



July 20, 2021

Chairman Mike Barnes
Co-Chairman Paul Vinovich
Office of Congressional Ethics
425 3rd Street SW, Suite 1110
Washington, DC 20024

Sent via email (oce@mail.house.gov)

Dear Chairman Barnes and Co-Chairman Vinovich:

Campaign Legal Center ("CLC") respectfully requests that the Office of Congressional Ethics ("OCE") investigate whether Rep. James "Jim" Hagedorn violated federal law and House rules. Specifically, Rep. Hagedorn's campaign occupied office space for more than seven years without any public record of payments for the space, as required. Based on the evidence, there is a reasonable basis to believe that the landlord provided the office to Rep. Hagedorn at no cost, which may violate federal law and ethics rules. OCE should investigate whether Rep. Hagedorn violated the Federal Election Campaign Act ("FECA"), 52 U.S.C. § 30101, *et seq.*, House rules, and standards of conduct by accepting and failing to report illegal in-kind contributions in the form of rent-free office space for his campaign.

Members of Congress are expected to serve the public impartially, free from the influence of gifts, favors, and illegal political contributions. When a member of Congress accepts illegal in-kind contributions and hides the source of campaign funding, it raises the appearance of corruption, casts doubt on the integrity of government, and diminishes public trust in government. An OCE investigation will provide transparency and hold Rep. Hagedorn accountable for any violations of FECA and House rules.

Federal Law and House Rules Prohibit Receipt of Free Campaign Office Space

Under FECA, receipt of free campaign office space may constitute an illegal in-kind campaign contribution from the corporate owner of the property. FECA limits the amount that an individual donor may contribute to a congressional

candidate or their authorized campaign committee.¹ FECA also prohibits a corporation or labor union from making a contribution to a federal candidate.²

A “contribution” includes “any gift, subscription, loan, advance, or deposit of money *or anything of value* made by any person for the purpose of influencing any election for Federal office.”³

“Anything of value”, in turn, includes all in-kind contributions⁴—i.e., the provision without charge (or at below market value) of any goods or services, including, but not limited to, “facilities, equipment, supplies, personnel, advertising services, membership lists, and mailing lists.”⁵ This includes office space.⁶

FECA requires the reporting of any in-kind contributions or payments for campaign office space. A political committee’s treasurer must file reports of receipts and disbursements with the Federal Election Commission (“FEC”).⁷ Such reports must identify each person who made a contribution in excess of \$200 during the reporting period, together with the date and amount of such contribution.⁸ These reports must also itemize the name and address of each person to whom operating expenditures or certain other disbursements in excess of \$200 are made, together with the date, amount, and purpose of those operating expenditures or other disbursements.⁹

FECA Violations Constitute House Rules Violations

House ethics rules prohibit members of Congress from violating FECA and receiving certain gifts. The House Ethics Manual makes clear: “[w]hile FECA and other statutes on campaign activity are not rules of the House, Members and employees must also bear in mind that the House Rules require that they conduct themselves ‘at all times in a manner that shall reflect creditably on the House’ (House Rule 23, clause 1). In addition, the Code of Ethics for Government Service, which applies to House members and staff, provides that government officials

¹ 52 U.S.C. § 30116(a)(1).

² 52 U.S.C. § 30118(a).

³ 52 U.S.C. § 30101(8)(A)(i) (emphasis added); *see also* 11 C.F.R. §§ 100.52(a), 114.1(a)(1).

⁴ 11 C.F.R. § 100.52(d)(1).

⁵ *Id.* § 100.52(d)(1), (2).

⁶ *See* Advisory Op. 1995-8 (Stupak for Congress, Inc.) at 3, <https://saos.fec.gov/aodocs/1995-08.pdf> (“undercharging for rent would constitute something of value to the [campaign] committee and would thus be an in-kind contribution”); Advisory Op. 1994-8 (Friends of Mike Parker for Congress) at 2, <https://fec.gov/files/legal/aos/1994-08/1994-08.pdf> (noting that “anything of value” includes the use of property and equipment,” and that “[t]he payment of less than the usual and normal charge for [] rent, utilities, and equipment would result in an in-kind contribution by the lessor”).

⁷ 52 U.S.C. § 30104(a)(1).

⁸ 52 U.S.C. § 30104(b)(2)(A), (b)(3)(A).

