



FEDERAL ELECTION COMMISSION
Washington, DC 20463

May 9, 2022

BY EMAIL ONLY

eberke@berkefarah

Elliot S. Berke
Managing Partner
Berke Farah LLP
701 8th St NW, Suite 620
Washington, DC 20001

RE: MURs 7830 and 7913
(Friends of Hagedorn, *et al.*)

Dear Mr. Berke:

On October 29, 2020, and July 26, 2021, the Federal Election Commission notified your clients, Jim Hagedorn and Friends of Hagedorn and Thomas Datwyler in his official capacity as treasurer (the "Committee"), of two complaints alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On April 26, 2022, the Commission decided to exercise its prosecutorial discretion to dismiss the allegations and closed the files in these matters.

Documents related to the cases will be placed on the public record within 30 days. *See Disclosure of Certain Documents in Enforcement and Other Matters*, 81 Fed. Reg. 50,702 (Aug. 2, 2016). The Factual and Legal Analysis, which explains the Commission's finding, is enclosed for your information.

If you have any questions, please contact Richard Weiss, the attorney assigned to this matter, at (202) 694-1021.

Sincerely,

Roy Q. Luckett

Roy Q. Luckett
Acting Assistant General Counsel

Enclosure
General Counsel's Report

BEFORE THE FEDERAL ELECTION COMMISSION
ENFORCEMENT PRIORITY SYSTEM
DISMISSAL REPORT

MURs 7830/7913

Respondents: Friends of Hagedorn and Thomas
 Datwyler in his official capacity as
 treasurer
 Jim Hagedorn
 Minnesota Office Investments, Inc.
 Mankato Place 1, LLC

Complaints Receipt Date: Oct. 26, 2020;
 July 20, 2021; Nov. 19, 2021

Response Dates: Nov. 5, 2020; Nov. 9, 2020;
 Aug. 9, 2021; Sept. 9, 2021; Sept. 10, 2021;
 Nov. 30, 2021; Dec. 10, 2021

EPS Rating:

Alleged Statutory/

52 U.S.C. §§ 30104, 30118

Regulatory Violations:

11 C.F.R. §§ 104.3(a), 114.2(b)

The Complaints allege that Friends of Hagedorn and Thomas Datwyler in his official capacity as treasurer (the “Committee”) accepted prohibited in-kind corporate contributions in the form of office space for its campaign headquarters and failed to report the contributions in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”).¹ Specifically, the Complaints allege that the Committee occupied Suite 007 of 11 Civic Center Plaza in Mankato, Minnesota without paying rent between 2013 and 2018 and never disclosed any expenditures for rent payments on its disclosure reports with the Commission.²

The Committee and the property management company both assert that from 2013–2018 the Committee had a post office box in the lobby of the building that is available to anyone at no cost and that the Committee rented an unfinished basement space for approximately nine months in 2018.³ The Office of Congressional Ethics (“OCE”) found that there was “substantial reason to believe” that the Committee “used private office space at no cost or for a rate below market value,”

¹ MUR 7830 Compl. at 1-2 (Oct. 26, 2020); MUR 7913 Compl. at 1 (July 20, 2021); MUR 7913 Supp. Compl. at 1 (Nov. 19, 2021).

² MUR 7830 Compl. at 1-2; MUR 7913 Compl. at 1.

³ Friends of Hagedorn Resp. at 1 (Nov. 5, 2020); Mankato Place 1, LLC Resp., Ex. 1 (Sept. 9, 2021); Awsumb & Associates, Inc. Resp., Attach. 6 (Sept. 10, 2021). Mankato Place 1, LLC is the current owner of 11 Civic Center Plaza. Mankato Place 1, LLC Resp. at 2. Awsumb & Associates, Inc. is the contracted property management company. For 11 Civic Center Plaza. Awsumb & Associates, Inc. Resp. at 1.

1 and that the amount in violation for the use of the basement rental space in 2018 was approximately
2 \$8,000.⁴

3 Based on its experience and expertise, the Commission has established an Enforcement
4 Priority System using formal, pre-determined scoring criteria to allocate agency resources and
5 assess whether particular matters warrant further administrative enforcement proceedings. These
6 criteria include (1) the gravity of the alleged violation, taking into account both the type of activity
7 and the amount in violation; (2) the apparent impact the alleged violation may have had on the
8 electoral process; (3) the complexity of the legal issues raised in the matter; and (4) recent trends in
9 potential violations and other developments in the law. These matters are rated as low priorities for
10 Commission action after application of these pre-established criteria. Given that low rating, and the
11 low dollar amount at issue, we recommend that the Commission dismiss the Complaints consistent
12 with the Commission's prosecutorial discretion to determine the proper ordering of its priorities and
13 use of agency resources.⁵ We also recommend that the Commission close the files and send the

⁴ MUR 7913 Supp. Compl. at 2.

⁵ *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985).

MURs 7830 & 7913 (Friends of Jim Hagedorn, *et al.*)
EPS Dismissal Report
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appropriate letters.

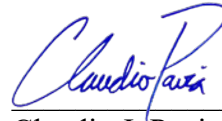
Lisa J. Stevenson
Acting General Counsel

Charles Kitcher
Associate General Counsel

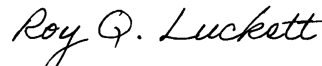
February 4, 2022

Date

BY:



Claudio J. Pavia
Acting Deputy Associate General Counsel for
Enforcement



Roy Q. Luckett
Assistant General Counsel



Richard L. Weiss
Attorney