REPORT

Review No. 21-3052

The Board of the Office of Congressional Ethics (hereafter “the Board”), by a vote of no less than four members, on October 15, 2021, adopted the following report and ordered it to be transmitted to the Committee on Ethics of the United States House of Representatives (hereafter “the Committee”).

SUBJECT:  Representative Marie Newman

NATURE OF THE ALLEGED VIOLATION:  Rep. Newman, during a successful campaign for election to the U.S. House of Representatives, may have promised federal employment to a primary opponent for the purpose of procuring political support. If Rep. Newman used her candidacy to promise federal employment, she may have violated federal law, House rules, or standards of conduct.

RECOMMENDATION:  The Board recommends that the Committee further review the above allegation concerning Rep. Newman because there is substantial reason to believe that Rep. Newman may have promised federal employment to a primary opponent for the purpose of procuring political support.

VOTES IN THE AFFIRMATIVE:  6

VOTES IN THE NEGATIVE:  0

ABSTENTIONS:  0

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE: Omar S. Ashmawy, Staff Director & Chief Counsel.
FINDINGS OF FACT AND CITATIONS TO LAW

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On October 15, 2021, the Board of the Office of Congressional Ethics (hereafter “the Board”) adopted the following findings of fact and accompanying citations to law, regulations, rules and standards of conduct (in italics). The Board notes that these findings do not constitute a determination of whether or not a violation actually occurred.

I. INTRODUCTION

A. Summary of Allegations

1. Rep. Newman, during a successful campaign for election to the U.S. House of Representatives, may have promised federal employment to a primary opponent for the purpose of procuring political support. If Rep. Newman used her candidacy to promise federal employment, she may have violated federal law, House rules, or standards of conduct.

2. The Board recommends that the Committee on Ethics (“Committee”) further review the above allegation concerning Rep. Newman because there is substantial reason to believe that Rep. Newman may have promised federal employment to a primary opponent for the purpose of procuring political support.

B. Jurisdiction Statement

3. The allegations that were the subject of this review concern Rep. Newman, a Member of the United States House of Representatives from the 3rd District of Illinois. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics (“OCE”) directs that, “[n]o review shall be undertaken … by the [B]oard of any alleged violation that occurred before the date of adoption of this resolution.”1 The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred after March 11, 2008, review by the Board is in accordance with the Resolution. Because the conduct at issue relates to a successful campaign for election to the United States House of Representatives, review by the Board is in accordance with the Resolution and House precedent.2

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1 H. Res. 895 of the 110th Congress § 1(e) (2008) (as amended) (hereafter “the Resolution”).
2 See e.g., In the Matter of Allegations Relating to Representative Ruben Kihuen, H.R. REP. No. 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’”).
C. Procedural History

4. The OCE received a written request for preliminary review in this matter signed by at least two members of the Board on June 16, 2021. The preliminary review commenced on June 17, 2021.3

5. On June 17, 2021, the OCE notified Rep. Newman of the initiation of the preliminary review, provided her with a statement of the nature of the review, notified her of her right to be represented by counsel in this matter, and notified her that invoking her right to counsel would not be held negatively against her.4

6. At least three members of the Board voted to initiate a second-phase review in this matter on July 16, 2021. The second-phase review commenced on July 17, 2021.5 The second-phase review was scheduled to end on August 30, 2021.

7. On July 19, 2021, the OCE notified Rep. Newman of the initiation of the second-phase review in this matter, and again notified her of her right to be represented by counsel in this matter, and that invoking that right would not be held negatively against her.6

8. The Board voted to extend the second-phase review by an additional period of fourteen days on August 16, 2021. The additional period ended on September 13, 2021.

9. The Board voted to refer the matter to the Committee for further review and adopted these findings on October 15, 2021.

10. The report and its findings in this matter were transmitted to the Committee on October 25, 2021.

D. Summary of Investigative Activity

11. The OCE requested documentary and in some cases testimonial evidence from the following sources:

   (2) Witness 1, staffer in Rep. Newman’s congressional office;
   (3) Witness 2, staffer in Rep. Newman’s district office;
   (4) Iymen Chehade; and
   (5) LBH Chicago.

