



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**Via Email and First Class Mail**

William Pittard, Esq.  
Kaiser Dillon PLLC  
1401 K Street NW, Suite 600  
Washington, DC 20005  
wpittard@kaiserdillon.com

RE: MUR 7310  
Lanakila Strategies LLC  
Dylan Beesley in his personal  
capacity

Dear Mr. Pittard:

On January 24, 2018, the Federal Election Commission notified your clients, Lanakila Strategies LLC and Dylan Beesley in his personal capacity as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon review of the allegations contained in the complaint, and information provided by your clients, the Commission, on June 4, 2018, found that there is reason to believe your clients violated 52 U.S.C. § 30114(b), a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is enclosed for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath. We request that all responses to the enclosed Request for Written Answers and Production of Documents be submitted to the Office of the General Counsel within 30 days of your receipt of this notification. Any additional materials or statements you wish to submit should accompany the response to the Request for Written Answers and Production of Documents. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. *See* 52 U.S.C. § 30109(a)(4).

Please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519.

MUR 7310  
 William Pittard, Esq.  
 Page 2 of 2

If you are interested in pursuing pre-probable cause conciliation, you should make such a request by letter to the Office of the General Counsel. *See* 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into in order to complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been delivered to the respondents.

Requests for extensions of time are not routinely granted. Requests must be made in writing at least five days prior to the due date of the response and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days. Pre-probable cause conciliation, extensions of time, and other enforcement procedures and options are discussed more comprehensively in the Commission's "Guidebook for Complainants and Respondents on the FEC Enforcement Process," which is available on the Commission's website at [http://www.fec.gov/em/respondent\\_guide.pdf](http://www.fec.gov/em/respondent_guide.pdf).

Please be advised that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.<sup>1</sup>

This matter will remain confidential in accordance with 52 U.S.C. § 30109(a)(4)(B) and 30109(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public. For your information we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Anne B. Robinson, the attorney assigned to this matter, at (202) 694-1356 or [arobinson@fec.gov](mailto:arobinson@fec.gov).

On behalf of the Commission,



Ellen L. Weintraub  
 Chair

Enclosures  
 Factual and Legal Analysis

<sup>1</sup> The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).

**FEDERAL ELECTION COMMISSION****FACTUAL AND LEGAL ANALYSIS**

RESPONDENTS: Lanakila Strategies LLC MUR 7310  
Dylan Beesley in his personal capacity<sup>1</sup>

**I. INTRODUCTION**

The Complaint in this matter alleges violations of the personal use provisions of the Federal Election Campaign Act of 1971, as amended (the “Act”), in connection with disbursements made by Mark Takai for Congress (the “Committee”) to Lanakila Strategies LLC (“Lanakila”), the consulting firm of Committee treasurer Dylan Beesley, for at least eighteen months after Takai announced in May 2016 that he was no longer a candidate for federal office.<sup>2</sup> Specifically, the Complaint alleges that the Committee converted funds to personal use by continuing to pay Beesley’s firm \$5,759.16 per month for consulting services through December 2017 even though Takai died in July 2016 and the Committee conducted no apparent winding down activities after February 2017.<sup>3</sup> Lanakila and Beesley contend that all payments to Lanakila were authorized and that Lanakila contracted with the Committee to provide a variety of services including, but not limited to, winding down activities and developing ideas for a charitable foundation.<sup>4</sup>

---

<sup>1</sup> See Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings, 70 Fed. Reg. 3 (Jan. 3, 2005) (explaining that treasurers may, in certain matters, be notified in both their official and personal capacities and that, in such matters, the Commission will make findings as to the committee and the treasurer in both their official and personal capacities).

<sup>2</sup> Compl. at 8-11 (Jan. 19, 2018).

<sup>3</sup> *Id.*

<sup>4</sup> Dylan Beesley/Lanakila Strategies LLC Resp. at 2, Ex. 1 (Mar. 16, 2018) (“Beesley/Lanakila Resp.”).

1 For the reasons set forth below, the Commission finds reason to believe that Lanakila and  
2 Beesley in his personal capacity violated 52 U.S.C. § 30114(b) by converting campaign funds to  
3 personal use.

