

Memo

To: Democratic Clubs and Organizations
From: Los Angeles County Democratic Party
Date: September 6, 2011
Re: Recent Developments Surrounding Treasurer Kinde Durkee

Longtime veteran Democratic campaign Treasurer Kinde Durkee was arrested last Friday evening by the Federal Bureau of Investigation and has been charged with mail fraud. It is alleged that she has embezzled hundreds of thousands of dollars from at least two elected officials and that perhaps many of her other clients may also be victims. In a sworn affidavit released today, she apparently admitted that she had been misappropriating her clients' money for years and that the forms she filed with the state were false.

Kinde Durkee and her firm Durkee and Associates, based in Burbank, CA, is the official Treasurer to a number of high ranking elected officials, including US Senator Dianne Feinstein, US Congress Member Loretta Sanchez, and many state-level and LA City elected officials. She also serves as Treasurer for many Democratic Clubs and Democratic organizations throughout Los Angeles and California – including serving in that capacity for the Los Angeles County Democratic Party.

LACDP is working very closely with our legal counsel and representatives at Durkee's bank who holds LACDP's funds to get an accurate assessment of our current situation and verify our bank balances. We have attempted to contact Durkee and Associates and have not received any reply, causing us to operate under the assumption that Durkee and Associates is no longer in business. We are changing our Treasurer of record to Stephen Kaufman with Kaufman Legal Group on an emergency basis.

In an attempt to help other Democratic organizations and Democratic Clubs who are caught in a similar situation, LACDP has put together the following suggested steps of action. Please note that these steps should not be construed as legal advice, but rather as helpful suggestions to assist you in dealing with this stressful situation.

1) Verify Your Organization's Account Balances and Gain Access to Your Account

Kinde Durkee held many of her client's accounts at the First California Bank, headquartered in Westlake Village. In order to obtain access to your bank account records and funds, you should bring a signed statement identifying that Kinde Durkee is your Treasurer to a local branch of First California Bank. The statement should list the bank account number(s) which correspond to your organization. Please let us know if you would like a copy of a template letter we have created for this purpose.

Along with that statement you must also bring all written agreements between you and Kinde Durkee or Durkee & Associates, including agreements which detail or describe Durkee's relationship to you and which reference your bank account(s). You should also bring documentation showing your bank

account numbers, including your most recent bank statement if available. If you cannot locate any agreements between you and Durkee, you may be able to use FEC Form 1 and/or FPPC Form 410 as proof of the relationship between your organization and Kinde Durkee as your Treasurer.

All documents must be delivered in-person to a local branch of First California Bank. A list of First California Bank locations can be found at <http://www.fcbank.com/locations.htm>. The bank requests that you provide original documents/agreements as opposed to copies. However, if you are not able to find original copies, we suggest you bring whatever documentation you have to establish Kinde Durkee's relationship as Treasurer for your organization.

The local branch will then forward these documents to First California Bank's corporate office. Working in connection with the bank's legal counsel and the US Attorney's office, First California Bank has told us that they pledge to get information and account access to affected organizations as soon as possible. Please note that the bank may not be able to distribute any information before the end of this week at the earliest.

2) Change the Official Treasurer of Record for Your Organization

Below you will find a list of professional organizations that do similar bookkeeping and treasury services as provided by Durkee and Associates. This list is not exhaustive and may be updated as we vet additional companies. Please note that LACDP cannot be held liable for the actions taken by any treasurer or company suggested. That being said, we have only included highly reputable individuals and organizations on this list.

We have alerted these firms that we will be sending potential clients their way and some have specifically agreed to assist on an emergency basis. Please work with your chosen new Treasurer to submit all of the paperwork and forms necessary to make your transition smooth and complete.

---Gary Crummit – 562.883.0815 – www.crummittandassociates.com

---Kaufman Legal Group - 213.452.6565 – www.kaufmanlegalgroup.com

---ML Associates - 310.458.6777 – www.mlassociates.org

---Padilla & Associates - 323.655.4065 - jane20@pacbell.net

3) Be Prepared for Reporting Deadlines

We strongly suggest that your organization continue to retain a professional treasurer to do your reporting to federal, state and local authorities. You don't want to run the risk of unintentionally breaking any of the numerous laws, rules and regulations that apply at the various levels of government.

Each organization that engaged Kinde Durkee as their Treasurer will need to retrieve their information that is stored in the records at Durkee and Associates' offices in order to complete their upcoming campaign finance reports. LACDP will work with the US Attorney's office to assist in getting as much information for each organization as soon as possible. However, each organization retains primary responsibility to obtain their own records.

4) Other Questions

If you have any other questions or concerns regarding Kinde Durkee or Durkee and Associates as your organization's Treasurer, please feel free to call us at 213-382-0063 or email info@lacdp.org. Please understand that we are currently fielding many calls on this matter and these issues are very complicated, so it may take some time for us to get you a full answer. Also, again please note that LACDP does not provide legal advice. But do know that LACDP is committed to work with you through this difficult and frustrating situation.

On behalf of the Los Angeles County Democratic Party, I hope this information is helpful to you during this very stressful time. We must not let this hold us back from the important work ahead of us this year and in 2012!

Eric C. Bauman
Chair,
Los Angeles County Democratic Party