⁹ 52 U.S.C. § 30104(b)(5)(A), (b)(6)(B)(v).

should “[u]phold the Constitution, laws and legal regulations of the United States and of all governments therein and never be a party to their evasion.”¹⁰

Thus, “in violating FECA or another provision of statutory law, a Member or employee may also violate these provisions of the House rules and standards of conduct. In addition, acceptance of an unlawful campaign contribution may also violate the House gift rule (House Rule 25, clause 5).”¹¹

House members’ ethical obligations further include an explicit requirement that “a Member or employee must take reasonable steps to ensure that any outside organization over which he or she exercises control – including the individual’s own authorized campaign committee . . . – operates in compliance with applicable law.”¹²

Furthermore, the OCE has jurisdiction over violations that occurred prior to Rep. Hagedorn joining Congress “[b]ecause some of the conduct at issue occurred as a part of a successful campaign for election to the United States House of Representatives. . . .”¹³

Rep. Hagedorn’s Campaign Has No Records of Paying for Its Headquarters

Rep. Hagedorn’s authorized campaign committee, Friends of Hagedorn, listed its address as 11 Civic Center Plaza, Suite 7, Mankato, Minnesota on all of its statements of organization filed with the FEC from October 2013 through January 2021.¹⁴ Rep. Hagedorn’s official campaign emails through the 2020 election

¹⁰ COMM. ON STANDARDS OF OFFICIAL CONDUCT, 110TH CONG., HOUSE ETHICS MANUAL 122 (2008),

https://ethics.house.gov/sites/ethics.house.gov/files/documents/2008_House_Ethics_Manual.pdf.

¹¹ *Id.*; see also OCE Referral Regarding Rep. Lori Trahan, Review No. 19-5449 (Dec 17, 2019), https://oce.house.gov/sites/congressionaletethics.house.gov/files/documents/Review%20No.%2019-5449_Referral.pdf (recommending review of allegations that Rep. Trahan’s campaign committee accepted personal loans and contributions that exceeded campaign contribution limits, and thereby violated federal law, House rules, and standards of conduct).

¹² House Ethics Manual, *supra* note 10, at 123.

¹³ OCE Referral Regarding Rep. Lori Trahan, *supra* note 11, at 4; see also In the Matter of Allegations Relating to Representative Ruben Kihuen, H.R. REP. N. 115-1041, at 5, n. 24 (2d Sess. 2018) (“[T]he Committee has repeatedly noted it has jurisdiction over ‘misconduct relating to a successful campaign for election to the House’”).

¹⁴ See, e.g., Friends of Hagedorn, 2020 Year-End Report, FEC Form 3 at 1 (filed Jan. 31, 2021), <https://docquery.fec.gov/pdf/993/202101319418497993/202101319418497993.pdf>; Friends of Hagedorn, Statement of Organization, FEC Form 1 at 1 (amended June 14, 2019), <https://docquery.fec.gov/pdf/971/201906149150034971/201906149150034971.pdf>; Friends of Hagedorn, Statement of Organization, FEC Form 1 at 1 (amended Feb. 19, 2018), <https://docquery.fec.gov/pdf/370/201802199094593370/201802199094593370.pdf>; Friends of Hagedorn, Statement of Organization, FEC Form 1 at 1, 5 (filed Oct. 23, 2013), <https://docquery.fec.gov/pdf/999/13031132999/13031132999.pdf>; see also Building Directory, Mankato Place & Brett’s, <https://web.archive.org/web/20210617165522/http://mankatoplace.com/wp-content/uploads/2020/01/Mankato-Place-Building-Directory.pdf> (version as of June 17, 2021) (directory map of the building showing Suite 7 as a three-room basement office).

likewise listed 11 Civic Center Plaza, Suite 7 as the address for Friends of Hagedorn.¹⁵ Greater Mankato Growth, the regional chamber of commerce,¹⁶ still lists that as the address for Rep. Hagedorn's campaign committee.¹⁷

Eleven Civic Center Plaza, also known as "Brett's Building" for the drugstore that originally occupied it, is a historic five-story building in downtown Mankato, Minnesota.¹⁸ The building has over 10,000 square feet of office space,¹⁹ and more than a dozen corporate, governmental, and retail tenants.²⁰ Rents average \$12 to \$17 per square foot.²¹ One of Rep. Hagedorn's two congressional district offices has occupied Suite 301 of the building since Rep. Hagedorn took office in January 2019²²; according to congressional reports, Rep. Hagedorn pays \$2,200 per month in rent for Suite 301.²³

¹⁵ See, e.g., Email from Jim Hagedorn, "We did it together!", ARCHIVE OF POLITICAL EMAILS (Nov. 16, 2020), <https://www.politicalemails.org/messages/300638>; Email from Jim Hagedorn, "You get to decide the future", ARCHIVE OF POLITICAL EMAILS (Nov. 2, 2020), <https://www.politicalemails.org/messages/292391>; Email from Jim Hagedorn, "Democrats' Soviet-Style Impeachment", ARCHIVE OF POLITICAL EMAILS (Nov. 4, 2019), <https://www.politicalemails.org/messages/54273>.

¹⁶ See "About Us", Greater Mankato Growth, <https://greatermankato.com/about-us> (last visited June 1, 2021).

¹⁷ See Advanced Search for "Hagedorn", Greater Mankato Growth, <https://gmg.greatermankato.com/directory/results.aspx?Keywords=Hagedorn&AdKeyword=Hagedorn&SearchCategories=True&SearchNames=True&SearchOnlyMembers=False> (last visited June 1, 2021).

¹⁸ See Tim Krohn, *Mankato Place, Brett's building sold*, MANKATO FREE PRESS (Apr. 29, 2019), https://www.mankatofreepress.com/news/local_news/mankato-place-bretts-building-sold/article_d983c958-6aad-11e9-96b8-f7ae1ae5215a.html; see also Historic Brett's Building, Mankato Place & Brett's, <https://mankatoplace.com/bretts/> (last visited June 22, 2021).