## 4 **II. FACTUAL BACKGROUND**

5 Mark Takai represented the First Congressional District of Hawaii from January 3, 2015,  
6 until his death on July 20, 2016.<sup>5</sup> Mark Takai for Congress is his principal campaign  
7 committee.<sup>6</sup> Lanakila Strategies LLC is registered in Hawaii as a domestic limited liability  
8 company, and Beesley is its sole member.<sup>7</sup>

9 The Commission possesses information indicating that Takai and the Committee entered  
10 into a consulting agreement (“Agreement”) with Lanakila on February 10, 2016, for the period  
11 February 1 through June 30, 2016.<sup>8</sup> At the time, Takai’s re-election campaign was underway.  
12 The Agreement listed the “consulting services” that Lanakila would provide: (1) strategic and  
13 political consulting; (2) branding, communications, and media affairs consulting; and (3) design  
14 and execution of campaign launch. For these services, Lanakila would be paid \$4,000 plus tax  
15 per month for the first two months and \$5,500 plus tax per month for the following three months.

---

<sup>5</sup> Compl. at 2.

<sup>6</sup> Compl. at 2; Amended Statement of Organization, Mark Takai for Congress (June 15, 2015).

<sup>7</sup> See State of Hawaii, Dept. of Commerce and Consumer Affairs, Business Registration Division, Lanakila Strategies LLC, File No. 134933C5, <https://hbe.ehawaii.gov/documents/business.html?fileNumber=134933C5&view=info>.

<sup>8</sup> See Beesley/Lanakila Resp. at 2. Then-treasurer Edward Dion Kaimihana executed the Agreement on behalf of Takai and the Committee; Beesley signed for Lanakila. Beesley also served as a consultant to the Committee in 2015; the Committee paid Beesley — directly, not through Lanakila — \$26,600 for fundraising consulting services between July 1, 2015, and December 31, 2015. See Compl. at 2; see generally Disbursements to Lanakila Strategies and Dylan Beesley, 2015-2016, Mark Takai for Congress, [https://www.fec.gov/data/disbursements/?two\\_year\\_transaction\\_period=2016&cycle=2016&data\\_type=processed&committee\\_id=C00548131&recipient\\_name=beesley&recipient\\_name=lanakila&min\\_date=01%2F01%2F2015&max\\_date=12%2F31%2F2016](https://www.fec.gov/data/disbursements/?two_year_transaction_period=2016&cycle=2016&data_type=processed&committee_id=C00548131&recipient_name=beesley&recipient_name=lanakila&min_date=01%2F01%2F2015&max_date=12%2F31%2F2016).

1           On May 19, 2016, Takai announced that he would not run for re-election because he  
2 learned that his pancreatic cancer had spread.<sup>9</sup> The Commission possesses information  
3 indicating that the Committee and Lanakila executed an Amendment to the Agreement in  
4 June 2016; Takai signed the Amendment on behalf of the Committee, and Beesley signed for  
5 Lanakila. The Amendment modified certain sections of the Agreement, including its duration  
6 and the specific services Lanakila would provide. The Amendment removed the third type of  
7 consulting services — design and execution of campaign launch — and replaced it with  
8 “[o]versee the wind down of Clients [sic] campaign committee.” Under the terms of the  
9 Amendment, Lanakila would be paid \$5,500 plus tax each month, in addition to reimbursement  
10 of pre-approved expenses. The Amendment also provided that it would continue until  
11 terminated by mutual agreement or by either party, with 30 days’ notice.<sup>10</sup> Beesley became the  
12 Committee’s treasurer on September 8, 2016.<sup>11</sup>

13           As set forth in the chart below, the Committee continued to make disbursements to  
14 Lanakila through March 31, 2018.<sup>12</sup>

---

<sup>9</sup> See Compl. at 3 (citing Frances Kai-Hwa Wang, *Hawaii Congressman Mark Takai to Retire to Focus on Cancer Battle*, NBC NEWS (May 20, 2016), <https://www.nbcnews.com/news/asian-america/hawaii-congressman-mark-takai-retire-focus-cancer-battle-n577451>); see also Form 99, Mark Takai for Congress (June 2, 2016) (Takai informed the Commission that he was no longer a candidate and would cease campaign activities).

<sup>10</sup> The original contract stated that the agreement could be terminated by mutual agreement or by either party with 15 days’ notice.

