

Republican
National
Committee

Counsel's Office

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May 10, 2001

Mr. Jeff S. Jordan
Supervisory Attorney
Central Enforcement Docket
Federal Election Commission
999 E Street, NW
Washington, DC 20463

VIA COURRIER

RE: MUR 5197

MAY 11 10 30 AM '01

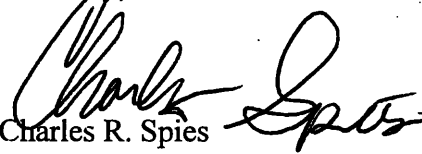
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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Dear Mr. Jordan:

Attached please find: 1) Response of the Republican National Committee to the Complaint of the National Taxpayers Union, with attachments; 2) Statement of Designation of Counsel; and 3) Commitment to Submit Matter to ADR Program.

Please do not hesitate to contact me if I can clarify any of this information for you. We look forward to a prompt resolution of this matter.

Sincerely,


Charles R. Spies
Deputy Counsel

Enclosure

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BEFORE THE FEDERAL ELECTION COMMISSION MAY 10 P 3:36

In the Matter Of)
)
)

MUR 5197

The Complaint Filed by)
National Taxpayers Union)
With the Federal Election Commission)

**RESPONSE OF THE REPUBLICAN NATIONAL COMMITTEE
TO THE COMPLAINT OF THE NATIONAL TAXPAYERS UNION**

This is in response to the Complaint identified as MUR 5197 filed by the National Taxpayers Union against the Republican National Committee ("RNC") for allegedly violating provisions of the Federal Election Campaign Act of 1971, as amended (2 U.S.C. § 431 et seq.) (hereinafter "the Act"), as well as the pertinent Federal Election Commission ("FEC" or "Commission") Regulations.

The Republican Governors Association ("RGA") operates within and reports through the Republican National State Elections Committee ("RENSEC"). RENSEC is the RNC's non-federal component. Over the three-year period from 1998 to 2000, the RGA received checks totaling \$51,470 from FannieMae and deposited those checks in the RENSEC account. On April 19, 2001, the RGA received a fax from FannieMae requesting that previous payments from FannieMae to the RNC be either redesignated to the Eisenhower Building Fund, or be refunded. *See* Attachment 1. In response, the RNC the very same day refunded \$ 51,470 to FannieMae. *See* Attachment 2. The RNC at no point knowingly accepted or received any contribution prohibited by 2 U.S.C. § 441b(a).

In addition to the above addressed matter, the Complaint correctly notes the statutory provision at 2 U.S.C. § 431(8)(B)(vii) which allows corporations such as FannieMae and FreddieMac to contribute money to a national political party's "building fund." Although the RNC Committee to Preserve the Dwight D. Eisenhower National Republican Center ("Eisenhower Building Fund") did receive contributions from Freddie Mac, the RNC does not use the Eisenhower Building Fund for any activity in connection with any election to any political office. The Complaint does not make a specific allegation – much less provide any evidence – to the contrary. When a complaint does not meet the threshold-test of specifically alleging a violation of the Act, the Commission should, of course, dismiss the complaint in an expedient manner.

For the foregoing reasons, the RNC respectfully requests that the FEC dismiss the National Taxpayers Union complaint against the RNC, find no reason to believe that the

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RNC violated the Act, and close the file with respect to the RNC as it pertains to MUR 5197. In the alternative, if the Commission deems it appropriate, the RNC is amenable to submitting this matter to the Alternative Dispute Resolution program.

Respectfully Submitted,



Michael E. Toner
Chief Counsel
Charles R. Spies
Deputy Counsel

Counsel for the Republican National
Committee and Robert M. Duncan,
as Treasurer

May 10, 2001

**Anthony F. Marra****Senior Vice President and
Deputy General Counsel
Legal Department****3900 Wisconsin Avenue, NW
Washington, DC 20016-2892****202 752 7172****202 752 4439 (fax)****anthony_f.marra@fanniemae.com****April 19, 2001****Republican Governors Association
310 First Street, S.E.
Washington, DC 20003****Re: Fannie Mae Donations for RGA Membership Dues and Conference Fees****Dear Republican Governors Association:**

We are writing to request that the following payments that Fannie Mae made to the Republican Governors Association (RGA) for membership dues and conference fees that may have been used in whole or in part to support candidates for State or local elections be redesignated to a building fund account or refunded to Fannie Mae:

- (1) \$10,000 on May 15, 1998;
- (2) \$15,000 on March 19, 1999;
- (3) \$15,000 on January 28, 2000;
- (4) \$10,000 on February 22, 2000; and
- (5) \$1,470 in the aggregate covering conference fees.

