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2003 JUL 29 P 4: 49

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July 29, 2003

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2003 JUL 29 P 5: 12

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

BY HAND DELIVERY

Susan L. Lebeaux, Esq.
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: MUR 5197 (Fannie Mae)

Dear Ms. Lebeaux:

This office represents Fannie Mae, formerly known as the Federal National Mortgage Association, in the above-captioned matter.¹ We submit this factual and legal response to the Federal Election Commission's (the "FEC" or "Commission") letter of June 17, 2003, and proposed Conciliation Agreement. In that letter the Commission stated that there is reason to believe Fannie Mae may have violated 2 U.S.C. § 441b(a). For the many reasons stated below, Fannie Mae respectfully disagrees. The Commission's conclusions seem to be based not only on incomplete facts but also on an unprecedented interpretation of law.

BACKGROUND

On April 23, 2001, the FEC notified Fannie Mae that it had initiated MUR 5197 after receiving a complaint submitted to the Commission by the National Taxpayers Union ("NTU"). The complaint alleged that Fannie Mae, a federally chartered corporation, made donations to the nonfederal accounts of national political parties.

On May 9, 2001, Fannie Mae filed a comprehensive response to the NTU's complaint in MUR 5197 ("Response"). The Response notified the Commission that Fannie Mae's previous counsel had conducted an internal audit of Fannie Mae's political donations, and, based upon the documentation submitted with the Response, Fannie Mae asserted that there was no basis for any action to be taken against it. Notwithstanding the Response, on June 10, 2003, the FEC found reason to believe that Fannie Mae may have violated 2 U.S.C. § 441b(a). The Commission's Factual and Legal Analysis ("Analysis") attached to its letter of June

¹ Attached hereto at Tab A is an executed Statement of Designation of Counsel. Fannie Mae's Chief Executive Officer, Franklin Raines, was a subject of the initial complaint but was not subject to the Commission's June 17, 2003, letter.

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17, 2003, expressed this viewpoint in the absence of verification from Fannie Mae that four sets of political party donations were expressly designated to a national political party committee building fund in writing and on the checks.

The four sets of donations from Fannie Mae described in the Analysis were as follows:

1. \$25,000 received by the National Republican Congressional Committee ("NRCC") on May 30, 2002;
2. \$700 received by the NRCC on June 16, 1999;
3. Two donations (\$50,000, dated June 29, 1999, and \$100,000, dated May 19, 2000) received by the 1999 and 2000 Republican House-Senate Dinner Committees, respectively; and
4. Donations totaling \$51,470 received by the Republican Governors Association ("RGA") between 1998 and 2000.

DISCUSSION

The Federal Election Campaign Act, as amended ("FECA") prohibits any corporation organized by any law of Congress from "mak[ing] a contribution or expenditure in connection with any election to any political office." 2 U.S.C. § 441b(a) (2003). Fannie Mae was chartered by the Federal Housing Administrator in 1938 and reconstituted by the 1954 Charter Act and the 1968 Charter Act, both of which were acts of Congress. Accordingly, these provisions of FECA are applicable to Fannie Mae. Before the Bipartisan Campaign Reform Act of 2002, however, federally chartered corporations could donate to so-called "building funds" of national and state political party committees. See 2 U.S.C. § 431(8)(B)(viii) (2002).² Donations made under this building fund exemption are not considered contributions. Id.

Consistent with FECA, all of the Fannie Mae national party committee donations at issue in MUR 5197 were either: (i) specifically designated by Fannie Mae to building fund accounts and deposited by those committees in the appropriate

² Although not relevant to MUR 5197, it appears that the Bipartisan Campaign Reform Act of 2002 permits federally chartered corporations to continue making contributions to "building funds" of state political party committees, subject to state law.

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building fund accounts; or (ii) specifically designated by Fannie Mae for building fund accounts but not deposited by the recipient committees into the appropriate building funds despite Fannie Mae's instructions. As to the latter, to the extent any of the donations in question were misdeposited by the recipient party committee (the Republican National Committee ("RNC")) contrary to Fannie Mae's instructions, they have been fully refunded to Fannie Mae.