<sup>11</sup> Amended Statement of Organization, Mark Takai for Congress (Sept. 8, 2016). At the time of Takai’s death, Kaimihana served as the treasurer of the Committee.

<sup>12</sup> See 2017 Year-End Report, Mark Takai for Congress (Jan. 14, 2018); 2017 October Quarterly Report, Mark Takai for Congress (Oct. 13, 2017); 2017 July Quarterly Report, Mark Takai for Congress (July 14, 2017); 2017 April Quarterly Report, Mark Takai for Congress (Apr. 14, 2017).

1 COMMITTEE PAYMENTS TO LANAKILA UNDER THE AMENDED AGREEMENT<sup>13</sup>

<b>Date</b>	<b>Purpose</b>	<b>Amount</b>
7/3/2016	Strategic Consulting Services	\$9,830.30
8/1/2016	Strategic Consulting Services	\$5,879.68
10/1/2016	Strategic Consulting Services	\$11,518.32
12/19/2016	Strategic Consulting Services	\$11,518.32
<b>2016 Subtotal:</b>		<b>\$38,746.62</b>
1/10/2017	Consulting Services	\$5,759.16
1/23/2017	Consulting Services	\$5,759.16
2/28/2017	Consulting Services	\$5,759.16
3/20/2017	Consulting Services	\$5,759.16
4/24/2017	Consulting Services	\$5,759.16
5/19/2017	Consulting Services	\$5,759.16
6/20/2017	Consulting Services	\$5,759.16
7/20/2017	Consulting Services	\$5,759.16
8/21/2017	Consulting Services	\$5,759.16
9/14/2017	Consulting Services	\$5,759.16
10/14/2017	Consulting Services	\$5,759.16
11/14/2017	Consulting Services	\$5,759.16
12/13/2017	Consulting Services	\$5,759.16
<b>2017 Subtotal:</b>		<b>\$74,869.08</b>
3/31/2018	Consulting Services	\$1,500.00
<b>2018 Subtotal:</b>		<b>\$1,500.00</b>
<b>Grand Total:</b>		<b>\$115,115.70</b>

2

3 At the time of Takai's death, the Committee had cash-on-hand of approximately

4 \$634,045.<sup>14</sup> Between July 1 and September 30, 2016, the Committee refunded contributions

5 totaling \$142,160.89.<sup>15</sup> In the last quarter of 2016, the Committee reported making one new

6 \$500 contribution refund and re-issuing three contribution refunds.<sup>16</sup> The Committee also

<sup>13</sup> These figures reflect the disbursements disclosed by the Committee.

<sup>14</sup> See 2016 July Quarterly Report, Mark Takai for Congress (July 15, 2016); Compl. at 9.

<sup>15</sup> See 2016 October Quarterly Report, Mark Takai for Congress (Oct. 15, 2016); Compl. at 9.

<sup>16</sup> See 2016 Year-End Report, Mark Takai for Congress (Jan. 31, 2017) (covering October 1 through December 31, 2016).

1 reported other disbursements such as storage, compliance, and legal expenses from July through  
2 December 2016.<sup>17</sup>

3 In 2017, the Committee paid \$500 per month to a compliance vendor and approximately  
4 \$35 per month for web services, in addition to the \$5,759.16 per month to Lanakila.<sup>18</sup> In the first  
5 two months of 2017, the Committee made one payment for a storage unit,<sup>19</sup> re-issued two refund  
6 checks to political committees,<sup>20</sup> and made four contributions to other campaign committees.<sup>21</sup>

7 The Complaint observes that after the Committee refunded contributions, almost all its  
8 disbursements have gone toward paying its treasurer, Beesley, and questions “how Beesley’s  
9 \$5,759.16 monthly fees are commensurate with the fair market value of any services provided.”<sup>22</sup>  
10 The Complaint also notes that Lanakila and Beesley do not appear to be performing compliance  
11 or legal services, since the Committee’s reports show payments to other vendors for those  
12 services.<sup>23</sup>

---

<sup>17</sup> See 2016 October Quarterly Report, Mark Takai for Congress (Oct. 15, 2016); 2016 Year-End Report, Mark Takai for Congress (Jan. 31, 2017).

