

March 31, 2016

An Open Letter to All Members of the North Carolina Republican Party Executive Committee Concerning the Censure of Chairman Harnett:

Dear Members of the North Carolina Republican Party Executive Committee:

I am writing this letter as a result of many inquiries received by the Republican Party Staff, as well as inquiries directed to me by members of the Central Committee, Executive Committee, and others concerning various public statements and actions of Chairman Harnett in recent weeks.

Let me begin by apologizing to the members of the Executive Committee for keeping you in a vacuum concerning the recent events. At my advice, the Central Committee and others have tried to avoid handling this matter in public in order allow a reasoned discussion with Chairman Harnett in private or in closed session of the Committee. The Central Committee has remained largely silent in order to resolve these issues quietly and responsibly without further damage to the Party.

The Chairman and his confederates, however, have chosen a different path. They have released numerous public statements that, in my view, contain inappropriate, vitriolic and inaccurate information. Unfortunately, these statements have exacerbated the situation, and portrayed the North Carolina Republican Party in a negative manner. As I result, I believe it has become necessary to address the situation publicly.

For background, this matter began when Chairman Harnett spoke against the budget for the Convention presented by the staff to the Central Committee on February 28, 2016. However, neither he nor anyone else made a motion to amend the budget or to consider any alternative budget. Despite Chairman Harnett's criticism, the Central Committee voted to adopt the proposed budget.

Following that meeting, I spoke directly to Daniel Rufty, a member of the Central Committee aligned with Chairman Harnett, who expressed strong feelings about the issue. I

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advised him that the Chairman could not legally unilaterally change the decision of the Central Committee.

On Wednesday, March 2, 2016, the Chairman sent out a memo that many of you received labeling the General Session attendee fees a "poll tax."

On Friday, March 4, 2016 I spoke with Chairman Harnett about this issue. I advised the Chairman about the importance of calling the convention, and his lack of authority to unilaterally change the fees from those adopted by the Central Committee under the Plan of Organization. I urged him to go back to the Central Committee, ask it to reconsider the funding for the convention, and propose an alternative budget that would cover the funds lost by any reduction in fees. We also discussed the language of some of Chairman Harnett's writings which had falsely described the law and misrepresented the actions of the Party. During that conversation, Chairman Harnett assured me he would authorize the sending of a "clean" (without addressing the fee issue) Call of the Convention by Sunday, March 6, 2016.

I could not reach Chairman Harnett on Sunday, despite repeated attempts. On Monday, March 7, 2016, I received a text message that Chairman Harnett sent a notice without consulting with the staff. Contrary to his statement to me, this notice contained a change in the amount of the General Session attendee fees, which the Chairman did not have authority to do.

Throughout that day, I received repeated inquiries about the actions of the Chairman and their validity. Because it was essential under the Plan of Organization that the notice of the Call of the Convention be timely sent, I advised staff to circulate the notice and ensure it was sent to all required and intended recipients. In order to resolve the confusion caused by Chairman Harnett's unauthorized attempt to change the fee, I also issued a Legal Opinion that evening. See Attachment A: March 7, 2016 Opinion Letter.

On March 8, 2016, I received a phone call about a Party member with IT skills by the name of Kenneth Robol. I followed up and spoke with Dr. Robol. Earlier that day, Dr. Robol had unilaterally reached out to Chairman Harnett about accessing the Party website. Dr. Robol had read conversations on social media claiming Chairman Harnett had been wrongfully locked out of the Party's website. As a result of these statements on social media, Dr. Robol contacted Mr. Rufty to volunteer his services. Dr. Robol was then put into contact with Chairman Harnett.

At the time, Dr. Robol believed he would be helping the Party by restoring the control of its website to the authorized person. When he contacted Chairman Harnett, Dr. Robol believed that the Chairman was unable to access to the administrative functions of the website which he previously possessed.

The reality, however, is that no elected leader of the NCGOP is given access to these functions for their own protection, as well as the protection of the North Carolina Republican Party. Neither Chairman Harnett nor his immediate predecessors had this access. Instead, Chairman Harnett, just like his predecessors, was required to work through staff to send mass communication

messages and website updates. The staff has rarely declined to send what Chairman Harnett requested, and then only for legal reasons or other compliance issues.

Dr. Robol told me he came forward to another member of the Party after his conversation with Chairman Harnett because the Chairman asked him to assist with what appeared to be an illegal act. Specifically, Dr. Robol told me that Chairman Harnett asked him to hack the Party website and assist in setting up a competing site that would receive the convention fees, under the direct control of the Chairman. My law office then obtained a sworn statement from Dr. Robol.

When our investigation first turned up this information, I recommended that the Party take immediate steps to secure the site, including limiting access from outside the office. On March 8, 2016, after learning that the website lacked a number of security features, and out of concern for vulnerability, I advised the Party staff to turn off the servers and email, but to restore the email as soon as possible using an outside server. The email was restored the next morning.

The initial information provided to the staff was incomplete and the staff feared the worst. They were concerned that all the Party's computer systems were under attack, including email systems, financial systems, databases, and credit card collection accounts. Because of this, it appeared that immediate and drastic action was necessary to protect confidential party, financial, and donor information.

On March 9, 2016, while our investigation was underway, Chairman Harnett was unresponsive to our messages, phone calls, and meeting requests. But he did have time to send out a public message to the Executive Committee and others referring to the deactivation of his email account as racially motivated. This email was reinforced by additional emails and posts on social media from Daniel Rufty and others supporting the racially couched language and calling for the removal of Dallas Woodhouse, the Executive Director of the Party. Since that message sent out by Chairman Harnett, the public statements have unfortunately degenerated further.

