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OFFICE OF GENERAL COUNSEL

**BEFORE THE FEDERAL ELECTION COMMISSION**

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SOPHIA GONSALVES-BROWN  
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v. MUR No. **7913**

FRIENDS OF HAGEDORN  
Thomas Datwyler, Treasurer  
201 Sioux Road, Suite 107  
Mankato, MN 56001

MINNESOTA OFFICE INVESTMENTS, INC.  
11 Civic Center Plaza, Suite 8  
Mankato, MN 56001

MANKATO PLACE 1, LLC  
401 Second Avenue North, Suite 400  
Minneapolis, MN 55401

**COMPLAINT**

1. For more than seven years—from October 2013 through January 2021—Rep. Jim Hagedorn’s campaign occupied a basement suite in a downtown Mankato, Minnesota building. But not once in that entire period did the Hagedorn campaign report to the FEC any payments or in-kind contributions for the use of what it called its “campaign headquarters.” Thus, there is reason to believe that Hagedorn’s campaign violated the law by accepting illegal and unreported contributions in the form of rent-free office space, and that the building’s owners violated the law by making those illegal in-kind contributions.

2. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information and belief that Rep. Jim Hagedorn’s authorized campaign committee, Friends of Hagedorn, has violated the Federal Election Campaign Act (“FECA”), 52 U.S.C. § 30101, *et seq.*, by accepting and failing to report illegal in-kind contributions in the form of rent-free office space. This complaint further alleges that Minnesota Office Investments, Inc. and Mankato Place 1, LLC—the former and current owners of 11 Civic Center Plaza, where Hagedorn’s campaign headquarters was located—have violated FECA by making those illegal in-kind contributions to Friends of Hagedorn.
3. “If the Commission, upon receiving a complaint . . . has reason to believe that a person has committed, or is about to commit, a violation of [the FECA] . . . [t]he Commission *shall make an investigation* of such alleged violation . . .” 52 U.S.C. § 30109(a)(2) (emphasis added); *see also* 11 C.F.R. § 111.4(a).

#### FACTS

4. James “Jim” Hagedorn was elected to represent Minnesota’s 1st Congressional District in November 2018, and reelected in November 2020.<sup>1</sup> His authorized campaign committee is Friends of Hagedorn (ID: C00550707),<sup>2</sup> which was created when Hagedorn first ran for Congress in 2014.<sup>3</sup>
5. On its statements of organization filed with the Commission from October 2013 through January 2021, Friends of Hagedorn listed its campaign address as 11 Civic Center Plaza,

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<sup>1</sup> See Briana Bierschbach, *U.S. Rep. Jim Hagedorn wins re-election in Minnesota’s First District*, STAR TRIBUNE (Nov. 5, 2020), <https://www.startribune.com/u-s-rep-jim-hagedorn-wins-re-election-in-minnesota-s-first-district/572986232/>.

<sup>2</sup> Friends of Hagedorn, Statement of Organization, FEC Form 1 (amended Feb. 26, 2021), <https://docquery.fec.gov/pdf/449/202102069427038449/202102069427038449.pdf>.

<sup>3</sup> Friends of Hagedorn, Statement of Organization, FEC Form 1 (filed Oct. 23, 2013), <https://docquery.fec.gov/pdf/999/13031132999/13031132999.pdf>.

Suite 7.<sup>4</sup> Official campaign emails also list 11 Civic Center Plaza, Suite 7 as the address for Friends of Hagedorn,<sup>5</sup> and Greater Mankato Growth, the regional chamber of commerce,<sup>6</sup> lists the Friends of Hagedorn address as 11 Civic Center Plaza, Suite 7.<sup>7</sup>

6. 11 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.<sup>8</sup> The building has over 10,000 square feet of office space,<sup>9</sup> and more than a dozen corporate, governmental, and retail tenants.<sup>10</sup>

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<sup>4</sup> 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).

<sup>5</sup> 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>.

<sup>6</sup> See “About Us”, Greater Mankato Growth, <https://greatermankato.com/about-us> (last visited June 1, 2021).

<sup>7</sup> 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).

<sup>8</sup> 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](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).

<sup>9</sup> Brett’s, 11 Civic Center Plz, LOOPNET, <https://www.loopnet.com/Listing/11-Civic-Center-Plz-Mankato-MN/4158551/> (last visited June 2, 2021).