Fannie Mae intended for these payments to be used exclusively for RGA membership benefits and conference fees in 1998, 1999 and 2000. Recently, we learned, however, that some or all of Fannie Mae's membership dues or conference fees for these years may have been used to support the election of candidates for State or local offices. As a Congressionally chartered institution, Fannie Mae is prohibited by the Federal Election Campaign Act (FECA) from making contributions in connection with any election to any political office, including local, State and Federal offices. Fannie Mae is permitted, however, to make donations to support political party building funds and for other party building activities. Fannie Mae was unaware that the RGA donations might be used in a manner not permitted by the FECA and, thus, we did not specifically designate the RGA donations for a separate building fund account at the time these donations were made.

We request that the RGA redesignate the Fannie Mae four donations identified above, totaling \$51,470, specifically as building fund donations. If the RGA is able to redirect these funds, we ask that you send us written confirmation when such action has been taken. If such action cannot be taken retroactively, please refund the four membership payments to us immediately.

We apologize for the misunderstanding and any confusion that it may have caused. Please call me at (202) 752-7172 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Anthony F. Marra".



REPUBLICAN GOVERNORS ASSOCIATION

April 19, 2001

Mr. Anthony R. Marra
Senior Vice President and
Deputy Legal Counsel
Fannie Mae
3900 Wisconsin Ave., NW
Washington, DC 20016-2892

Dear Mr. Marra:

Per the request in your letter of April 19, 2001, and on behalf of the Republican Governors Association (RGA), enclosed please find a check from the Republican National State Elections Committee totaling \$51,470.

This check constitutes a refund of the following Fannie Mae contributions to the RGA:

- (1) \$10,000 on May 15, 1998
- (2) \$15,000 on March 19, 1999
- (3) \$15,000 on January 28, 2000
- (4) \$10,000 on February 22, 2000
- (5) 1999 Annual Conference Fees totaling \$820
(\$275 meeting; \$275 meeting; \$120 meeting;
\$75 golf; \$75 golf)
- (6) 2000 Annual Conference Fee of \$650

Thank you for your continued support of the RGA. Per your discussions with Charlie Spies from the RNC Counsel's Office, we look forward to receiving from you shortly a check for \$51,470 made out to the Eisenhower Building Fund.

If you have any questions, please do not hesitate to contact me at (202) 863-8587 or Charlie Spies at (202) 863-8638.

Sincerely,

Duncan Campbell
Executive Director

Enclosure

RNC Attachment 2

REPUBLICAN NATIONAL
STATE ELECTIONS COMMITTEE
CORPORATE OPERATING

310 FIRST ST SE
WASHINGTON, DC 20003

11738

68-760/560
BRANCH 00331

DATE 04/12/2001

PAY TO THE ORDER OF Fannie Mae

\$ 51,470.00**

Fifty-One Thousand Dollars Four Hundred Seventy and 00/100**

DOLLARS

☐ Security features
included.
Details on back.



First Union National Bank
firstunion.com
Org. 007 R/T 056007604

[Signature]

FOR _____

MP

STATEMENT OF DESIGNATION OF COUNSEL

MUR: 5197


NAME OF COUNSEL: Michael E. Toner, Chief Counsel
Charles R. Spies, Deputy Counsel
Republican National Committee
310 First Street, SE
Washington, DC 20003

TELEPHONE: (202) 863-8638

FAX: (202) 863-8654

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

Date: May 9, 2001


Signature

RESPONDENT'S NAME: Robert M. Duncan
Treasurer

ADDRESS: Republican National Committee
310 First Street, SE
Washington, DC 20003

TELEPHONE: HOME ()
BUSINESS (202) 863-8821



FEDERAL ELECTION COMMISSION
Washington, DC 20463

COMMITMENT TO SUBMIT MATTER TO ADR PROGRAM

I have read the material describing the Federal Election Commission's (FEC) Alternative Dispute Resolution (ADR) program and request that my case be considered for it. In the event that my case is accepted and determined to be appropriate for ADR, I agree:

- 1) to engage in the FEC's ADR program as described in the brochure enclosed with the complaint notification letter;
- 2) to participate in, and try to negotiate a settlement of my case and, if unsuccessful to engage in mediation with the aim of achieving a mutually acceptable resolution; and
- 3) to waive the Statute of Limitations provisions governing my case as long as it is being processed in the FEC's ADR program.

I understand that I will be advised by the FEC of its determination regarding my case's appropriateness for ADR and, if selected, given time to prepare for negotiations with a representative of the FEC and to arrange a mutually agreeable time to meet and discuss the case.

May 9, 2001

Date

Robert M. Duncan
Signature

Respondents Name:

Robert M. Duncan, Treasurer

Address:

Republican National Committee

310 First St., SE

Washington, DC 20003

Home Phone:

Business Phone:

Fax Number:

(202) 863-8821