In the next one and a half weeks, I spoke with Central Committee Members, conducted our investigation, and reached out to Chairman Harnett. I was finally able to meet with Chairman Harnett and his lawyer for a little over one hour on Friday, March 18, 2016. He was only willing to speak of these matters through counsel. Although he said he wanted to resolve the issues, he would not meet with me again or work with me to make any significant progress.

On March 20, 2016, the Central Committee voted to censure Chairman Harnett for these actions. <u>See</u> Attachment B. I abstained from the vote. The Central Committee censured the Chairman for a series of statements and acts that were inconsistent with the proper role of the Chairman according to the Plan of Organization, and the Chairman's legal obligations. The majority of the Central Committee voted for censure, believing that the Chairman's vitriolic, racially charged statements, false accusations, and improper conduct should not stand without clear rejection.

During that meeting of the Central Committee, I did not reveal the name of Dr. Robol or release his sworn statement. However, I did read out the pertinent paragraphs of his statement. I

did not release Dr. Robol's name or statement because I believed confidentiality of the process was important, and because I hoped matters could be resolved with the Chairman by agreement.

Nevertheless, despite the fact that I had not revealed Dr. Robol's identity, Chairman Harnett has now put forward various versions of their conversation. Notably, in a recent statement, Chairman Harnett has used the word "entrapment" to refer to his conversations with Dr. Robol.

As a legal defense, entrapment means that a defendant was enticed or led by government agents to commit a crime he would not have otherwise perpetrated. The entrapment defense concedes that a crime has been committed, but argues that the defendant was not the ultimate cause of it, but was led into the situation by government actors. Thus, the defendant participated in a crime he would not have otherwise been party to. For Chairman Harnett to use the word "entrapment," he has conceded that the conversation between him and Dr. Robol occurred essentially as described in Dr. Robol's statement.

In fact, there was no attempt by anyone to entice or "entrap" Chairman Harnett into doing anything. Despite insinuations otherwise, Dr. Robol called Chairman Harnett entirely on his own accord. He was responding in good faith to statements made by Chairman Harnett and his supporters. It was entirely Chairman Harnett's own initiative to ask Dr. Robol to hack the Party website and set up a competing website to divert funds away from the Party. Further, it was entirely Chairman Harnett's own initiative to place a follow up phone call to Dr. Robol.

Dr. Robol contacted other members of the Party because he was made extremely uncomfortable by the Chairman's request. He was aware that if he did nothing, others might be contacted who did not share his scruples. Dr. Robel was very courageous in coming forward. Unfortunately, his courage in doing the right thing is now being rewarded by false and malicious things being said about him.

In summary, Chairman Harnett's public comments and accusations cannot be allowed to go unchallenged any further. The Central Committee has been dedicated to working with the Chairman to ensure the success of the North Carolina Republican Party moving forward. In fact, it was the hope of many that Chairman Harnett's election would result in the bringing of fresh new energy to the North Carolina Republican Party, and that he was uniquely positioned to enter the political debate. To allege racism as the reason for Chairman Harnett's censure, rather than the *ultra vires* and potentially illegal nature of his actions, is ludicrous.

When the Central Committee voted to accept the recommended pricing structure for the 2016 State Convention, Chairman Harnett offered no alternative solutions. The State Chairman bears significant responsibility for the fundraising efforts of the Party. Instead of accepting responsibility, even partial responsibility, for the current financial situation of the NCGOP, Chairman Harnett chose the path of making disparaging public statements about the Executive Director and the Central Committee, wrongfully claiming authority to set prices, and ultimately taking steps towards hacking the 2016 State Convention website.

The Central Committee, the Executive Director, and I have made repeated and continuous efforts to reach out to and offer assistance to Chairman Harnett. Unfortunately, these efforts have been rebuffed at nearly every turn. Instead, Chairman Harnett has chosen to rely upon the advice of others whose desire for the success of the North Carolina Republican Party is certainly suspect.

Given the Chairman's actions, the March 20, 2016 censure by the Central Committee was well supported. Unfortunately, it does not appear to have been well heeded. By their public statements, it appears that Chairman Harnett and those aligned with him in this matter no longer desire to work with the North Carolina Republican Party but would rather malign the Central Committee and the character of the current Executive Director.

At a time when the NCGOP should be focused on preparing for the November election, the focus of the NCGOP staff and Executive Director have been monopolized by relentless attacks and multiple crises caused by their own Chairman and his confederates. Despite this, Executive Director Woodhouse has demonstrated substantial leadership and ability in keeping the Party moving forward in a positive direction during this turmoil.

I have written this letter to set the record straight, but also to urge everyone involved to adhere to the organizational rules of the North Carolina Plan of Organization. Being an effective member of an organization requires working within the rules and structure of that organization. Had Chairman Harnett and Mr. Rufty done so in this case, all of the resulting chaos and discord could have been avoided. I will continue to advise all staff, officials, constituents, members, and anyone involved with the North Carolina Republican Party to follow the North Carolina Plan of Organization. I will also resist all efforts to circumvent it, whether by the Chairman or anyone else.

As I write this, it appears that a new attempt is underway by Chairman Harnett to circumvent the Plan of Organization. Disregarding the Plan of Organization's notice requirements, he has purported to schedule a meeting of the Executive Committee in conflict with numerous District Conventions. This behavior needs to stop. Instead, let us work together as Republicans for our state, our nation, and our Constitution.

Sincerely,

/s/ Thomas H. Stark

Thomas H. Stark General Counsel