¹⁹ Brett's, 11 Civic Center Plz, LOOPNET, <https://www.loopnet.com/Listing/11-Civic-Center-Plz-Mankato-MN/4158551/> (last visited June 2, 2021).

²⁰ See, e.g., Heglund Law, Bankruptcy & Social Security Disability, Minnesota Office Locations, <https://hoglundlaw.com/contact/> (last visited June 2, 2021); Minnesota Board of Water and Soil Resources, BWSR Office Locations: Mankato, <http://bwsr.state.mn.us/locations> (last visited June 2, 2021); Minnesota State Retirement System, Mankato Office, <https://www.msrs.state.mn.us/mankato> (last visited June 2, 2021); Options for Women, Contact Us, <http://optionsmankato.org/contact/> (last visited June 2, 2021); Raydiance Salon, Contact, <https://raydiancesalon.com/contact/> (last visited June 2, 2021); Short Elliott Hendrickson, Inc., Office: Mankato, <https://www.sehinc.com/office/mankato> (last visited June 2, 2021); see generally 11 Civic Center Plaza, CLUSTRMAPS, <https://clustrmaps.com/a/3uoqr0/> (last visited June 2, 2021) (identifying thirteen businesses actively associated with the address).

²¹ Brett's, 11 Civic Center Plz, LOOPNET, <https://www.loopnet.com/Listing/11-Civic-Center-Plz-Mankato-MN/4158551/> (last visited June 2, 2021); 11 Civic Center Plz - Office For Rent, SHOWCASE.COM, <https://www.showcase.com/11-civic-center-plz-mankato-mn-56001/4158551/> (last visited June 3, 2021).

²² See U.S. Congressman Jim Hagedorn, Contact: Mankato Office, <https://hagedorn.house.gov/contact/offices/mankato-office> (last visited June 2, 2021).

²³ See, e.g., U.S. House of Rep., Statement of Disbursements of the House as Compiled by the Chief Administrative Officer From January 1, 2021 to March 31, 2021, 117-33 at 1073 (Apr. 30, 2021),

Until April 2019, 11 Civic Center Plaza was owned by Minnesota Office Investments, Inc., whose Chief Executive Officer, Gordon Awsumb, is a long-time contributor to Rep. Hagedorn's campaigns.²⁴ In April 2019, 11 Civic Center Plaza, along with the adjoining Mankato Place mall, was sold for \$12 million to Mankato Place 1, LLC,²⁵ an LLC incorporated in Delaware the same month as the sale and whose registered agent is Corporation Service Company, one of the largest generic registered agent firms in the world.²⁶ This LLC also appears to have ties to Awsumb, as "[a] contact number for Mankato Place 1, LLC . . . reached Mike Kahler, a[] regional businessman who is a partner with Awsumb in the planned construction of a Marriot Spring Hill Resort in Mankato."²⁷ Further, Awsumb remains involved with 11 Civic Center Plaza as its property manager.²⁸

https://www.house.gov/sites/default/files/uploads/documents/SODs/2021q1/2021q1_singlevolume.pdf; U.S. House of Rep., Statement of Disbursements of the House as Compiled by the Chief Administrative Officer From April 1, 2020 to June 30, 2020, 116-136 at 867 (July 7, 2020), https://www.house.gov/sites/default/files/uploads/documents/SODs/2020q2_singlevolume.pdf; U.S. House of Rep., Statement of Disbursements of the House as Compiled by the Chief Administrative Officer From January 1, 2019 to March 31, 2019, 116-26 at 1091-92 (Apr. 4, 2019), https://www.house.gov/sites/default/files/uploads/documents/SODs/2019q1_singlevolume.pdf.

²⁴ See Minnesota Secretary of State, Business Records: Minnesota Office Investments, Inc., <https://mbportal.sos.state.mn.us/Business/SearchDetails?filingGuid=2fe32aa7-b5d4-e011-a886-001ec94ffe7f> (last visited June 4, 2021). Awsumb has given more than \$10,000 to Hagedorn's campaign since 2015, including \$1,500 during the 2018 election cycle and \$6,066 during the 2020 election cycle. All of Awsumb's contributions to Friends of Hagedorn—which appear in FEC records both under the spelling "Gordon Awsumb" and under "Gordan Awsumb"—were listed as cash donations, not in-kind contributions. See Friends of Hagedorn, Receipts from "Gordon Awsumb" or "Gordan Awsumb," FEC.GOV, https://www.fec.gov/data/receipts/?data_type=processed&committee_id=C00550707&contributor_name=gordan+awsumb&contributor_name=gordon+awsumb (last visited June 7, 2021).

²⁵ See Krohn, *supra* note 18 (describing the sale of 11 Civic Center Plaza and the Mankato Place mall); Jennifer Coy, *Downtown Mankato, Minnesota, Building Portfolio Trades for \$12 Million*, COSTAR (May 16, 2019), <https://www.costar.com/article/128844695/downtown-mankato-minnesota-building-portfolio-trades-for-12-million> (sale was for approximately \$83 per square foot).