The Analysis recognizes that the vast majority of donations at issue were, in fact, deposited into building funds, but nonetheless concludes that a violation occurred solely because "designation" to those funds was not properly made. In particular, the Analysis seems to suggest that in order for a donor to meet the requirement of the law, designations for deposit of donations into a building fund must be formal, in writing, or be written on checks. Such a construction of the law is misplaced. Indeed, nothing in federal law requires formal or written designations to building funds.³ Rather, because funds designated and used to defray the cost of construction or purchase of any office do not influence any candidate's election, the FECA and implementing regulations do not classify such donations as "prohibited contributions." In other words, the purpose and intent of the FECA is to prohibit certain entities from providing money to fund elections, but to allow the same companies the ability to assist in the acquisition of office facilities. When money is deposited and used for the appropriate purpose, it is neither a violation of the letter nor spirit of the law. On the other hand, a strict liability standard applied to whether or not a company has provided a written designation is not consistent with the letter or spirit of the law.

Even assuming arguendo that some formal designations were required, Fannie Mae's donations still meet this test. In fact, through written, oral, and standing specific designations, Fannie Mae has directed that all of its political donations be deposited exclusively in building fund accounts, a requirement acknowledged and accepted by the recipient national political party committees. Thus, Fannie Mae fully complied with federal law. This is best illustrated by examining the facts and circumstances surrounding the contested donations.

³ The FECA excludes from the definition of contribution: "[a donation] to a national or a State committee of a political party *specifically designated* to defray any cost for construction or purchase of any office facility." 2 U.S.C. § 431(8)(B)(viii) (2002) (emphasis added).

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A. \$25,000 Donation to the NRCC in 2002

The Analysis concludes that Fannie Mae made a prohibited \$25,000 contribution in 2002 to a non-building fund account of the NRCC in violation of 2 U.S.C. § 441b(a). This assertion is incorrect. Because this donation was made after the filing of the complaint and Response, unfortunately Fannie Mae was not provided a prior opportunity to respond to this assertion. Had Fannie Mae been given such an opportunity, it would have provided facts that clearly demonstrate that it made a permissible donation to the building fund of the NRCC.

Fannie Mae designated the NRCC's Building Fund as the recipient of the donation on both the check request, attached hereto at Tab B, and on the check, attached hereto at Tab C. In addition, Christopher J. Ward, the Controller and Treasurer of the NRCC, confirms that the Fannie Mae donation was deposited by the NRCC into the committee's Building Fund. See Affidavit of Christopher J. Ward, dated July 28, 2003 ¶ 5, attached hereto at Tab D [hereinafter July 28 Ward Aff.].⁴ In short, as has been its practice, Fannie Mae complied with all federal campaign finance laws in making its \$25,000 donation to the NRCC Building Fund in 2002.

**B. \$50,000 Donation to the 1999 Republican House-Senate Dinner;
\$100,000 Donation to the 2000 Republican House-Senate Dinner;
and \$700 Donation to the NRCC, dated June 16, 1999**

The Analysis (at 6-7) asserts that Fannie Mae failed to designate the following three donations to national political party committee building fund: (1) a \$50,000 donation to the 1999 Republican House-Senate Dinner (check dated June 29, 1999); (2) a \$100,000 donation to the 2000 Republican House-Senate Dinner (check dated May 19, 2000); and (3) a \$700 donation to the NRCC, dated June 16, 1999.⁵

⁴ Initially, the NRCC reported Fannie Mae's 2002 \$25,000 donation as being made to a non-building fund account. However, the NRCC has amended its July 2002 Quarterly Report to confirm that the funds were deposited into its building fund and never deposited into an unauthorized account. See July 28 Ward Aff. ¶ 5.

⁵ The \$700 donation was made for the registration fees of two Fannie Mae employees at the 1999 National Republican Conference and charged by an employee to his credit card. See Response at 3.

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First, it is critical to understand that each of these donations was in fact deposited into an account of a "national . . . committee of a political party specifically designated to defray any cost for construction or purchase of any office facility, not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office." 2 U.S.C. § 431(8)(B)(viii) (2002). More specifically, these donations were deposited into an authorized building fund and not used to influence any election. Therefore, they should not be considered contributions. Funds falling under the building fund exemption are exempt from the prohibitions of 2 U.S.C. § 441b. See 11 C.F.R. 114.1(a)(2)(ix) (2002); FEC Advisory Opinions 2001-12, 2001-1, 1998-8, 1998-7, 1997-14, 1983-8, and 1979-17.

