeguards, we urge you to close this matter without further action.

Should you have any additional questions, please do not hesitate to contact me.

Very truly yours,



Elliot S. Berke