²⁶ See State of Delaware, Division of Corporations, Entity Search, <https://icis.corp.delaware.gov/eCorp/EntitySearch/NameSearch.aspx> (last visited June 4, 2021); see also Corporation Service Company, "Registered Agent Services", <https://www.cscglobal.com/service/cls/registered-agent-services/> (last visited June 4, 2021).

²⁷ Daniel Newhauser, *The mystery of a GOP congressman's seemingly rent-free campaign office*, POLITICO (Oct. 9, 2020), <https://www.politico.com/news/2020/10/09/jim-hagedorn-may-violated-election-law-428181>.

²⁸ See "Space Available for Rent", Mankato Place & Brett's, <https://mankatoplace.com/lease/> (last visited June 22, 2021) ("Call Property Manager Gordon Awsumb for more information at 507.625.1400."); Krohn, *supra* note 18 ("The downtown Mankato Place and Brett's building have been sold by longtime owner Gordon Awsumb, but he will stay involved in the managing and leasing for at least the next few years."). The directory map for 11 Civic Center Plaza shows that the property management office is located in Suite 8—a one-room office right next to Suite 7. See Building Directory, Mankato Place & Brett's, <https://web.archive.org/web/20210617165522/http://mankatoplace.com/wp-content/uploads/2020/01/Mankato-Place-Building-Directory.pdf> (version as of June 17, 2021).

A current directory map for 11 Civic Center Plaza indicates that Suite 7—like all other suites in the building—is a physical space, namely a three-room basement office.²⁹ And ample evidence shows that, during the 2018 and 2020 election cycles (and earlier), Rep. Hagedorn’s campaign committee physically occupied and otherwise made use of 11 Civic Center Plaza, Suite 7, treating the space as its “campaign headquarters.” For example:

1. A July 28, 2018 “candidate meet-and-greet and national day of action” event with Rep. Hagedorn, organized by the Republican National Committee, invited supporters to the “Hagedorn Campaign Office” at “11 Civic Center Drive, Suite 007, Mankato.”³⁰ During the event, Rep. Hagedorn’s Twitter and Facebook accounts posted a picture touting the “[b]ig turnout . . . for this morning’s Republican Day of Action training at *Hagedorn Headquarters in Mankato*.”³¹ The picture showed Rep. Hagedorn and supporters in what appears to be a basement office with exposed stone walls.



²⁹ Building Directory, Mankato Place & Brett’s, <https://web.archive.org/web/20210617165522/http://mankatoplace.com/wp-content/uploads/2020/01/Mankato-Place-Building-Directory.pdf> (version as of June 17, 2021).

³⁰ See “Candidate Meet & Greet and National Day of Action!! – Mankato” (Jul. 28, 2018), https://www.eventbrite.com/e/candidate-meet-greet-and-national-day-of-action-mankato-tickets-48039317893?fbclid=IwAR35_rZuAlf2L8gN7l8h0RJfbtBew_umpn56_dRR0XzvU7XwHwpO_MReH_M (indicating that “[a]fter the Meet & Greet we will have a brief Republican Leadership Initiative training followed by a National Day of Action (doors and/or phones) in support of our endorsed candidates!”).

³¹ Jim Hagedorn, TWITTER (July 28, 2018), <https://twitter.com/jimhagedornmn/status/1023246991671926784?s=21> (emphasis added); see also Jim Hagedorn, FACEBOOK (July 28, 2018), <https://www.facebook.com/hagedornforcongress/photos/10156613472334708> (“Big turnout of passionate GOP candidates and conservative activists for this morning’s *Hagedorn Headquarters* meet and greet and Republican Day of Action training in Mankato.”) (emphasis added).

2. On August 14, 2018, Rep. Hagedorn posted a picture to Facebook of what appears to be a phonebank from the same basement office, with “Hagedorn for Congress” campaign signs on the wall.³²



3. On September 10, 2018, Rep. Hagedorn posted another picture of himself to Facebook in what appears to be the same space, outfitted with cubicle dividers, a landline telephone, a leather couch, and more “Hagedorn for Congress” campaign signs.³³



4. On September 19, 2018, *Roll Call* published an article featuring an interview with Rep. Hagedorn from his “subterranean campaign

³² Jim Hagedorn, FACEBOOK (Aug. 14, 2018), <https://www.facebook.com/hagedornforcongress/photos/10156655576839708>.