<sup>10</sup> See, e.g., Hogle 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).

7. 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.<sup>11</sup>
8. Photos, event invitations, and news reports show Friends of Hagedorn physically occupying 11 Civic Center Plaza, Suite 7 during the 2018 election cycle:
  - a. A July 28, 2018 “candidate meet-and-greet and national day of action” event with Hagedorn, organized by the Republican National Committee, invited supporters to the “Hagedorn Campaign Office” at “11 Civic Center Drive, Suite 007, Mankato.”<sup>12</sup> During the event, 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.*”<sup>13</sup> The picture showed Hagedorn and supporters in what appears to be a basement office with exposed stone walls.

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<sup>11</sup> 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).

<sup>12</sup> 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\\_rZuAlf2L8gN7l8h0RJftBew\\_umpn56\\_dRR0XzvU7XwHwpO\\_MReHM](https://www.eventbrite.com/e/candidate-meet-greet-and-national-day-of-action-mankato-tickets-48039317893?fbclid=IwAR35_rZuAlf2L8gN7l8h0RJftBew_umpn56_dRR0XzvU7XwHwpO_MReHM) (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!”).

<sup>13</sup> 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).



- b. On August 14, 2018, 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.<sup>14</sup>



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



- c. On September 10, 2018, 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.<sup>15</sup>



- d. On September 19, 2018, *Roll Call* published an article featuring an interview with Hagedorn from his “subterranean campaign office,”<sup>16</sup> and published photographs of 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.<sup>17</sup>

<sup>15</sup> Jim Hagedorn, FACEBOOK (Sept. 10, 2018), <https://www.facebook.com/hagedornforcongress/posts/10156718501854708>; cf. 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> (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”).

<sup>16</sup> 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.”).

<sup>17</sup> 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



9. Since 2018, Hagedorn fundraising appeals have continued to direct supporters to mail checks to 11 Civic Center Plaza, Suite 7,<sup>18</sup> Hagedorn campaign emails have identified

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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 June 1, 2021).

<sup>18</sup> *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](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).

that address as its office,<sup>19</sup> and the fundraising platform WinRed continues to direct supporters to mail checks to 11 Civic Center Plaza, Suite 7.<sup>20</sup>

10. 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 Hagedorn's campaigns.<sup>21</sup> In April 2019, 11 Civic Center Plaza, along with the adjoining Mankato Place mall, was sold for \$12 million to Mankato Place 1, LLC,<sup>22</sup> 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.<sup>23</sup> This LLC appears to have ties to Awsumb,<sup>24</sup> and Awsumb has remained

<sup>19</sup> 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>.

<sup>20</sup> See "Hagedorn for Congress", WINRED, <https://secure.winred.com/jimhagedorn/donate> (last visited June 28, 2021).

<sup>21</sup> See Minnesota Secretary of State, Business Records: Minnesota Office Investments, Inc., <https://mblsportal.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](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).

<sup>22</sup> See Krohn, *supra* note 8 (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).

<sup>23</sup> 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).

<sup>24</sup> "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." Newhauser, *supra* note 15.



involved in the “managing and leasing” of 11 Civic Center Plaza,<sup>25</sup> including as its property manager.<sup>26</sup>

11. Rent at 11 Civic Center Plaza averages from \$12 to \$17 per square foot.<sup>27</sup>
12. One of Hagedorn’s two congressional district offices has occupied Suite 301 of the building since Hagedorn took office in January 2019.<sup>28</sup> According to congressional reports, Hagedorn pays \$2,200 per month in rent for Suite 301.<sup>29</sup> Rent payments for Hagedorn’s congressional district office were made to Minnesota Office Investments, Inc. in 2019 and to Mankato Place 1, LLC in 2020 and 2021, after it bought 11 Civic Center Plaza and the adjoining Mankato Place mall.<sup>30</sup>
13. On its reports filed with the Commission during the 2018 and 2020 election cycles, Friends of Hagedorn disclosed no disbursements to Minnesota Office Investments,

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<sup>25</sup> Krohn, *supra* note 8 (“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,” and quoting Awsumb as saying in 2019, “I’ve been working in Mankato since 1976, off and on, on that property. I’ll continue working on it the next four or five years.”).

<sup>26</sup> 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.”); 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).