The Analysis, however, appears to ignore the fact that these donations actually were deposited into an authorized building fund. Rather, it finds that because there is no evidence of a contemporaneous formal or written designation to a building fund, a violation of 2 U.S.C. § 441b(a) nonetheless has occurred. But failure to provide a formal, written designation is not itself a violation of the law (especially where, as here, the funds were actually deposited into a building fund as the law expressly allows).⁶ In short, Fannie Mae is being held liable for something that didn't happen. Thus, although it is the case that Fannie Mae has not located documentation of contemporaneous written designations for these three donations as of the date hereof, it is equally true that Fannie Mae nonetheless "specifically designated" the donations to the appropriate building funds. Indeed, the evidence shows: (a) all three donations were deposited by the recipient committees into their respective building funds; (b) there was a longtime and continuing understanding between Fannie Mae and the recipient committees that all donations from Fannie Mae must be deposited into the building funds; and (c) the practice of Fannie Mae was to designate donations to the building funds.

Nothing in the statutory exception for building fund donations mandated that a specific designation either be in writing or even appear on a check. The pre-Bipartisan Campaign Reform Act of 2002 regulations did not require specific written or formal designations to building funds. See 11 C.F.R. § 100.7(b)(12) (2002) (stating "[a] gift, subscription, loan, advance, or deposit of money or anything of value made to a national committee or a State committee of a political

⁶ The pre-Bipartisan Campaign Reform Act of 2002 regulations are consistent with the notion that a designation can occur in one of a number of ways, which can include a written, oral, or standing designation.

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party is not a contribution if it is specifically designated to defray any cost incurred for the construction or purchase of any office facility . . ."). See also id. § 114.1(a)(2)(ix) (2002). The Commission's many Advisory Opinions on building fund donations simply reiterate that such donations should be designated to the building funds, but say nothing about the form of designations, whether they must be in writing or on the checks themselves. See FEC Advisory Opinions 2001-12, 2001-1, 1998-8, 1998-7, 1997-14, 1993-9, 1991-5, 1986-40 & 1983-8. In contrast, the Commission has issued formal designation requirements with respect to individual and PAC contributions to various elections. See 11 C.F.R. §§ 110.1(b) & 110.2(b). These two regulations demonstrate that the Commission is fully capable of directing specific forms of designation where appropriate—notifying parties of necessary steps for compliance with the law. No comparable requirements have ever been adopted for building fund donations.

Absent specific statutes, regulations, or Advisory Opinions to the contrary, it is reasonable to conclude that specific designations of building fund donations may be made in writing, orally, by prior understanding, or otherwise. See, e.g., Merriam-Webster's Collegiate Dictionary 312 (10th ed. 2000) (defining "designate" as "to *indicate* and set apart for a specific purpose, office, or duty") (emphasis added). As a result, the Analysis' suggestion that all building fund specific designations be in writing or on the check is legally unsupportable. Moreover, it would be patently unfair to impose this unstated requirement after the fact.

This is especially true given that the evidence Fannie Mae has presented thus far demonstrates that specific designations or "indications" were made orally, through mutual prior agreement, and otherwise. First, all three donations were deposited by the recipient Dinner Committees and party committee into their respective building funds. See Affidavit of Donna Anderson ¶¶ 2-3, a copy of Ms. Anderson's affidavit submitted by the NRCC with its May 14, 2001, letter to the FEC is attached hereto at Tab E; Affidavit of Christopher J. Ward, dated July 29, 2003 ¶¶ 6-7, attached hereto at Tab F [hereinafter July 29 Ward Aff.]. The fact that these donations were correctly deposited into the building funds is prima facie evidence that Fannie Mae specifically designated them for the building funds. Significantly, these building fund deposits serve as clear evidence that none of the donations from Fannie Mae was used by the recipient committees to influence any election for any office that is prohibited by 2 U.S.C. § 441b(a). Through these donations, Fannie Mae could not have made any "expenditure" in violation of section 441b(a) since the funds were properly deposited and never used "in connection with" any election.