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3 A preliminary review is “requested” in writing by members of the Board of the OCE. The request for a preliminary review is received by the OCE on a date certain. According to the Resolution, the timeframe for conducting a preliminary review is 30 days from the date of receipt of the Board’s request.


5 According to the Resolution, the Board must vote (as opposed to make a written authorization) on whether to conduct a second-phase review in a matter before the expiration of the 30-day preliminary review. If the Board votes for a second-phase, the second-phase commences the day after the preliminary review ends.

12. The following individuals and entities refused to cooperate with the OCE’s review:

   (1) Iymen Chehade; and
   (2) LBH Chicago.

II. REP. NEWMAN MAY HAVE PROMISED FEDERAL EMPLOYMENT TO A PRIMARY OPPONENT FOR THE PURPOSE OF PROCURING POLITICAL SUPPORT

   A. Applicable Law, Rules, and Standards of Conduct

13. Federal Statutes

   18 U.S.C. § 599 states, “[w]hoever, being a candidate, directly or indirectly promises or pledges the appointment, or the use of his influence or support for the appointment of any person to any public or private position or employment, for the purpose of procuring support in his candidacy shall be fined under this title or imprisoned not more than one year, or both: and if the violation was willful, shall be fined under this title or imprisoned not more than two years, or both.”

14. House Rules

   House Rule 23, clause 1 states that “[a] Member . . . of the House shall behave at all times in a manner that shall reflect creditably on the House.”

   House Rule 23, clause 2 states that “[a] Member . . . of the House shall adhere to the spirit and the letter of the Rules of the House and to the rules of duly constituted committees thereof.”

15. House Ethics Manual

   According to the House Ethics Manual, “the Code of Ethics for Government Service, which applies to House Members and staff, provides in ¶ 2 that government officials 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.’ Accordingly, 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.”

16. The Code of Ethics for Government Service

   According to Paragraph 5 of the Code of Ethics for Government Service, a person in government service should “[n]ever discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties”

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According to Paragraph 6 of the Code of Ethics for Government Service, a person in government service should “[m]ake no private promises of any kind binding upon the duties of office, since a Government employee has no private word which can be binding on public duty.”


18. This review arises out of a legal dispute involving an employment contract between Rep. Newman and Iymen Chehade, a former foreign policy advisor to her successful congressional campaign for the U.S. House of Representatives in 2020.

19. After an unsuccessful campaign in the March 2018 Democratic primary, Rep. Newman ran and won the 2020 Democratic primary. At the start of her 2020 campaign, Rep. Newman made Mr. Chehade certain promises about future employment in her congressional office. Those promises were reduced to a contract signed by both parties.

20. In 2021, after Rep. Newman did not hire Mr. Chehade, he sued to enforce the contract, claiming that he decided not to run for the 2020 congressional seat in reliance of her promise to hire him as a foreign policy advisor and either District Director or Legislative Director in her congressional office. In a motion to dismiss Mr. Chehade’s case, Rep. Newman, through her legal counsel, the General Counsel of the U.S. House of Representatives, acknowledged that her contract was violative of House employment and federal contracting rules.

21. Rep. Newman eventually settled the case with Mr. Chehade and the parties signed non-disclosure agreements as a part of the settlement. The OCE initiated this review to determine whether Rep. Newman may have promised Mr. Chehade federal employment for the purposes of procuring his political support, in violation of House rules, standards of conduct or federal law.