<sup>27</sup> 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).

<sup>28</sup> See U.S. Congressman Jim Hagedorn, Contact: Mankato Office, <https://hagedorn.house.gov/contact/offices/mankato-office> (last visited June 2, 2021).

<sup>29</sup> 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), [https://www.house.gov/sites/default/files/uploads/documents/SODs/2021q1/2021q1\\_singlevolume.pdf](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](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](https://www.house.gov/sites/default/files/uploads/documents/SODs/2019q1_singlevolume.pdf).

<sup>30</sup> See sources cited *supra* n.29.

Awsumb (save for one contribution refund), or Mankato Place 1, LLC.<sup>31</sup> Nor did Friends of Hagedorn disclose any disbursements to any other entity for “rent,” “office,” or “office space.”<sup>32</sup> Friends of Hagedorn also has not reported receiving any in-kind contributions from Minnesota Office Investments, Awsumb, or Mankato Place 1, LLC.<sup>33</sup>

14. 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.<sup>34</sup> The treasurer for Friends of Hagedorn, Thomas Datwyler, told *Politico* that he believed the building’s owners had given the office space as an in-kind contribution, but that the value of the contribution did not exceed the \$200 itemized reporting threshold:

“We were in-kind, but I think it was under \$200. I want to say, it was like a \$200 in-kind. So that’s probably why it didn’t show up,” he said. “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. Honestly, I’m pretty positive.”

Datwyler said he would clarify the issue and respond with more information, but he did not do so and did not return subsequent calls and messages about the issue.<sup>35</sup>

15. *Politico* also reported that “Ronald Groth, a Minneapolis-based lawyer who was listed as Mankato Place 1 LLC’s counsel when it bought the Brett’s Building [in April 2019], said in a statement that Hagedorn does not have a campaign office there”:

“Although Jim Hagedorn has his congressional office in the premises owned by Mankato Place 1, LLC, Congressman Hagedorn has never had a

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<sup>31</sup> See Friends of Hagedorn, Disbursements to Minnesota Office Investments, 1 Mankato Place, Gordon Awsumb, and Gordon Awsumb, 2013-21, FEC.GOV, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00550707&recipient\\_name=Gordon+Awsumb&recipient\\_name=Gordon+Awsumb&recipient\\_name=Mankato+Place&recipient\\_name=Minnesota+Office+Investments](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00550707&recipient_name=Gordon+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).

<sup>32</sup> 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](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00550707&disbursement_description=office&disbursement_description=office+space&disbursement_description=rent) (last visited June 10, 2021) (showing no payments or in-kind contributions).

<sup>33</sup> *Id.*

<sup>34</sup> Newhauser, *supra* note 15.

<sup>35</sup> *Id.*

campaign office in the premises during the time that Mankato Place 1, LLC has owned the property,” he said.<sup>36</sup>

16. *Politico* also contacted Gordon Awsumb, the CEO of Minnesota Office Investments, Inc.:

When initially reached by phone, Awsumb said he has moved to Texas and doesn’t know much about the Hagedorn campaign office, even though he is still listed as the management contact for the building.

When asked whether the campaign uses a space in the basement, he replied, “Not any longer, I don’t think. Basically, he stored signs there.”

When asked why there have been no rent payments, he replied: “I don’t know what you’re talking about.”

But in follow-up emails, Awsumb had a different story to tell. He said the campaign actually never had an office in the building and that a Suite 7 never existed.

“The Hagedorn Campaign does not now and has never in the past leased office space in the Mankato Place Complex/Brett’s building,” Awsumb said via email. “No rent-free office space has been provided to the Hagedorn Campaign. In fact, Suite 7 does not exist as a physical office location within the building.”<sup>37</sup>

17. After *Politico* presented Awsumb with evidence that Hagedorn had physically occupied the Suite 7 office space, he changed his story:

Awsumb [then] said the room is an “unfinished storage room and was never leased as an office suite to any tenant.” He said the Hagedorn campaign did use a conference room that is available to tenants and community groups.

“This is provided as part of the lease for the tenants and typically for no fee for community groups,” he said. “The Hagedorn Campaign did make use of that space in 2018. Our records show that the Hagedorn Campaign did pay a fee for the use of that community conference space.”<sup>38</sup>

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<sup>36</sup> *Id.*

<sup>37</sup> *Id.* But 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).