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Second, based upon the long-standing practice of Fannie Mae specifically designating donations to the building funds of the Dinner Committees and the party committees, it was the Dinner Committees' and the NRCC's understanding that all donations from Fannie Mae and other federally-chartered corporations always were to be deposited exclusively in the building funds. See July 28 Ward Aff. ¶ 3; July 29 Ward Aff. ¶ 4. Specific designations comporting with the letter and spirit of the federal law and regulations, then, were longstanding and continuous, arising out of the ongoing communications between the donors and recipients and confirmed by the FEC reporting and depository activities of the recipient party committees. The recipient committees were informed of and aware of these designations and sought in all cases to follow the specific designations. In the three cases at hand, the recipient committees followed the specific designations exactly and deposited the donations into the building funds. The fact that these internal procedures were followed based on a prior understanding with the donors resulted in the recipient committees correctly depositing the donations in the building funds and using the donations only for their intended purpose.

Finally, the long-standing practice of Fannie Mae to specifically designate all political party donations to the parties' building funds indicates that Fannie Mae intended to, and did, specifically designate the three donations at issue. For example, both Disbursement Requests for the Dinner Committee Building Fund donations contained the Dinner Committee's "Trust" as the proposed payee. See Disbursement Requests attached hereto at Tab G. The NRCC and the Dinner Committees confirm that, as a matter of practice, they labeled all corporate contributions, including building fund contributions, as "Trust" accounts. July 28 Ward Aff. ¶ 4; July 29 Ward Aff. ¶ 5. Although the word "Trust" was omitted from the actual checks, it is clear that Fannie Mae's intent with the Dinner Committee donations, as with all known party donations, was that it be solely for the building fund. Fannie Mae's habit and practice in making these building fund donations is evidence of its proper intent, even in isolated cases where Fannie Mae arguably committed an administrative oversight.

Because of its practice, its long-standing understanding and continuing instruction to the national party committees, the recipient party committees' equally long-standing understanding and continuing practice to deposit Fannie Mae donations into party building funds, and the actual proper deposit and use of the donations, Fannie Mae did not violate federal campaign finance laws by making these three gifts. It is incorrect to base a finding of a violation on the lack of written designation when (a) such a finding misstates the requirements of the law, and (b)

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there is extensive evidence as to the proper handling of these donations by the donor as well as the recipient.

C. Donations to the Republican Governors Association from 1998-2000 (totaling \$51,470)

In the Response, Fannie Mae acknowledged that donations to the RGA between 1998 and 2000, while made payable to the "Republican Governors Association," were errantly deposited by the RNC into the Republican National State Elections Committee, which was not a building fund. See Response at 2. The total amount of donations from Fannie Mae wrongly deposited by the RNC into this account was \$51,470. Although the Commission has found reason to believe that these donations violated 2 U.S.C. § 441b(a), Fannie Mae disagrees for three important reasons:

- Fannie Mae lacked knowledge of and notice about the political nature of the RGA;
- The RNC, like all political committee recipients of Fannie Mae donations, was under a long-standing instruction and understanding that all Fannie Mae donations (when knowingly made to the RNC) were solely for the building fund; and
- Swift remedial action was taken by Fannie Mae.

Initially, Fannie Mae understood that the RGA, a relatively new organization in 1998, was similar to the National Governors Association ("NGA"), which is a 501(c)(4) tax-exempt association of the nation's governors and to which federal campaign finance limits and prohibitions do not apply. Indeed, Fannie Mae did not appreciate the political nature of the RGA and instead thought it was a non-campaign trade association, the funds of which would be used to cover the costs of the association's conferences, dinners, etc. See Response at 4.⁷ Compounding the misunderstanding was the fact that the initial materials from the RGA to Fannie Mae made no mention of the group's political nature or affiliation with the RNC. See Memorandum to Bill Maloni from Jane Katz, dated April 22, 1998, attached hereto at Tab H. As a result, Fannie Mae processed its two association dues

⁷ The timing of the RGA donations (1998-2000) predates IRS reporting requirements for section 527 political organizations, 26 U.S.C. § 527(i)-(j), and online databases that today would make confirmation of tax status relatively quick and simple.

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payments, two dinner payments, and various conference fees to the RGA as if it were identical to the NGA, a non-campaign trade association. Because of this confusion, Fannie Mae did not focus on its normal practice of directing donations to a national political party committee's building fund.

