



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: The Commission

FROM: Lisa J. Stevenson
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SUBJECT: MUR 7310 (Mark Takai for Congress, *et al.*)

RE: Pre-Probable Cause Conciliation Update

We write to inform you about the status of MUR 7310 (Mark Takai for Congress, *et al.*) and our intent to serve Respondents Mark Takai for Congress and Dylan Beesley in his official capacity as treasurer (the "Committee"), Dylan Beesley, and his company, Lanakila Strategies, LLC, with a probable cause brief. As is our normal practice, we will provide copies of that brief to the Commission when it is served.

I. Background and PPCC Authorization

The Complaint in this matter alleges that Respondents converted campaign funds to personal use when the Committee continued to pay Beesley and Lanakila a monthly consulting fee of \$5,759 after Takai dropped out of the race for Congress and subsequently passed away in July 2016. The Committee made those payments to Beesley and Lanakila from April 2016 through December 2017, extending well past the six-month winding-down period established as a safe harbor by the Commission's regulations, and despite Beesley and Lanakila performing little work for the Committee for much of 2017. The Commission found reason to believe that Respondents violated 52 U.S.C. § 30114(b) by converting campaign funds to personal use, and

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the Office of the General Counsel (“OGC”) conducted an investigation.¹ The investigation established that Beesley expected to close down the Committee in March 2017, and that same month he met with Congressman Takai’s widow, Sami Takai, to “talk final steps.”² However, he and Lanakila continued to bill the Committee at their full rate through the end of that year, despite doing only minimal work and not having responsibility for the only outstanding winding-down task, establish a charitable foundation to receive excess campaign funds.³

¹ Certification (“Cert.”) ¶¶ 1-3 (June 5, 2019).

² Second GCR at 13-14.

³ *Id.* at 14-16.

⁴ Cert. ¶ 1 (Dec. 19, 2021).

⁵ *Id.*

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III. Next Steps

Because we believe that we are no longer making meaningful progress in negotiations, and in light of the impending statute of limitations expirations, we are prepared to recommend that the Commission find probable cause to believe that the Committee, Beesley, and Lanakila converted funds to personal use in violation of 52 U.S.C. § 30114(b). OGC will serve Respondents with a probable cause brief shortly and afford them an opportunity to respond as required by 52 U.S.C. § 30109(a)(3). After accounting for tolling, the statute of limitations will begin to run on the first payment from the Committee to Beesley and Lanakila (constituting 10% of the amount in violation) on May 20, 2022.