<sup>38</sup> Newhauser, *supra* note 15. But 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 basement conference room in Suite 3, not Suite 7).

18. After the *Politico* story was published, Hagedorn published a Facebook post claiming that his campaign only used Suite 7 as a mailing address and that “Suite 007 is not office space. Suite 007 is a P.O. Box address!”<sup>39</sup> In the same post, Hagedorn admitted that “[w]e did rent unfurnished space in the basement of the old Brett’s Building from March 2018 through November 7, 2018” but insisted that his campaign “paid the owner \$100 and listed that on our FEC report.”<sup>40</sup>

19. On October 12, 2020, Hagedorn told *KEYC News* in a statement that:

Last week’s article by notorious pro-Democrat operative Daniel Newhauser is unfounded and based upon false assumptions, misquotes and inaccurate information. The Friends of Hagedorn campaign has neither leased campaign office space in what is known as the Brett’s building in Mankato, nor any other location.

The campaign has utilized a USPS post office box, associated with Suite 007, beginning in 2013. The P.O. Box remains in use today, and all arrangements are made directly with USPS. Suite 007 is not a room or office suite; it is a P.O. Box. Thus, the article’s premise is blatantly false.

From March 2018 through November 7, 2018, the campaign rented an unfinished basement location in the Brett’s building to store signs and hold meetings. The payment of \$100 is recorded on the Friends of Hagedorn FEC report for the 2018 election cycle.<sup>41</sup>

#### SUMMARY OF THE LAW

20. Federal law limits to \$2,700 the amount of a contribution that a congressional candidate or their authorized campaign committee may accept from an individual donor. 52 U.S.C. § 30116(a)(1). FECA also prohibits a corporation or labor union from making a contribution to a federal candidate. 52 U.S.C. § 30118(a).

<sup>39</sup> See Jim Hagedorn, FACEBOOK (Oct. 9, 2020), <https://www.facebook.com/hagedornforcongress/posts/10158771298699708>.

<sup>40</sup> *Id.*

<sup>41</sup> 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).



21. 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.” 52 U.S.C. § 30101(8)(A)(i) (emphasis added); *see also* 11 C.F.R. §§ 100.52(a), 114.1(a)(1). “Anything of value”, in turn, includes all in-kind contributions, 11 C.F.R. § 100.52(d)(1)—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.” *Id.* § 100.52(d)(1), (2). This includes office space. *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”).
22. A political committee’s treasurer must file reports of receipts and disbursements with the Commission. 52 U.S.C. § 30104(a)(1). 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. 52 U.S.C. § 30104(b)(2)(A), (b)(3)(A). 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. 52 U.S.C. § 30104(b)(5)(A), (b)(6)(B)(v).

## CAUSE OF ACTION

**I. FRIENDS OF HAGEDORN ACCEPTED, AND THE CORPORATE OWNERS OF 11 CIVIC CENTER PLAZA MADE, ILLEGAL AND UNREPORTED IN-KIND CONTRIBUTIONS IN THE FORM OF RENT-FREE OFFICE SPACE.**

23. Because Friends of Hagedorn has never reported any payments or in-kind contributions for the use of 11 Civic Center Plaza, Suite 7, its apparent headquarters until February of 2021,<sup>42</sup> it has violated 52 U.S.C. § 30118(a) by accepting contributions in the form of rent-free office space from prohibited sources—*i.e.*, the two corporations that have owned 11 Civic Center Plaza—and it has violated 52 U.S.C. § 30104 by failing to report those contributions. There is additionally reason to believe that the two corporations that have owned 11 Civic Center Plaza violated 52 U.S.C. § 30118(A) by making such contributions.
24. Ample evidence shows that, during the 2018 and 2020 election cycles (and earlier) Friends of Hagedorn physically occupied and otherwise made use of 11 Civic Center Plaza, Suite 7, treating the space as its “campaign headquarters.”
- a. Friends of Hagedorn listed 11 Civic Center Drive, Suite 7 as its address in every statement of organization with the Commission from October 2013 to January 2021.<sup>43</sup>
  - b. Invitations to a “candidate meet-and-greet and national day of action,” organized by the Republican National Committee, identified 11 Civic Center Drive, Suite 7 as “the Hagedorn Campaign Office.”<sup>44</sup> And during the event,

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<sup>42</sup> See sources cited *supra* ¶ 5.