At the same time, it turns out that the RNC, not the RGA, was the ultimate recipient of the donations. The RNC, over the years, has been the recipient of several Fannie Mae donations to its building fund, the Committee to Preserve the Dwight D. Eisenhower National Republican Center. See, e.g., copies of FEC reports attached at Tab I. As a recurrent recipient of building fund donations from Fannie Mae, the RNC was aware of the same continuous building fund specific designation and understanding that applied to its sister party committee, the NRCC, in that all Fannie Mae donations were to be deposited exclusively into the committee's building fund. See July 28 Ward Aff. ¶ 3; July 29 Ward Aff. ¶ 4. As a result, the RNC, having full knowledge that the RGA donations were from Fannie Mae (although Fannie Mae lacked knowledge that the RNC was the ultimate recipient), should have followed the continuing standing instructions it otherwise had from Fannie Mae and deposited the RGA donations into the Committee to Preserve the Dwight D. Eisenhower National Republican Center.

Fannie Mae misunderstood the political nature of the RGA, and the RNC failed to abide by Fannie Mae's specific designation. Nonetheless, when the political nature and non-building fund destination of the RGA donations became known to Fannie Mae, Fannie Mae took swift remedial action. It immediately asked the RNC for a full refund, and Fannie Mae received a full refund. See Letter from Duncan Campbell to Anthony F. Marra, dated April 19, 2001, attached at Tab J.

The immediate remedial action and initial misunderstanding, combined with the failure of the RNC to follow through on the continuing instructions it received from Fannie Mae, should be given significant weight by the Commission. Again, any *ex post facto* insistence by the Commission that specific designations be in writing and on the checks differs from the clear language of the statute and regulations. The sum of the facts and circumstances surrounding the RGA donations from Fannie Mae is such that Fannie Mae has not violated section 441b(a).

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CONCLUSION

The Commission, through the data available on its website, is well aware that for almost a decade Fannie Mae has made many donations specifically designated to the building funds of the national party committees of both major parties. The recipient committees systematically and correctly have deposited the donations into their respective building funds. Indeed, the only such donations not so deposited were those to the RGA and, then, only because of a misunderstanding and improper deposit.

In this case, all of the donations by Fannie Mae were specifically designated to the party building funds—either in writing, orally, or through specific and continuing instructions. With respect to the RGA donations, Fannie Mae immediately asked for and received a full refund as soon as the political nature of the RGA and the misdirected nature of the RNC deposits became known. For these

reasons, Fannie Mae does not agree with the Commission's finding and does not believe that it has violated 2 U.S.C. § 441b(a).

We would be glad to discuss this matter further with your office in order to expedite final resolution.

Sincerely,



Jan Witold Baran

D. Mark Renaud

Counsel to Fannie Mae

cc: Ann M. Kappler, Fannie Mae Senior Vice President and General Counsel

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 5197

NAME OF COUNSEL: Jan Witold Baran

FIRM: Wiley Rein & Fielding LLP

ADDRESS: 1776 K Street, NW

Washington, DC 20006

TELEPHONE: (202) 719-7330

FAX: (202) 719-7049

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.

July 29, 2003

Date


Signature.

Ann M. Kappler

RESPONDENT'S NAME: Federal National Mortgage Assn. ("Fannie Mae")

ADDRESS: 3900 Wisconsin Avenue, N.W.

Washington, D.C. 20016-2892

TELEPHONE: HOME() _____

BUSINESS(202) 752-4850

24-04-407-0315

24-04-407-0316



Duncan hand check to OxyLeg

Fannie Mae
 Disbursement Request
 Make check payable to:
 NRCC Building Fund
 Street Address
 120 First Street, SE
 City/State/Zip Code
 Washington, DC 20003

DUANE DUNCAN
 Amount (in figures) \$25,000.00
 Check Number 70
 Check Date
 Remitting Instructions
 XCALL
 [] Mail: 71:7

Type of Disbursement
 Travel Advance Non-Purchase Order
 Wire Transfer Purchase Order, Number

Prepared by
 A. Best for Duane Duncan
 Authority *W.R. Maloni*
 Please print or type authorizing signature
 WILLIAM R. MALONI, SVP, GOVERNMENT & INDUSTRY RELATION:
 Extension 2263 Date 4/24/2002
McL. 4/25/02
OPD 28400

