

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

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.

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FINDINGS OF FACT AND CITATIONS TO LAW

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OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

FINDINGS OF FACT AND CITATIONS TO LAW

Review No. 21-3052

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

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’”).

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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:
 - (1) Rep. Newman;
 - (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.

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.

⁴ Letter from Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics, to Rep. Newman, June 17, 2021.

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.

⁶ Letter from Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics, to Rep. Newman, July 16, 2021.

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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."*⁷

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"*⁸

⁷ House Ethics Manual (2008) at 122 (footnote omitted).

⁸ Code of Ethics for Government Service, ¶ 5.

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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.”⁹

B. Rep. Newman Contracted with Iymen Chehade for a Government Position in Exchange for Political Support

17. Rep. Newman represents Illinois’ 3rd congressional district, which covers the Southwest side of Chicago as well as its surrounding suburbs.
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.¹⁰

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.

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i. The Contract Between Rep. Newman and Mr. Chehade

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.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.¹² The contract specified the salary would be between \$135,000 and \$140,000 per year.¹³

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("the Agreement") is entered into between Iymen Hamman Chehade ("Chehade") and Marie Newman ("Newman"). Chehade and Newman are jointly referenced herein as "the Parties."

In consideration of the mutual promises and compensation provided herein, the parties agree as follows:

1. EMPLOYMENT AND TERM

a. In the event that Newman is elected as U.S. Representative to the Third Congressional District of Illinois ("Representative") for the congressional term beginning in January of 2021, Newman agrees to employ Chehade to the following combined position:

- i. Chief Foreign Policy Advisor (entails advising on all aspects of foreign policy, cooperating with the staff of other congressional representatives in order to achieve foreign policy goals, and coordinating fact-finding delegations to the Middle East); AND
- ii. Either District Director OR Legislative Director, at Chehade's election within 10 calendar days of being informed of Newman's election to office.

b. This Agreement shall be for a term commencing on January 3, 2021 and shall continue for as long as Newman remains Representative. The Agreement shall be automatically renewed each time Newman begins a new term except as otherwise specified in this Agreement.

- i. Should Chehade elect to terminate the Agreement for reason other than a material breach by Newman, he must provide Newman with at least sixty (60) days' written notice of the termination.
- ii. Either party may terminate the Agreement should the other party materially breach the Agreement. For example, Newman may terminate the Agreement if Chehade substantially neglects his job responsibilities. If a material breach is alleged, the other party must be promptly notified of the alleged breach in writing and provided a meaningful opportunity to cure the breach or respond to the allegation.

2. DUTIES

a. Scope: Chehade's job duties will be as described in this Agreement and as reflected in the attached job descriptions, which are also incorporated into this Agreement. To the extent that there is a conflict between the job descriptions and this Agreement, the Agreement governs. Should the parties seek to change those

job duties they must agree in writing, in which case any such revisions will be deemed incorporated into this Agreement. Chehade and Newman agree to abide by all applicable federal employment and other policies and regulations.

b. Other conditions of employment

- i. Chehade shall devote a minimum of 40 hours per week to his duties under this Agreement. Chehade understands that because of the nature of the position, he will sometimes need to work long or irregular hours in order to complete all his job duties. Chehade is responsible for both positions but this does not mean he will have to work double hours.
- ii. Should Chehade's job duties require him to reside outside of the district, Chehade is permitted to travel to Chicago one day per week to perform teaching duties. As long as Chehade is otherwise reasonably available during business hours for consultation with Newman and supervision of staff, he need not maintain specific hours at the office. Newman will reimburse Iymen for his travel to Chicago to the extent permitted by law and congressional regulations.
- iii. Newman will hire appropriate congressional staff as determined by the needs of the office and the limitations of the budget. Because of the dual nature of the role, Newman may hire one fewer legislative or district staff members to work under Chehade. Chehade will have complete discretion about the selection and employment termination of staff members under his supervision, except that the total salary budget for staff working under Chehade must be approved by Newman or her designee. Staff members working under Chehade's supervision will be subject to standard office policies and entitled to standard benefits and terms of employment unless otherwise agreed.
- iv. Newman will use her best efforts to provide Chehade a private office within the congressional suite. If that is not possible given space limitations, she will assign Chehade an office shared by one other person maximum.

3. COMPENSATION AND BENEFITS

a. **Compensation.** Newman shall pay Chehade a salary of no less than between \$135,000 and \$140,000 per year, less applicable required taxes and withholdings. This salary shall be paid pursuant to standard office payroll policies, but no less frequently than monthly. Starting in Chehade's second year of employment, Newman will provide Chehade cost-of-living and merit raises pursuant to standard office policies.

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¹¹ See Employment Agreement between Rep. Newman and Iymen Chehade, December 26, 2018 (Exhibit 1 at 21-3052_0002-7).

¹² *Id.* (Exhibit 1 at 21-3052_0004).

¹³ *Id.* (Exhibit 1 at 21-3052_0005).