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9 Id. ¶ 6.
10 Counsel for Rep. Newman in this OCE matter argues that she could not technically be considered a “candidate” under 18 U.S.C. § 599, and therefore could not violate criminal laws applicable to “candidates.” While counsel makes this argument to the OCE, Rep. Newman continually referred to herself as a candidate for federal office in signed pleadings filed in federal court. See Motion to Dismiss, Chehade v. Newman, No. 1:21-cv-01036 (N.D. Ill. Mar. 25, 2021). Additionally, Rep. Newman was actively recruiting staff and discussing her intent to run for the Democratic primary by the fall of 2018, reinforcing that the goal of the contract with Mr. Chehade was to bring about her nomination for the congressional seat. See e.g., Transcript of Interview of Witness 2, August 30, 2021 (Exhibit 2 at 21-3052_0017-18). Indeed, the fact that Rep. Newman entered into an employment contract with Mr. Chehade on the condition that she was elected is itself evidence of her intent to run for election. Regardless of whether Rep. Newman was a candidate on the date she signed the contract with Mr. Chehade, the OCE found no evidence that Rep. Newman reneged on her promise to employ Mr. Chehade prior to June 2020. As such, Rep. Newman’s attempt to contract with Mr. Chehade conflicted with 18 U.S.C. § 599 until that time, even if, as she now suggests, she was not a candidate until January 2019. Additionally, Rep. Newman’s actions contradict the obvious spirit of 18 U.S.C. § 599 as well as the Code of Ethics for Government Service, ¶¶ 5 and 6. For all these reasons, the OCE reviewed Rep. Newman’s conduct pursuant to 18 U.S.C. § 599, the Code of Ethics for Government Service, and House Rule 23.
22. On December 26, 2018, Rep. Newman and Mr. Chehade entered into a detailed employment contract where Rep. Newman agreed to employ Mr. Chehade should she be elected to Congress.\textsuperscript{11}

23. In the contract, Rep. Newman promised that, should she be elected to office, she would employ Mr. Chehade as Chief Foreign Policy Advisor, and either District Director or Legislative Director, with a start date of January 3, 2021 and continue as long as Rep. Newman remained in Congress.\textsuperscript{12} The contract specified the salary would be between $135,000 and $140,000 per year.\textsuperscript{13}


\textsuperscript{12} Id. (Exhibit 1 at 21-3052_0004).

\textsuperscript{13} Id. (Exhibit 1 at 21-3052_0005).
24. Part of the appeal of hiring Mr. Chehade was his expertise in a policy area that Rep. Newman felt contributed to her prior campaign loss. Rep. Newman told the OCE that “...in my 2018 race, one of the failures that I had personally that I’m accountable for is that I did not understand the Palestine-Israel issue very well.”

25. In May 2018, in preparation for her 2020 run for office, while searching for expert staff to help her understand the issues affecting the Arab American community in the district, Rep. Newman was introduced to Mr. Chehade by one of her current official staffers. Regarding Mr. Chehade, Rep. Newman stated that, “he had a very specific—[sic]he was more just a foreign policy advisor. In that meeting he had started to talk about Palestine. It was clear that he had very specific knowledge around Palestine and Israel that I needed. He had been an expert on it...”

ii. Contract Negotiations and Iymen Chehade’s Intent to Run

26. The OCE found that Mr. Chehade’s policy expertise was not the only reason she contracted to employ him in the future. Instead, Rep. Newman likely was motivated to enter the agreement to avoid competing against Mr. Chehade in the next Democratic primary.

27. During this review, the OCE gathered testimonial and documentary evidence to determine whether Rep. Newman had knowledge that Mr. Chehade intended to run for the Illinois’ 3rd
congressional district and whether the aforementioned employment contract was premised on Mr. Chehade not running in the 2020 Democratic primary election. As discussed more fully below, the evidence gathered during the OCE’s review strongly contradicts Rep. Newman’s testimony that she did not have any knowledge of Mr. Chehade’s intent to run for congressional office.

28. On October 23, 2018, Rep. Newman and Mr. Chehade met in person to discuss solidifying his role as foreign policy advisor in a future congressional office by way of an employment contract.17

29. In an email dated October 27, 2018 to Rep. Newman from Mr. Chehade, that was provided to the OCE by Rep. Newman, Mr. Chehade summarized their October 23, 2018 meeting.18

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From: Chehade, Hamman
Sent: Saturday, October 27, 2018 1:57 AM CDT
To: Marie Newman
Subject: Tuesday's meeting
Attachments: Proposal for Collaboration.docx, Details.docx