Explain purpose of payment (Attach original invoice. Backup must show amount to be paid, and name and address of payee.)
 NRCC BUILDING FUND (National Republican Congressional Committee); NRCC's Annual New York Republican Delegation w/OXLEY; Vice President Henry
 guest of honor and speaker

P.O Number Vendor Number Voucher Number Invoice Number Invoice Date Gross Amount
 Freight Amount of Discount \$25,000.00

Pay Code	Bank Code	Check Description	Acct No/Cost Cntr	Project Code
Rec'd	Line	Amount	A	1099
	1			
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11			
Total				

[] sales tax removed [] Discount Taken [] Researched Not Previously Filed [] Document Posted To System
 Home Office/Regional Accounting Unit Approval 4/24/2002
 Signature

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24.04.407.0318

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FannieMae

3900 Wisconsin Avenue, NW
Washington, DC 20016-2899

Date 04/29/02

AMOUNT
25,000.00***

64-1278 0007415260

611
Bank of America
Bank of America Consumer Services
Bank of America of North Carolina
Attn: Bank Center Branch
Member Federal Deposit Insurance Corporation

Pay *****TWENTY-FIVE THOUSAND AND XX / 100 DOLLAR*****

VOID ANY OTHER SIGNATURES OR ENDORSEMENTS
VOID ON MICROWAVE HEATING
VOID ON REPRODUCTION

PAYEE
**NATIONAL REPUBLICAN CONGRESSIONAL
COMMITTEE BUILDING FUND
320 FIRST STREET SE
WASHINGTON, DC 20003**

Tyly
Frank R. King
Bank Vice President and Treasurer

00025000007



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24-04-407-0320

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24-04-407-0320

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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)
)

MUR 5197

24-04-407-0321

1. My name is Christopher J. Ward, and I am the Controller and Treasurer for the National Republican Congressional Committee ("NRCC").
2. I have been Controller at the NRCC for seven years, and I have recently been named Treasurer. Before Controller, I was Accounts Receivable Manager for the NRCC for one year. Prior to this position, I served as Controller and Director of Administration for the Republican House-Senate Dinner Committees for five years. I have been performing the accounting for the annual Republican House-Senate Dinner Committees since 1991 and for the NRCC since 1995.
3. As long as I have been accounting for donations and contributions at the NRCC, and for some time previous, it was the committee's practice and understanding that any and all checks from Fannie Mae, Freddie Mac, and Sallie Mae were to be deposited only in the committees' building funds. This practice and understanding was based upon those entities' long-standing specific designations of their donations to the building funds and insistence that their donations go only to the building funds.
4. As a matter of practice, the NRCC internally labeled all of their corporate donations, including donations to their building funds, as "Trust" donations.
5. The \$25,000 donation by Fannie Mae payable to the NRCC Building Fund, by check dated May 30, 2002, was deposited into the NRCC's Building Fund. I have attached hereto copies of the Building Fund deposit slip (to account ending in "4186") and the NRCC's internal records noting the deposit on May 31, 2002. The initial July 2002 Quarterly Report of the NRCC did not specify that this donation from Fannie Mae was deposited into the NRCC Building Fund. Amendments to this Report filed on July 18, 2003 make clear that this donation was deposited into the NRCC Building Fund. See Amendment page 13,016 found at <http://herndon1.sdrdc.com/cgi-bin/fecimg/?C00002931>.


Christopher J. Ward

Sworn and subscribed to before me this 28th day of July, 2003.

Hannah B. Thrush

My Commission expires July 31, 2007

HANNAH B. THRUSH
NOTARY PUBLIC DISTRICT OF CO
MY COMMISSION EXPIRES JULY :

24-04-407-0322

DEPOSIT TICKET

NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE

Bldg

DATE

5/30/02

DEPOSITS MAY NOT BE AVAILABLE FOR ENDORSEMENT. ENDORSE & LIST CHECKS SEPARATELY OR ATTACH LIST

DEPOSIT TICKET

NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE

DATE

5/30/02

DEPOSITS MAY NOT BE AVAILABLE FOR ENDORSEMENT. ENDORSE & LIST CHECKS SEPARATELY OR ATTACH LIST

	AMOUNT	CHECKS
CURRENCY		
COIN		
TOTAL CASH		
CHECKS		
Wells Fargo	25.00	-
Bank of America	10.00	-
First State	25.00	-
TOTAL FROM ATTACHED LIST		
		160.00