³³ Jim Hagedorn, FACEBOOK (Sept. 10, 2018), <https://www.facebook.com/hagedornforcongress/posts/10156718501854708>; cf. Newhauser, *supra* note 27 (describing Hagedorn’s campaign headquarters as “an office outfitted with cubicle dividers and a couch, its bare stone walls lined with Hagedorn campaign sings and a cardboard standee of the late President Ronald Reagan”).

office,”³⁴ and published photographs of Rep. Hagedorn, standing in front of campaign signs and a Ronald Reagan cardboard cutout, in what appears to be the same basement office as the earlier photos.³⁵



5. The office has also served as the brick-and-mortar repository for campaign funds. Rep. Hagedorn’s fundraising appeals have directed

³⁴ Simone Pathé, *Are Minnesota’s Trump Voters Looking for a Check on Him?*, ROLL CALL (Oct. 1, 2018), <https://www.rollcall.com/2018/10/01/are-minnesotas-trump-voters-looking-for-a-check-on-him/> (“With his portrait framed on the wall, President Donald Trump watches over Jim Hagedorn’s subterranean campaign office here. . . . A life-sized cardboard cut-out of former President Ronald Reagan is propped up in the corner.”).

³⁵ See Theo Keith, *Hagedorn’s fired chief of staff had apparent link to company that got questionable payments*, FOX 9 (Sep. 8, 2020), <https://www.fox9.com/news/hagedorns-fired-chief-of-staff-had-apparent-link-to-company-that-got-questionable-payments> (captioning the article’s picture, “Jim Hagedorn, Republican candidate for Minnesota’s 1st Congressional District, is interviewed in his campaign office in Mankato, Minn., on September 19, 2018”); see also Search results for “Jim Hagedorn office”, GETTY IMAGES, <https://www.gettyimages.com/photos/jim-hagedorn-office?family=editorial&phrase=jim%20hagedorn%20office&sort=mostpopular> (last visited July 15, 2021).

supporters to mail checks to 11 Civic Center Plaza, Suite 7,³⁶ Rep. Hagedorn campaign emails have identified that address as its office,³⁷ and the fundraising platform WinRed continues to direct supporters of Rep. Hagedorn to mail checks to 11 Civic Center Plaza, Suite 7.³⁸

Despite occupying 11 Civic Center Plaza, Suite 7 *for years*, Rep. Hagedorn's campaign never made any rent payments for the space, nor reported receiving any related in-kind contributions. On its reports filed with the FEC during the 2018 and 2020 election cycles, Friends of Hagedorn disclosed no disbursements to the former or current owners of 11 Civic Center Plaza: Minnesota Office Investments, Awsumb (save for one contribution refund), or Mankato Place 1, LLC.³⁹ Nor did Friends of Hagedorn disclose any disbursements to any other entity for "rent," "office," or "office space."⁴⁰ Friends of Hagedorn also has not reported receiving any in-kind contributions from Minnesota Office Investments, Awsumb, or Mankato Place 1, LLC.⁴¹

Rep. Hagedorn's Campaign Provided Inconsistent Explanations for Use of the Headquarters

On October 9, 2020, *Politico* published an article reporting on Friends of Hagedorn's apparent receipt of rent-free office space at 11 Civic Center Plaza.⁴² In

³⁶ See, e.g., Jim Hagedorn, "Hagedorn for Congress Advertising Budget Fundraiser & Online Donation Drive", FACEBOOK (July 14, 2019), https://www.facebook.com/hagedornforcongress/posts/10157442404679708?comment_id=10157442685584708 (urging supporters to send checks to "Friends of Hagedorn; The Brett's Building; 11 Civic Center Plaza; Suite 007; Mankato, Minnesota 56001"); cf. *id.* (July 22, 2014), <https://www.facebook.com/events/261763147343421/> (same).

³⁷ See, e.g., Email from Jim Hagedorn, "We did it together!", ARCHIVE OF POLITICAL EMAILS (Nov. 16, 2020), <https://www.politicalemails.org/messages/300638>; Email from Jim Hagedorn, "You get to decide the future", ARCHIVE OF POLITICAL EMAILS (Nov. 2, 2020), <https://www.politicalemails.org/messages/292391>; Email from Jim Hagedorn, "Democrats' Soviet-Style Impeachment", ARCHIVE OF POLITICAL EMAILS (Nov. 4, 2019), <https://www.politicalemails.org/messages/54273>.

³⁸ See "Hagedorn for Congress", WINRED, <https://secure.winred.com/jimhagedorn/donate> (last visited July 15, 2021).

³⁹ See Friends of Hagedorn, Disbursements to Minnesota Office Investments, 1 Mankato Place, Gordon Awsumb, and Gordan Awsumb, 2013-21, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00550707&recipient_name=Gordan+Awsumb&recipient_name=Gordon+Awsumb&recipient_name=Mankato+Place&recipient_name=Minnesota+Office+Investments (showing only one transaction: a \$466.67 campaign contribution refund to Awsumb in May 2020).

⁴⁰ See Friends of Hagedorn, Disbursements for "office," "office space" or "rent," 2013-21, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00550707&disbursement_description=office&disbursement_description=office+space&disbursement_description=rent (last visited July 15, 2021) (showing no payments or in-kind contributions).

⁴¹ *Id.*

⁴² Newhauser, *supra* note 27.

response, Friends of Hagedorn’s treasurer, Rep. Hagedorn himself, and Gordon Awsumb, the former owner and current property manager of 11 Civic Center Plaza, have given wildly inconsistent and shifting explanations for the campaign’s failure to disclose any rent payments made, or in-kind contributions received, for its “campaign headquarters.”