<sup>18</sup> See 2017 Year-End Report, Mark Takai for Congress (Jan. 14, 2018); 2017 October Quarterly Report, Mark Takai for Congress (Oct. 13, 2017); 2017 July Quarterly Report, Mark Takai for Congress (July 14, 2017); 2017 April Quarterly Report, Mark Takai for Congress (Apr. 14, 2017).

<sup>19</sup> See 2017 April Quarterly Report at 10, Mark Takai for Congress (Apr. 14, 2017).

<sup>20</sup> See *id.* at 13-14.

<sup>21</sup> See *id.* at 15-16. The Committee also made a payment of \$1,650 to NGP Van, Inc. on February 2, 2017, for a database fee and a \$10 payment to the National Democratic Club on January 19, 2017, for a capital assessment fee. See *id.* at 11-12.

<sup>22</sup> Compl. at 9.

<sup>23</sup> *Id.* at 9-10.

1           Within five days of the Complaint’s filing, the Committee named Gary Kai as deputy  
2 treasurer and designated agent.<sup>24</sup> Beesley and Lanakila filed a joint response.<sup>25</sup> State business  
3 records show that “K. Mark Takai Foundation” was registered as a non-profit corporation in  
4 Hawaii on January 11, 2018, the day after a Hawaii newspaper reporter contacted Beesley about  
5 the payments to Lanakila.<sup>26</sup> Lanakila and Beesley provide a “Statement Regarding the Mark  
6 Takai Foundation Attributable to Gary Kai on behalf of the Takai Family” noting that Beesley  
7 stayed on as campaign treasurer after Rep. Takai’s death “to help manage the campaign[’]s  
8 affairs,” that Beesley “worked to help us focus on the next steps so that we could close the  
9 campaign down and create a foundation” and that “[p]ayments to him during this period were

---

<sup>24</sup> See Amended Statement of Organization, Mark Takai for Congress (Jan. 24, 2018). Kai is the father of Sami Takai, the wife of Mark Takai.

<sup>25</sup> The Committee also appears to be paying the legal expenses of Beesley and Lanakila. It reported making a disbursement of \$4,741.65 to KaiserDillon PLLC, the law firm representing Beesley and Lanakila in this matter, for legal services on March 29, 2018. See 2018 April Quarterly Report, Mark Takai for Congress at 6 (Apr. 14, 2018).

<sup>26</sup> See State of Hawaii, Dept. of Commerce and Consumer Affairs, Business Registration Division, K. Mark Takai Foundation, File No. 287547D2, <https://hbe.ehawaii.gov/documents/business.html?fileNumber=287547D2&view=info>; Committee Resp. at 3 (citing Nanea Kalani, *Payments by Takai’s Campaign Questioned*, HONOLULU STAR ADVERTISER (Jan. 12, 2018), <http://www.staradvertiser.com/2018/01/12/hawaii-news/payments-by-takais-campaign-questioned/?HSA=fb85ecef2b3e2007cf7beb6d65870a735433a8b>) (noting that the reporter contacted Beesley regarding the allegations in the article on January 10, 2018).



1 authorized.”<sup>27</sup> Lanakila and Beesley do not provide further detail about any work performed  
2 related to the development of a charitable foundation.

3 The Committee disclosed making one payment to Lanakila during the first three months  
4 of 2018, \$1,500 on March 31, 2018.<sup>28</sup> The Committee reported cash-on-hand of \$295,782.96 as  
5 of that date.<sup>29</sup>

### 6 **III. LEGAL ANALYSIS**

#### 7 **A. Personal Use**

8 The Act affords federal candidates and their campaign committees wide discretion in the  
9 disposition of their campaign funds and provides that contributions accepted by a candidate may  
10 be used in several categories of permissible non-campaign uses of funds, including the “ordinary  
11 and necessary expenses incurred in connection with duties of the individual as a holder of  
12 Federal office,” as well as “charitable donations,” and “any other lawful purpose” but not  
13 conversion to “personal use.”<sup>30</sup> Conversion to personal use occurs when funds in a campaign  
14 account are used “to fulfill any commitment, obligation, or expense of a person that would exist  
15 irrespective of the candidate’s election campaign or individual’s duties as a holder of Federal  
16 office.”<sup>31</sup>

---

<sup>27</sup> Beesley/Lanakila Resp. at 2, Ex. 1. The statement, dated January 18, 2018, does not specify who authorized the payments.