WELLS FARGO BANK

TOTAL \$ 3

60000000

	AMOUNT	CHECKS
CURRENCY		
COIN		
TOTAL CASH		
CHECKS		
Wells Fargo	25.00	-
Bank of America	10.00	-
First State	25.00	-
TOTAL FROM ATTACHED LIST		
		160.00

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE AND ANY APPLICABLE COLLECTION AGREEMENT

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE AND ANY APPLICABLE COLLECTION AGREEMENT

DONOR/DONATION RECORD

24-04-407-0323

Account Number	
Name	Fannie Mae
Company/PAC	Fannie Mae
Address 1	
Address 2	
City, State, Zip	
Telephone	
Occupation	
Employer	

CTYPE	I = Individual	M = Federal PAC	<u>Q</u> = Corp, Assn, Other
Flag Codes	L = Major Donor		

Batch No	2			
Date	5/30/02			
Amount	25,000.			
Source Code	02MC			
History Flag	N = Individual	<u>C</u> = Corp, Other	P = PAC	
History Flag	N = No data	F = Female	M = Male	B = Both
History Flag	N = Federal	M = Memo Entry	<u>T</u> = Trust	

FannieMae
 3900 Wisconsin Avenue, NW
 Washington, DC 20016-2899
 Date 04/29/02

Amount
25,000.00***

64-1278 0007415260
 611
Bank of America
 Bank of America Consumer Services
 Bank of America of Georgia, N.A.
 Atlanta, DeKalb County, Georgia
 Member Federal Deposit Insurance Corporation

Pay ****TWENTY-FIVE THOUSAND AND XX / 100 DOLLAR****

CHECKS OVER \$10,000.00 REQUIRE COUNTERSIGNATURE
 VOID SIX MONTHS FROM ISSUE DATE
 FANNIEMAE

PAYEE NATIONAL REPUBLICAN CONGRESSIONAL
 COMMITTEE BUILDING FUND
 320 FIRST STREET SE
 WASHINGTON, DC 20003

T. J. Kelly
 Executive Vice President and Chief Financial Officer
Frank L. Kelly
 Senior Vice President and Treasurer

⑈00007615260⑈ ⑈001112000⑈ ⑈0101⑈

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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MUR 5197

1. My name is Donna Anderson. I am the treasurer and custodian of records for the National Republican Congressional Committee ("NRCC"), located at 320 First Street, SE, Washington, DC 20003, and have served in that capacity since 1992.
2. The NRCC has received donations from both the Federal Home Mortgage Corporation ("Freddie Mac") and the Federal National Mortgage Association ("Fannie Mae"). All donations from these two entities were made to the NRCC Building Fund, maintained and kept in accordance with the Federal Election Campaign Act of 1971, as amended. No building fund money has been, is being, or will be used for purposes other than those permitted by Federal law.
3. I have personally confirmed that each and every donation to the NRCC cited in the complaint in this MUR was placed in the NRCC building fund, and was not in any way diverted to any other non-Federal or Federal account. This includes the donations listed in the complaint under the heading "NRCC - Non-Federal Account."

Donna Anderson
 for the National Republican Congressional Committee
 Donna Anderson, Treasurer

SUBSCRIBED AND SWORN to before me this 17th day of May, 2001.

30 [Signature]

My Commission expires:

M.D. ACTON
 Notary Public, District of Columbia
 My Commission Expires July 14, 2004

24-04-407-0325

24.04.407.0326



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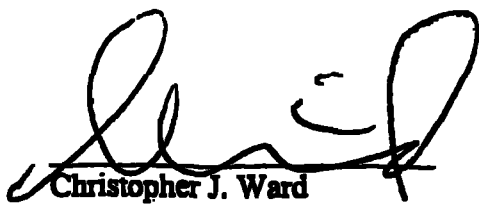
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City of Washington)
) ss:
District of Columbia)