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- b. Materials and Expenses. Newman shall reimburse Chehade for all supplies and expenses allowable by government regulations and pursuant to the standard government policies.
- c. Other Benefits.
- i. Vacation
- A. Chehade will be entitled to either of the following options for vacation time, whichever is longer in duration: a) the standard or average vacation time afforded to congressional staffers or b) no less than three weeks' vacation for the first two years and four weeks' vacation for subsequent years. These vacation days are in addition to official federal holidays and days on which Newman's entire office is closed. Chehade may elect to take two half-days off in lieu of one vacation day.
- B. Chehade will inform Newman or her designee of major planned vacations in advance to allow for planning. Although Chehade will have discretion about when to take vacation days, he will endeavor to avoid taking vacation during particularly busy times of year when notified in advance.
- C. Unused vacation days may be carried over to the extent permitted by congressional regulations. When they are not carried over, unused vacation days will be paid as salary, to the extent permitted by congressional regulations.
- ii. Chehade will be entitled to all benefits normally provided to congressional staff members (including health, retirement, and insurance benefits) as well as benefits provided to the full-time staff working in Newman's office. Nothing herein is intended to supplant or waive Chehade's rights under the Congressional Accountability Act ("the Act") or other employment laws. To the extent that the Act entitles Chehade to benefits that are greater than those provided under this contract or under Newman's generally applicable employment policies, the Act governs.
4. NOTICES
- Notices provided under this Agreement must be made in writing. At minimum, notices must be provided electronically to the email address typically used for communication between the parties.
5. REPRESENTATION AND WARRANTIES
- a. This Agreement supersedes all other previous agreements and understandings between the Parties with respect to the subject matter of this Agreement. Any

- amendments to this Agreement shall be made and agreed upon in writing. Scanned copies will be deemed equally enforceable as originals.
- b. The parties to this Agreement acknowledge that they are not making other have not been induced to enter into this Agreement by any representation or statements, oral or written, not expressly contained herein or expressly incorporated by reference.
6. BREACH AND GOVERNING LAW
- a. The prevailing party in any action to enforce a material breach of this agreement this Agreement is entitled to all reasonable fees and expenses s/he incurs as a result of the breach.
- b. This Agreement shall be construed under the laws of the State of Illinois.
7. ENFORCEABILITY
- In case any one or more of the sentences and provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
8. ENTIRE AGREEMENT
- This Agreement supersedes all other previous agreements and understandings between the Parties with respect to the subject matter of this Agreement. Any amendments to this Agreement shall be made and agreed upon in writing. Scanned copies will be deemed equally enforceable as originals.

IN WITNESS WHEREOF, the Parties have executed this EMPLOYMENT AGREEMENT as of the later date signed below.

LYMEN HAMMAN CHEHADE

MARIA NEWMAN

By: 



DATE: 12/26/2018

DATE: 12/26/2018

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."¹⁴

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.¹⁵ 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..."¹⁶

ii. *Contract Negotiations and Lyman 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

¹⁴ Transcript of Interview of Rep. Newman ("Rep. Newman Transcript"), September 2, 2021 (Exhibit 3 at 21-3052_0057).

¹⁵ *Id.* (Exhibit 3 at 21-3052_0045).

¹⁶ *Id.*

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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

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

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

¹⁷ See October 27, 2018 Email Exchange between Rep. Newman and Iymen Chehade (Exhibit 5 at 21-3052_0102).

¹⁸ *Id.*

¹⁹ Rep. Newman Transcript (Exhibit 3 at 21-3052_0068-69).

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended conditions of employment.²⁰ The overview of the attached proposal states:²¹

Proposal

- Overview: Chehade agrees not to announce or submit his candidacy for election to Congressional Representative of the 3rd District of Illinois. In exchange, Newman will hire Chehade as her Chief Foreign Policy Advisor
- Position term: If Newman wins the election, the position duration would be the entire term of Newman's service as congresswoman and will be automatically renewed after any reelection. Chehade may obtain release from the contract upon 60 days' notice
- Position description: Chief foreign policy advisor, with a special focus on Israel/Palestine.

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.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, 2018.²³

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. . . ." 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."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":²⁶

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

²¹ *Id.*

²² Rep. Newman Transcript (Exhibit 3 at 21-3052_0068).

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

²⁴ Rep. Newman Transcript (Exhibit 3 at 21-3052_0068).

²⁵ *Id.* (Exhibit 3 at 21-3052_0069).

²⁶ See November 2, 2018 Email between Rep. Newman and Iymen Chehade (Exhibit 6 at 21-3053_0104).

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From: Marie Newman
Sent: Friday, November 2, 2018 5:50 PM CDT
To: Chehade, Hamman
Subject: Re: Tuesday's meeting

HI there,

Took some time to digest the doc.

Most of it looks good. Couple of concerns -mostly phraseology.

When is a good time for you to meet the week of 11/12:

If you could come out this way this time -would be great.

I am open for early am meetings or 11/13-16.

Let me know what works for you,
M

> On Oct 27, 2018, at 1:57 AM, Chehade, Hamman <ichehade@colum.edu> wrote:
>
> <Proposal for Collaboration.docx>

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

IN WITNESS WHEREOF, the Parties have executed this EMPLOYMENT AGREEMENT as of the later date signed below.

IYMEN HAMMAN CHEHADE

By: 

DATE: 12/26/2018

MARIE NEWMAN



DATE: 12/26/2018

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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.

²⁸ See Employment Agreement between Rep. Newman and Iymen Chehade, December 26, 2018 (Exhibit 1 at 21-3052_0002-7).

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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.

iii. Mr. Chehade Sued Rep. Newman For Breach of Contract

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

41. On November 3, 2020 Rep. Newman was elected to Congress. Rep. Newman assumed office as a Member of the U.S. House of Representatives on January 3, 2021. Upon assuming office, Rep. Newman did not honor the terms of her employment contract with Mr. Chehade.³²

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

²⁹ Letter from Rima Kapitan to Rep. Newman, September 23, 2020 (Exhibit 7 at 21-3052_0106); *see also* Rep. Newman Transcript (Exhibit 3 at 21-3052_0074, 0078).

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).

³² *See* Complaint, Chehade v. Newman, No. 2021IL000626 (Ill. Cir. Ct. Jan. 19, 2021).

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.

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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.