<sup>28</sup> See 2018 April Quarterly Report at 7, Mark Takai for Congress (Apr. 14, 2018).

<sup>29</sup> See *id.* at 2.

<sup>30</sup> 52 U.S.C. § 30114(a)(2)-(3), (b)(1); 11 C.F.R. § 113.2; see Expenditures; Reports by Political Committees; Personal Use of Campaign Funds, 60 Fed. Reg. 7,862, 7,866-67 (Feb. 9, 1995) (“Personal Use E&J”) (explaining that the personal use prohibition is “not so broad as to limit legitimate campaign related or officeholder related activity,” and that “candidates have wide discretion over the use of campaign funds”).

<sup>31</sup> 52 U.S.C. § 30114(b)(2); 11 C.F.R. § 113.1(g).

1           The Commission’s regulations provide that the costs of winding down the office of a  
2 former federal officeholder for a period of six months after he or she leaves office are ordinary  
3 and necessary expenses.<sup>32</sup> The Commission has explained that the six-month winding down  
4 period “acts as a safe harbor” and “does not preclude a former officeholder who can demonstrate  
5 that he or she has incurred ordinary and necessary winding down expenses more than six months  
6 after leaving office from using campaign funds to pay those expenses.”<sup>33</sup> Such winding down  
7 costs include the necessary administrative costs of terminating a campaign or congressional  
8 office, such as office space and storage rental, staff salaries, and office supplies.<sup>34</sup>

9           Certain other uses of campaign funds constitute *per se* conversion to personal use,  
10 including home mortgage and tuition payments.<sup>35</sup> For disbursements neither *per se* permissible  
11 or impermissible, the Commission determines on a case-by-case basis whether a given campaign  
12 fund disbursement is personal use by applying the “irrespective test,” that is, whether the  
13 payment fulfills a commitment, obligation, or expense that would exist irrespective of the  
14 candidate’s campaign or duties as a federal officeholder.<sup>36</sup> The Commission has stated, however,  
15 that “[i]f the candidate can reasonably show that the expenses at issue resulted from campaign or  
16 officeholder activities, the Commission will not consider the use to be personal use.”<sup>37</sup>

---

<sup>32</sup> 11 C.F.R. § 113.2(a)(2).

<sup>33</sup> *See* Personal Use E&J, 60 Fed. Reg. at 7,873.

<sup>34</sup> *See* Advisory Op. 2013-05 (Gallegly) at 3.

<sup>35</sup> 52 U.S.C. § 30114(b)(2)(A)-(I); 11 C.F.R. § 113.1(g)(1)(i).

<sup>36</sup> Personal Use E&J, 60 Fed. Reg. at 7,867; 11 C.F.R. § 113.1(g)(1)(ii).

<sup>37</sup> *See* Personal Use E&J, 60 Fed. Reg. at 7,863-64; *see also* Rulemaking Petition: Former Candidates’ Personal Use, 83 Fed. Reg. 12,283, 12,283 (Mar. 21, 2018) (seeking comment on Petition for Rulemaking regarding personal use and former candidates and federal officeholders).

1           During the six-month winding down period from July 2016 through February 2017, the  
2 Committee issued contribution refunds, paid storage expenses, paid a compliance vendor, made  
3 contributions to other campaign committees, and paid Lanakila a total of \$46,193.80.<sup>38</sup>

4           As stated above, the six-month winding down period acts as a safe harbor for  
5 committees.<sup>39</sup> After this period ended in February 2017, however, Lanakila continued to receive  
6 monthly payments of \$5,759.16 from the Committee through December 2017 — an additional  
7 ten months. Yet Lanakila has not offered an explanation why it needed additional time to wind  
8 down the Committee. The Committee appears to have been largely dormant during this time,  
9 disclosing no receipts other than bank interest and disbursements only to Lanakila (\$5,759.16 per  
10 month), a compliance vendor (\$500 per month), a database vendor (\$1,350 in April and \$150 in  
11 December), and Google Apps (\$34.90 per month for web services).