<sup>43</sup> See *id.*

<sup>44</sup> See sources cited *supra* ¶ 8(a).

Hagedorn's own Twitter and Facebook accounts posted pictures touting the turnout "at Hagedorn Headquarters in Mankato."<sup>45</sup>

- c. Multiple photographs posted to social media and published by news outlets between July and September of 2018 show Hagedorn and campaign supporters in what appears to be the same exposed stone wall basement office, outfitted with cubicle dividers and "Hagedorn for Congress" campaign signs on the wall.<sup>46</sup>
- d. Hagedorn's fundraising appeals and the fundraising platform, WinRed, have directed supporters to mail checks to 11 Civic Center Plaza, Suite 7, and Hagedorn's official campaign emails have identified that as the address for Friends of Hagedorn.<sup>47</sup>

- 25. Despite occupying a three-room suite in a building where rents average from \$12 to \$17 per square foot,<sup>48</sup> Friends of Hagedorn never once reported to the FEC any rent payments for use of 11 Civic Center Plaza, Suite 7, nor has it reported receiving any in-kind contributions for the space.<sup>49</sup> Hagedorn's congressional office, in contrast, has paid \$2,200 per month in rent since January 2019 for a similarly sized suite in the same building.<sup>50</sup>
- 26. Friends of Hagedorn's treasurer, Hagedorn himself, and Gordon Awsumb, the former owner and current property manager of 11 Civic Center Plaza, have given wildly

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<sup>45</sup> See *id.*

<sup>46</sup> See sources cited *supra* ¶ 8(b)-(d).

<sup>47</sup> See sources cited *supra* ¶ 9.

<sup>48</sup> See sources cited *supra* ¶ 11.

<sup>49</sup> See sources cited *supra* ¶ 13.

<sup>50</sup> See sources cited *supra* ¶ 12.

inconsistent and shifting explanations for the campaign’s failure to disclose any rent payments made, or in-kind contributions received, for its “campaign headquarters”:

- a. The treasurer of Friends of Hagedorn, Thomas Datwyler, asserted that the campaign failed to disclose rent payments because “We were in-kind.”<sup>51</sup> 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.”<sup>52</sup> But the fair market value of a three-room suite in a building where rents average from \$12 to \$17 per square foot<sup>53</sup> would certainly exceed the \$200 receipt itemization threshold. As a point of comparison, Hagedorn’s congressional office in Suite 301 appears to be roughly the same size as Suite 7, according to an 11 Civic Center Plaza directory map, and it costs \$2,200 *per month* in rent,<sup>54</sup> which is further evidence that the fair market *annual* value of Suite 7 significantly exceeded \$200.
- b. 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!”<sup>55</sup> Gordon Awsumb<sup>56</sup> similarly claimed that Suite 7 is a P.O. Box and “does not exist as a physical office

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<sup>51</sup> See sources cited *supra* ¶ 14.

<sup>52</sup> See *id.*

<sup>53</sup> See sources cited *supra* ¶ 11.

<sup>54</sup> See sources cited *supra* ¶¶ 7, 12.

<sup>55</sup> See sources cited *supra* ¶ 18.

<sup>56</sup> See sources cited *supra* ¶ 10.



location within the building.”<sup>57</sup> 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.<sup>58</sup> These claims are further refuted by photos and media interviews showing Hagedorn and his campaign physically occupying the basement suite.<sup>59</sup>

- c. When confronted with this evidence, 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.”<sup>60</sup> In a statement, Hagedorn also described the space as “unfinished,” but said that his campaign *did* lease the space from March to November 2018 and paid \$100 for it, which it “report[ed] for the 2018 election cycle.”<sup>61</sup> But photographs of Hagedorn’s campaign using Suite 7 show that the basement office is not “unfinished”: images of the sign-laden location where Hagedorn conducted meetings, events, and media interviews show an office with finished walls, cubicle dividers, built-in desks, and a leather couch, not to mention fully outfitted with utilities such as telephone service and electricity.<sup>62</sup> Furthermore (and setting aside both the inconsistencies between Awsumb’s and Hagedorn’s claims about whether Suite 7 was leased at all, and the inconsistency between Hagedorn’s assertion of payment for the space and the lack of any such

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<sup>57</sup> See sources cited *supra* ¶ 16.