The treasurer of Friends of Hagedorn, Thomas Datwyler, asserted that the campaign failed to disclose rent payments because “We were in-kind.”⁴³ He further asserted that these in-kind contributions were not disclosed because “I think it was under \$200. I want to say, it was like a \$200 in-kind . . . They basically just took a percentage of the actual space itself, which was very minuscule, and that’s how they calculated it out. And that’s why they got to be like 200 bucks for the entire year.”⁴⁴

But the fair market value of a three-room suite in a building where rents average from \$12 to \$17 per square foot⁴⁵ and where Rep. Hagedorn’s congressional office pays \$2,200 *per month* in rent,⁴⁶ would certainly exceed \$200.

In conflict with Datwyler’s explanation, Rep. Hagedorn asserted in a Facebook post that his campaign only used 11 Civic Center Plaza as a mailing address, and declared that “Suite 007 is not office space. Suite 007 is a P.O. Box address!”⁴⁷ Gordon Awsumb similarly claimed that Suite 7 is a P.O. Box and “does not exist as a physical office location within the building.”⁴⁸ But these claims are refuted by 11 Civic Center Plaza’s directory map, which shows clearly that Suite 7, like all other suites in the building, is a physical space—namely, a three-room basement office.⁴⁹ These claims are further refuted by photos and media interviews showing Rep. Hagedorn and his campaign physically occupying the basement suite.⁵⁰

When confronted with this evidence, Rep. Hagedorn and Awsumb changed their stories. Awsumb declared that Suite 7 is an “unfinished storage room and was never leased as an office suite to any tenant.”⁵¹ In a statement, Rep. Hagedorn also described the space as “unfinished,” but said that his campaign *did* lease the space

⁴³ See *id.*

⁴⁴ See *id.*

⁴⁵ See sources cited *supra* note 21.

⁴⁶ See sources cited *supra* note 23.

⁴⁷ See Jim Hagedorn, FACEBOOK (Oct. 9, 2020), <https://www.facebook.com/hagedornforcongress/posts/10158771298699708>.

⁴⁸ See Newhauser, *supra* note 27.

⁴⁹ See Building Directory, Mankato Place & Brett’s, <https://web.archive.org/web/20210617165522/http://mankatoplace.com/wp-content/uploads/2020/01/Mankato-Place-Building-Directory.pdf> (version as of June 17, 2021) (showing that Suite 7 is a three-room basement office).

⁵⁰ See sources cited *supra* notes 30-35.

⁵¹ See Newhauser, *supra* note 27.

from March to November 2018 and paid \$100 for it, which it “report[ed] for the 2018 election cycle.”⁵²

But photographs of Rep. Hagedorn’s campaign using Suite 7 show that the basement office is not “unfinished.” Images of the sign-laden location where Rep. Hagedorn conducted meetings, events, and media interviews show an office with finished walls, cubicle dividers, built-in desks, a leather couch, and utilities such as telephone service and electricity.⁵³ Even setting aside both the inconsistencies between Awsumb’s and Rep. Hagedorn’s claims about whether Suite 7 was leased *at all*, and the inconsistency between Rep. Hagedorn’s assertion of payment for the space and the lack of any such reported payment,⁵⁴ the fair market rent for Suite 7 would greatly exceed the \$100 Rep. Hagedorn alleged he paid, even if only for an eight month period. As noted already, monthly rents in the building average from \$12 to \$17 per square foot, and Rep. Hagedorn’s congressional office pays \$2,200 per month for a comparably sized suite.⁵⁵

As one final explanation, Awsumb claimed that, in 2018, Rep. Hagedorn’s campaign had used a “community conference space” in the basement of 11 Civic Center Plaza that is “provided as part of the lease for the tenants and typically for no fee for community groups,” but that “[o]ur records show that the Hagedorn Campaign did pay a fee for the use of that community conference space.”⁵⁶

Eleven Civic Center Plaza’s directory map does show a single-room basement “conference room”, but *in Suite 3*—a separate space from the three-room Suite 7.⁵⁷

⁵² See Jim Hagedorn, FACEBOOK (Oct. 9, 2020), <https://www.facebook.com/hagedornforcongress/posts/10158771298699708>; Lauren Andregio, *Hagedorn Denies Report his Campaign Used Rent-Free Office*, KEYC NEWS (Oct. 12, 2020), <https://www.keyc.com/2020/10/12/hagedorn-denies-report-his-campaign-used-rent-free-office/>. But see Friends of Hagedorn, 2018 Year-End Report, FEC Form 3 (filed Jan. 23, 2019), <https://docquery.fec.gov/pdf/985/201901239143934985/201901239143934985.pdf> (reporting no rent payments).

⁵³ See sources cited *supra* notes 27; 30-35.