12           When the safe harbor no longer applies, the Commission’s “irrespective test” applies: the  
13 candidate — or in this case, the Committee — needs to show that the expenses reasonably  
14 resulted from campaign or officeholder activities.<sup>40</sup> Here, Lanakila and Beesley have not  
15 demonstrated how continued substantial Committee monthly payments to Lanakila relate to  
16 campaign or officeholder activities. A review of the payments made to Lanakila before and after  
17 the Amendment raises further questions as to what Committee-related work Lanakila and  
18 Beesley performed after Takai was no longer in office, while the Committee continued to pay a  
19 compliance vendor, CFO Compliance Group, \$500 per month, apparently for filing disclosure

---

<sup>38</sup> This total paid to Lanakila includes payments after Representative Takai’s death on July 20, 2017.

<sup>39</sup> See 11 C.F.R. § 113.2(a)(2); Advisory Op. 2013-05 (Gallegly).

<sup>40</sup> See 11 C.F.R. § 113.1(g)(1)(ii).

1 reports.<sup>41</sup> The \$5,759.16 monthly payment to Lanakila exceeded the \$4,000 plus tax monthly  
2 payments to Lanakila in February and March 2016 when Takai was a candidate and officeholder,  
3 and equaled the \$5,500 plus tax monthly payments starting in April 2016 when Takai's  
4 reelection campaign was ramping up.

5 In sum, the Committee, through its treasurer Beesley, continued to pay Lanakila, whose  
6 sole member is Beesley, a monthly retainer of \$5,759.16 for sixteen months after the death of  
7 Takai — the other signatory to the Amendment — including the ten months after the winding  
8 down safe harbor period. The available record does not indicate that the expenses at issue  
9 resulted from campaign or officeholder activities, and, with the exception of one \$1,500 payment  
10 in March 2018, the \$5,759.16 monthly payments stopped immediately after the Complaint was  
11 filed.

12 Accordingly, under these circumstances the Commission finds reason to believe that  
13 Lanakila violated 52 U.S.C. § 30114(b) by converting some portion of the payments it received  
14 from the Committee from mid-2016 through December 2017 to personal use.

15 **B. Personal Capacity of the Treasurer**

16 According to Commission policy, a treasurer may be named as a respondent in his or her  
17 personal capacity when it appears that, while serving as a treasurer, he or she may have violated  
18 obligations imposed by the Act or Commission regulations personally as a treasurer and where,  
19 for example, the violations were knowing and willful or “the treasurer recklessly failed to fulfill

---

<sup>41</sup> The vendor lists a variety of services for campaign committees on its website, of which only one — filing reports — could apply after a candidate's death. See <http://www.cfo-compliance.com/services/federal-committee-compliance-candidates-pacs-parties/>.

1 the duties imposed by law.”<sup>42</sup> Thus, the Commission may make findings as to Beesley in his  
2 personal capacity in connection with violations of the Act while performing the duties of the  
3 treasurer. Although most of the “personal capacity” cases pursued by the Commission have  
4 involved embezzlement of campaign funds, the circumstances here warrant a finding of reason to  
5 believe that Beesley violated the Act in his personal capacity because, at a minimum, his actions  
6 appear to show a reckless failure to fulfill his duties as treasurer. Beesley became treasurer of  
7 the Committee in September 2016, and from that point forward, he served both as the Committee  
8 payor and the recipient payee as the sole member of Lanakila. As such, he was the only person  
9 who could end Lanakila’s contract with the Committee under the terms of the Agreement.  
10 Beesley chose to continue paying his own firm throughout 2017, while it appears that it  
11 performed little to no work for the Committee during that time. Only after the Complaint was  
12 filed in January 2018 did the Committee appoint a deputy treasurer and reduce the payments to  
13 Lanakila.

14 Therefore, the Commission finds reason to believe that Beesley in his personal capacity  
15 violated 52 U.S.C. § 30114(b) by converting funds to personal use.

---

<sup>42</sup> See Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings, 70 Fed. Reg. 3, 3-6 (Jan. 3, 2005); *see, e.g.*, Factual and Legal Analysis at 7, MUR 5971 (Mary Jennifer Adams); MUR 5610 (Earl Allen Haywood); MUR 5721 (Lockheed Martin Employees’ PAC).