Hi Marie,
It was great meeting with you on Tuesday. I enjoyed our conversation and I'm looking forward to more meetings and working together as we move forward.
I spoke to Rima Kapitan (lawyer) about what you mentioned which was to register the contract and she's going to look into the idea. As a contract lawyer, she did say that signatures alone are binding. She'll let me know for sure shortly. It's something we can do either way though.
Attached are the documents we discussed at the museum. Let me know what you think across the board. Also, given our discussion on Tuesday, you mentioned that you would be fine with a certain number of terms in office and then moving on. What that number of terms is would be up to you. I would like to put that in the contract along with a commitment to endorse me once you decide to leave. Let me know if that's something you would be fine with.
Best,
Iymen Chehade
Department of Humanities, History, and Social Sciences (HHSS)
American Association of University Professors Committee A On Academic Freedom and Tenure
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30. While the e-mail corroborates the start of the employment negotiations, Rep. Newman told the OCE that she did not have any discussions with Mr. Chehade regarding his interest or intent to run for the congressional seat in 2020.19

31. However, attached to the same October 27, 2018 email provided to the OCE by Rep. Newman was a proposal from Mr. Chehade for the contract detailing the terms and

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17 See October 27, 2018 Email Exchange between Rep. Newman and Iymen Chehade (Exhibit 5 at 21-3052_0102).
18 Id.
32. Rep. Newman told the OCE that she did not have any conversations regarding Mr. Chehade’s intent to run prior to receiving the above proposal.\textsuperscript{22} However, the above-mentioned email suggests that the proposal and related terms summarized the in-person meeting between Rep. Newman and Mr. Chehade on October 23, 2018.\textsuperscript{23}

33. When the OCE asked Rep. Newman about the October 27, 2018 proposal email, Rep. Newman asserted that upon receiving the email, she was “…outraged and incensed. . . .”\textsuperscript{24} She stated that she sternly communicated her negative reaction to Mr. Chehade’s language in the proposal over a telephone conversation. “I called him. I took a couple hours – I’ll be honest. I took a couple hours before I called him and -- so I could calm down because what I recognize is, politicians have a very specific understanding and he was a history professor and I thought maybe he just has no understanding of what -- you know, what he’s saying. So I took a couple of hours before I called him. I was still pretty irate. I do remember using expletives in the conversation.”\textsuperscript{25}

34. The above assertion of “outrage” and a follow-up phone call regarding Mr. Chehade’s potential candidacy is not supported by the documentary evidence. In an email dated November 2, 2018, Rep. Newman responded to Mr. Chehade’s proposal email without outrage, explaining “most of it looks good” and her concerns were about “phraseology”:\textsuperscript{26}

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\textsuperscript{20} See October 27, 2018 Email and Proposal for Employment Contract from Iymen Chehade to Rep. Newman (Exhibit 4 at 21-3052_0097-100).

\textsuperscript{21} Id.

\textsuperscript{22} Rep. Newman Transcript (Exhibit 3 at 21-3052_0068).

\textsuperscript{23} See October 27, 2018 Email and Proposal for Employment Contract from Iymen Chehade to Rep. Newman (Exhibit 4 at 21-3052_0097-100).

\textsuperscript{24} Rep. Newman Transcript (Exhibit 3 at 21-3052_0068).

\textsuperscript{25} Id. (Exhibit 3 at 21-3052_0069).

\textsuperscript{26} See November 2, 2018 Email between Rep. Newman and Iymen Chehade (Exhibit 6 at 21-3053_0104).
35. The OCE made efforts to interview Mr. Chehade; however, Mr. Chehade refused to cooperate with the OCE’s investigation, citing concerns over violating a nondisclosure agreement signed as a part of the lawsuit’s eventual settlement.27

36. As a result, the OCE was unable to obtain testimonial evidence from Mr. Chehade to confirm whether he expressed his intent to run for the Democratic primary during the October 23, 2018 conversation. While the OCE did not obtain direct evidence from an interview with Mr. Chehade, there is substantial documentary evidence demonstrating that Rep. Newman at the very least had knowledge of Mr. Chehade’s intent to run in the 2020 Democratic primary.

37. Regardless of whether Rep. Newman had a negative reaction to the proposal, she moved forward with executing the employment contract with Mr. Chehade.