⁵⁴ See Friends of Hagedorn, Disbursements to Minnesota Office Investments, 1 Mankato Place, Gordon Awsumb, and Gordan Awsumb, 2013-21, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00550707&recipient_name=Gordan+Awsumb&recipient_name=Gordon+Awsumb&recipient_name=Mankato+Place&recipient_name=Minnesota+Office+Investments (showing only one transaction: a \$466.67 campaign contribution refund to Awsumb in May 2020); Friends of Hagedorn, Disbursements for “office,” “office space” or “rent,” 2013-21, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00550707&disbursement_description=office&disbursement_description=office+space&disbursement_description=rent (last visited July 15, 2021) (showing no payments or in-kind contributions).

⁵⁵ See sources cited *supra* notes 21-23.

⁵⁶ See Newhauser, *supra* note 27

⁵⁷ See Building Directory, Mankato Place & Brett’s, <https://web.archive.org/web/20210617165522/http://mankatoplace.com/wp-content/uploads/2020/01/Mankato-Place-Building-Directory.pdf> (version as of June 17, 2021).

Moreover, photographs show Rep. Hagedorn’s campaign operating out of a multi-room space with walls and cubicle dividers,⁵⁸ which is consistent with the three-room Suite 7 diagram, rather than the single-room Suite 3. Suite 7—not Suite 3—also appears on Friends of Hagedorn’s in-person event invitation, its fundraising solicitations, and its reports filed with the FEC.⁵⁹

Finally, Rep. Hagedorn himself claimed that his campaign used basement office space to “store signs and hold meetings” for at least eight months in 2018,⁶⁰ which indicates that his campaign had uninterrupted access to and control over the space, rather than only intermittent use of a community conference room that otherwise remains “available to tenants and community groups” without charge, as Awsumb claimed. Again, the fair market value for uninterrupted use of such a space, even if only for eight months, would exceed the \$250 itemization threshold set out in FECA, but Rep. Hagedorn’s campaign reported no rent disbursements or in-kind contributions of any kind for 11 Civic Center Plaza, Suite 7.

There Is Reason to Believe Rep. Hagedorn Violated Federal Law and House Rules by Accepting and Failing to Report Illegal In-Kind Contributions

Pursuant to Rule 7 of the OCE Rules for the Conduct of Investigations, the “Board shall authorize a preliminary review of any allegation(s) when it determines there is a reasonable basis to believe the allegation(s) based on all the information then known to the Board.”⁶¹ The OCE applies this low legal standard of proof to initiate preliminary reviews, while applying the higher standards of “probable cause” and “substantial reason to believe” to initiate second-phase reviews and referrals to the Committee on Ethics. “A reasonable basis to believe the allegation(s) exists when there is a reasonable and articulable basis for believing the allegation(s).”⁶² As detailed below, there is a reasonable and articulable basis for believing that Rep. Hagedorn violated FECA and House rules.

FECA

Friends of Hagedorn accepted in-kind contributions from the former and current owners of 11 Civic Center Plaza: Minnesota Office Investments, Inc. and Mankato Place 1, LLC when the campaign occupied 11 Civic Center Plaza, Suite 7 rent-free during the 2018 and 2020 election cycles, and likely much longer. These entities, as corporations, are prohibited from making campaign contributions to any

⁵⁸ See sources cited *supra* notes 30-35.

⁵⁹ See sources cited *supra* notes 14-15; 36-38.

⁶⁰ See Andregg, *supra* note 52.

⁶¹ OFF. OF CONG. ETHICS, Rules for the Conduct of Investigations, Rule 7(A), https://oce.house.gov/sites/congressioanalethics.house.gov/files/OCE_Rules_Conduct_Investigations.pdf.

⁶² *Id.* at Rule 7(A).

federal candidates.⁶³ Thus, by accepting in-kind contributions from prohibited sources Rep. Hagedorn’s campaign violated 52 U.S.C. § 30118. Rep. Hagedorn’s campaign further violated 52 U.S.C. § 30104 by failing to report these contributions.

These violations of FECA, in turn, constitute violations of House rules and standards of conduct. In particular, violations of FECA may violate House Rule 23 and the Code of Ethics for Government Service, and acceptance of unlawful campaign contributions may also violate House Rule 25.⁶⁴ Because ample evidence suggests that Rep. Hagedorn’s campaign committee accepted and failed to report rent-free office space from corporate entities, Rep. Hagedorn has also violated House rules and standards of conduct.

House Rule 23 and ¶ 2 of the Code of Ethics for Government Service

House Rule 23 requires that members of the House must conduct themselves “at all times in a manner that shall reflect creditably on the House.”⁶⁵ Similarly, ¶ 2 of the Code of Ethics for Government Service requires that government officials—including members of the House—should “[u]phold the Constitution, laws and legal regulations of the United States and of all governments therein and never be a party to their evasion.”⁶⁶

By allowing his authorized campaign committee to violate federal campaign finance laws, Rep. Hagedorn has failed to meet his ethical obligations as a member of the House and as public servant tasked with upholding the laws of our nation. His actions constitute violations of both House Rule 23 and ¶ 2 of the Code of Ethics for Government Service.