<sup>58</sup> See sources cited *supra* ¶ 7.

<sup>59</sup> See sources cited *supra* ¶ 8.

<sup>60</sup> See sources cited *supra* ¶ 17.

<sup>61</sup> See sources cited *supra* ¶¶ 18, 19.

<sup>62</sup> See sources cited *supra* ¶ 8.

reported payment<sup>63</sup>), the fair market rent for Suite 7—even if only for an eight month period—would greatly exceed \$100 for the reasons noted above.<sup>64</sup>

- d. Awsumb also claimed that, in 2018, Friends of Hagedorn 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.”<sup>65</sup> 11 Civic Center Plaza’s directory map does show a single-room basement “conference room” in Suite 3, but that is a separate space from the three-room Suite 7.<sup>66</sup> Moreover, photographs show the Hagedorn campaign operating out of a multi-room space with walls and cubicle dividers,<sup>67</sup> which is consistent with the three-room Suite 7 diagram, rather than the single-room Suite 3. Additionally, Suite 7—not Suite 3—appears on Friends of Hagedorn’s in-person event invitation, its fundraising solicitations, and its reports filed with the Commission.<sup>68</sup> Finally, Hagedorn claimed that his campaign used basement office space to “store signs and hold meetings” for at least eight months in 2018,<sup>69</sup> which indicates that the campaign had uninterrupted use of that space, rather than only intermittent use of a community conference room that otherwise remains “available to tenants and community groups” without charge; the fair market value for uninterrupted use of such a space for eight

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<sup>63</sup> See sources cited *supra* ¶ 13.

<sup>64</sup> See sources cited *supra* ¶¶ 11, 12.

<sup>65</sup> See sources cited *supra* ¶ 17.

<sup>66</sup> See sources cited *supra* ¶ 7.

<sup>67</sup> See sources cited *supra* ¶ 8.

<sup>68</sup> See sources cited *supra* ¶¶ 5, 8, 9.

<sup>69</sup> See sources cited *supra* ¶ 19.

months would exceed the \$200 itemization threshold, and Friends of Hagedorn reported no rent disbursements.

27. By occupying 11 Civic Center Plaza, Suite 7 rent-free during the 2018 and 2020 election cycles, and likely much longer, 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. As corporations, these entities are prohibited from making contributions of any kind to any political candidate or campaign. *See* 52 U.S.C. § 30118(a).<sup>70</sup>
28. Therefore, there is reason to believe that Friends of Hagedorn illegally accepted in-kind corporate contributions, in violation of 52 U.S.C. § 30118(a), and failed to report those contributions, in violation of 52 U.S.C. § 30104.
29. There is additionally reason to believe that Minnesota Office Investments, Inc. and Mankato Place 1, LLC violated 52 U.S.C. § 30118(a) by making illegal corporate contributions to Friends of Hagedorn.

#### **PRAYER FOR RELIEF**

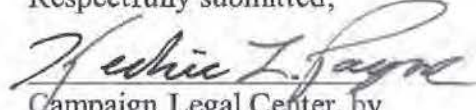
30. Wherefore, the Commission should find reason to believe that Friends of Hagedorn, Minnesota Office Investments, Inc., and Mankato Place 1, LLC violated 52 U.S.C. § 30101 *et seq.* and should conduct an immediate investigation under 52 U.S.C. § 30109(a)(2).
31. Further, the Commission should seek appropriate sanctions for any and all violations, including civil penalties sufficient to deter future violations and an injunction prohibiting

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<sup>70</sup> 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.

the respondents from any and all violations in the future, and should seek such additional remedies as are necessary and appropriate to ensure compliance with the FECA.

Respectfully submitted,



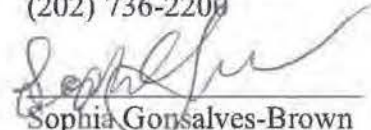
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# VERIFICATION

The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and belief, true.

Sworn pursuant to 18 U.S.C. § 1001.



For Complainant Sophia Gonsalves-Brown

Sophia Gonsalves-Brown

Sworn to and subscribed before me this 20th day of July 2021.

Notary Public



For Complainant Campaign Legal Center

Kedric L. Payne

Sworn to and subscribed before me this 20th day of July 2021.

Notary Public