38. On December 26, 2018, Rep. Newman and Mr. Chehade signed the contract.28

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27 Mr. Chehade’s attorney, Rima Kapitan, also cited the Non-Disclosure Agreement in the lawsuit settlement as a reason not to interview with the OCE.

39. In summary, the evidence collected by the OCE supports a finding that Rep. Newman had knowledge of Mr. Chehade’s intent to run for the 2020 congressional seat when she knowingly entered into an employment contract with Mr. Chehade promising him future employment in her official office if he did not submit or announce his candidacy for the same congressional seat.


40. Rep. Newman won the primary election on March 17, 2020. In June 2020, Mr. Chehade met with Rep. Newman and confirmed that he remained willing and able to perform the services described in the employment contract.29 During this meeting, Rep. Newman informed Mr. Chehade that she did not intend to fulfill the terms of the employment contract.30 Following this meeting, Mr. Chehade sought the advice of his attorney, Rima Kapitan. Ms. Kapitan sent Rep. Newman an email inquiring whether she intended to fulfill the terms of the employment agreement.31


42. Subsequently, Mr. Chehade filed a lawsuit against Rep. Newman on January 19, 2021 seeking specific performance of the contract and money damages.33

43. The OCE reviewed the filings in the lawsuit. Rep. Newman was jointly represented by private counsel and House General Counsel, Douglas N. Letter. On March 25, 2021, Rep. Newman, through her attorneys, filed a motion to dismiss the case.34

30 Id. (Exhibit 3 at 21-3052_0078).
31 After the June 2020 meeting, Rima Kapitan, sent Rep. Newman a letter dated September 23, 2020, which amongst other things stated: “You met with Mr. Chehade on June 11. On that date, Mr. Chehade confirmed that he remained willing and able to perform the services described in the agreement. You told Mr. Chehade you had decided not to fulfill the terms of the contract. He asked that you reconsider and think about it over the next few months. Since then, he has not heard from you.” See Letter from Rima Kapitan to Rep. Newman, September 23, 2020 (Exhibit 7 at 21-3052_0106). In response, Rep. Newman sent an email response stating: “I have read your letter and I’m sorry, but I disagree with your characterization of my conversation in June with Iymen. I am focused entirely on the election from now through November 3rd, and we can revisit this issue after the election.” See October 1, 2020 Email from Rep. Newman to Rima Kapitan (Exhibit 8 at 21-3052_0108). When asked what was discussed during the June 2020 meeting, Rep. Newman stated “I told him it was over and that I wouldn’t change my mind. So that was it. And he said, then this -- if that's your final decision, this will not go well for you, Marie. And I will make it very hard for you.” Rep. Newman Transcript (Exhibit 3 at 21-3052_0078).
33 Id.
34 See Motion to Dismiss, Chehade v. Newman, No. 1:21-cv-01036 (N.D. Ill. Mar. 25, 2021). The motion concedes that the contract was signed by Rep. Newman, but argues that the contract is void because when it was entered into, Rep. Newman did not have the authority to bind the United States Government to an employment contract since she was only a congressional candidate, and not an elected Member of Congress. Importantly, her attorney also concedes that Rep. Newman was a candidate at the time the contract was signed.
44. In the brief, Mr. Letter argued that the contract was void on grounds of public policy because it violated duly promulgated House employment and contracting rules, without addressing the propriety of a promise of congressional employment in exchange for an agreement not to run for office.\(^{35}\)

**III. CONCLUSION**

45. Based on the foregoing information, the Board finds that there is substantial reason to believe that during a successful campaign for election to the U.S. House of Representatives, Rep. Newman may have promised federal employment to a primary opponent for the purpose of procuring political support.

46. Accordingly, the Board recommends that the Committee further review the above allegation that Rep. Newman may have promised federal employment to a primary opponent for the purpose of procuring political support.

**IV. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATION FOR THE ISSUANCE OF SUBPOENAS**

47. The following witnesses, by declining to provide requested information to the OCE, did not cooperate with the OCE review:

   a. Iymen Chehade; and
   b. LBH Chicago.

48. The Board recommends that the Committee issue subpoenas to Iymen Chehade and LBH Chicago.

\(^{35}\) *Id.* at 15.