House Rule 25

House Rule 25 prohibits members of the House from knowingly accepting gifts from outside sources unless the gift falls under an enumerated exception.⁶⁷ A gift is defined as a “gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value.”⁶⁸

First, the evidence indicates that Rep. Hagedorn did not pay for his campaign office. On its reports filed with the FEC during the 2018 and 2020 election cycles, Friends of Hagedorn disclosed no disbursements to the former or current owners of

⁶³ See 52 U.S.C. § 30118(A). Even if Mankato Place 1, LLC is a partnership and not a corporation, the contribution would still be illegally excessive and unreported, but would not constitute a violation of 52 U.S.C. § 30118.

⁶⁴ House Ethics Manual, *supra* note 10.

⁶⁵ RULES OF THE HOUSE OF REPRESENTATIVES OF THE U.S. 117TH CONG. (2021), House Rule 23, cl. 1.

⁶⁶ Ga. Code Ann. § 45-10-1, ¶ 2.

⁶⁷ House Rule 25, cl. 5(a)(1)(A)(i).

⁶⁸ *Id.* at House Rule 25, cl. 5(a)(2)(A).

11 Civic Center Plaza: Minnesota Office Investments, Awsumb (save for one contribution refund), or Mankato Place 1, LLC.⁶⁹ Nor did Friends of Hagedorn disclose any disbursements to any other entity for “rent,” “office,” or “office space.”⁷⁰ Rep. Hagedorn’s campaign committee also has not reported receiving any in-kind contributions from Minnesota Office Investments, Awsumb, or Mankato Place 1, LLC.⁷¹ Nothing per month for a three-room suite is doubtless below market value, especially in a building where rents average from \$12 to \$17 per square foot⁷² and where Rep. Hagedorn’s congressional office pays \$2,200 per month in rent.⁷³

Second, other exceptions to the gift rule do not seem to apply. Rep Hagedorn cannot claim, nor has he tried to, that the rent-free office space was a legitimate in-kind campaign contribution, as it came from two corporate entities, who are prohibited by federal law from making *any* campaign contributions, in-kind or otherwise. Also, there is no evidence that the former or current owners of 11 Civic Center Plaza were close personal friends of Mr. Hagedorn’s. Awsumb, the former owner and current property manager of 11 Civic Center Plaza, donated repeatedly and substantially to Rep. Hagedorn’s campaigns, but the donations alone do not indicate anything other than political support.⁷⁴ Even if the gift of office space were motivated by personal friendship, the total discount provided to Rep. Hagedorn would certainly exceed \$250, considering that Rep. Hagedorn’s campaign paid nothing for its years-long use of a three-room suite. Rep. Hagedorn would have had to seek ethics advice from the Committee on Ethics prior to accepting any discount of more than \$250, but Rep. Hagedorn does not appear to have taken that necessary step.

⁶⁹ See Friends of Hagedorn, Disbursements to Minnesota Office Investments, 1 Mankato Place, Gordon Awsumb, and Gordan Awsumb, 2013-21, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00550707&recipient_name=Gordan+Awsumb&recipient_name=Gordon+Awsumb&recipient_name=Mankato+Place&recipient_name=Minnesota+Office+Investments (showing only one transaction: a \$466.67 campaign contribution refund to Awsumb in May 2020).

⁷⁰ See Friends of Hagedorn, Disbursements for “office,” “office space” or “rent,” 2013-21, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00550707&disbursement_description=office&disbursement_description=office+space&disbursement_description=rent (last visited July 15, 2021) (showing no payments or in-kind contributions).

⁷¹ *Id.*

⁷² See sources cited *supra* note 21.

⁷³ See sources cited *supra* note 23.

⁷⁴ Awsumb has given more than \$10,000 to Hagedorn’s campaign since 2015, including \$1,500 during the 2018 election cycle and \$6,066 during the 2020 election cycle. All of Awsumb’s contributions to Friends of Hagedorn—which appear in FEC records both under the spelling “Gordon Awsumb” and under “Gordan Awsumb”—were listed as cash donations, not in-kind contributions. See Friends of Hagedorn, Receipts from “Gordon Awsumb” or “Gordan Awsumb,” FEC.GOV, https://www.fec.gov/data/receipts/?data_type=processed&committee_id=C00550707&contributor_name=gordan+awsumb&contributor_name=gordon+awsumb (last visited July 15, 2021).

Thus, by accepting an illegal contribution in the form of rent-free office space for his campaign, Rep. Hagedorn has violated the House gift rule.

Conclusion

The prohibitions against unreported in-kind contributions and improper gifts exist to prevent even the appearance of corruption and to protect the public's trust. When members of Congress violate these important laws and rules, they must be held accountable.

CLC respectfully requests that OCE review whether Rep. Hagedorn accepted and failed to report illegal in-kind contributions in violation of federal campaign finance law, House rules, and standards of conduct.

We acknowledge that 18 U.S.C. § 1001 applies to the information provided.

Sincerely,

_____/s/____

Kedric Payne
General Counsel and Senior Director,
Ethics

_____/s/____

Delaney N. Marsco
Senior Legal Counsel, Ethics

_____/s/____

Alexandra Copper
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