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June 14, 2001

By Hand

Ms. Elizabeth Williams
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 5197

Dear Ms. Williams:

The undersigned represent respondents DNC Building Fund (“DNC”) and Andrew Tobias, as Treasurer, in the above-referenced MUR. A Statement of Designation of Counsel is enclosed.

This MUR was initiated by a complaint filed by the National Taxpayers Union (“NTU”) which alleges that the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Federal National Mortgage Association (“Fannie Mae”), have made contributions to non-federal accounts of several national party committees in violation of 2 U.S.C. § 441b(a).

A careful review of the complaint reveals that no contribution made by either Freddie Mac or Fannie Mae to the DNC, that is listed in the complaint has been deposited into any account other than the DNC's Building Fund. As the complainant acknowledges, such contributions are perfectly legal since contributions to a party building fund are not subject to the prohibitions of 2 U.S.C. § 441b. See 2 U.S.C. § 431(8)(B)(viii).

In the complaint, the NTU also requests that the Commission investigate whether funds contained in party building funds had been diverted for prohibited uses. The complaint however, alleges alleges no facts whatsoever indicating that any funds in the DNC Building Fund. Accordingly, this request fails to set forth sufficient specific facts

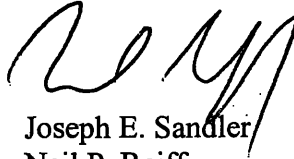
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that would constitute a violation of the FECA. Accordingly, the allegation fails to meet the evidentiary standards required by the Commission's regulations at 11 C.F.R. § 111.4(d); see also Statement of Reasons, MUR 4960. All expenditures made by the DNC Building Fund have been in full compliance with the requirements of the FECA, the Commission's regulations and its Advisory Opinions, and the Complaint does not suggest otherwise.

Based on the above, the Commission should find no reason to believe that the DNC Building Fund and close the file with respect to the DNC.

Respectfully submitted,



Joseph E. Sandler
Neil P. Reiff

Attorneys for Respondent DNC Services
Corporation/Democratic National Committee and
Andrew Tobias, as Treasurer

24-034-497-0373

STATEMENT OF DESIGNATION OF COUNSEL

Please use one form for each respondent.

MUR 5197

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The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Andrew Tobias

Print Name

6/13/01
Date


Signature

Treasurer

Title

RESPONDENT'S NAME: DNC Building Fund

Andrew Tobias as Treasurer

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