Affidavit of Christopher J. Ward

1. My name is Christopher J. Ward, and I am the Controller and Treasurer for the National Republican Congressional Committee ("NRCC").
2. I have been Controller at the NRCC for seven years, and I have recently been named Treasurer. Before Controller, I was Accounts Receivable Manager for the NRCC for one year. Prior to this position, I served as Controller and Director of Administration for the Republican House-Senate Dinner Committees for five years.
3. I have been performing the accounting for the annual Republican House-Senate Dinner Committees since 1991 and for the NRCC since 1995.
4. As long as I have been accounting for donations and contributions at the Republican House-Senate Dinner Committees, and for some time previous, it was the committees' practice and understanding that any and all checks from Fannie Mae, Freddie Mac, and Sallie Mae were to be deposited only in the committees' building funds. This practice and understanding was based upon those entities' long-standing specific designations of their donations to the building funds and insistence that their donations go only to the building funds.
5. As a matter of practice, the Republican House-Senate Dinner Committees internally labeled all of their corporate donations, including donations to their building funds, as "Trust" donations.
6. The \$50,000 donation from Fannie Mae, by check dated June 29, 1999, was deposited on July 7, 1999, in the 1999 Republican Senate-House Dinner Committee Building Fund and then split and designated to be deposited in the respective building funds of the NRCC and the National Republican Senatorial Committee ("NRSC"). The NRCC deposited such funds into the NRCC Building Fund. I have attached hereto at Tab 1 a copy of the pertinent page of the FEC report of the 1999 Republican Senate-House Dinner Committee Building Fund.
7. The \$100,000 donation from Fannie Mae, by check dated May 19, 2000, was deposited on May 21, 2000, in the 2000 Republican House-Senate Dinner Committee Building Fund and then split and designated to be deposited in the respective building funds of the NRCC and the NRSC. The NRCC deposited such funds into the NRCC Building Fund. I have attached hereto at Tab 2 a copy of the pertinent page of the FEC report of the 2000 Republican House-Senate Dinner Committee Building Fund.

24-04-407-0327


Christopher J. Ward

7/29/03
Date

Sworn and subscribed to
Before me this 29 day of
July, 2003.

Hannah B. Thrush
Notary Public

My Commission expires July 31, 1977



HANNAH B. THRUSH
NOTARY PUBLIC DISTRICT OF COLUMBIA
MY COMMISSION EXPIRES JULY 31, 2007

24-04-407-0328

24.04.407.0329



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SCHEDULE A

ITEMIZED RECEIPTS

Use separate attachments for each category of the Detailed Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 1

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)
THE 1999 REPUBLICAN SENATE-HOUSE DINNER COMMITTEE (BUILDING FUND)

24-04-407-0330

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
FANSLIE HAN 3900 WISCONSIN AVENUE, NW WASHINGTON, DC 20016	N/A	7/7/99	\$50,000.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: N/A	Aggregate Year-to-Date: \$ 50,000.00	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
FREDDIE MAC 8100 JONES BRANCH DRIVE MCLEAN, VA. 22102	N/A	9/9/99	\$100,000.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: N/A	Aggregate Year-to-Date: \$ 100,000.00	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
NATIONAL MINING ASSOCIATION 1130 SEVENTEENTH STREET, NW WASHINGTON, DC 20036	N/A	7/6/99	\$6,667.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation: N/A	Aggregate Year-to-Date: \$ 6,667.00	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation:	Aggregate Year-to-Date: \$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation:	Aggregate Year-to-Date: \$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation:	Aggregate Year-to-Date: \$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt This Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation:	Aggregate Year-to-Date: \$	

SUBTOTAL of Receipts This Page (optional)	\$156,667.00
TOTAL This Period (post page this line number only)	\$156,667.00

24.04.407.0331



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SENATE HOUSE DINNER
FEC: Building Fund
Statement Report for Period:
Year to Date Total Over

04/01/2003 Thru 06/30/2003
\$200.00

Name Address City, State Zip	Employer/ Occupation	Receipt Date	Receipts This Period	Aggregate YTD
Achauer-Busch Companies, Inc. Suite 200 1776 L Street N.W. Washington, DC 20005-3700		05/15/2003	20,000.00	\$20,000.00
Compex A.D.F. Restricted Suite 400 800 18th Street N.W. Washington, DC 20006		05/19/2003	20,000.00	\$20,000.00
Farrise Med Mr. Bill Maloni 3900 Wisconsin Avenue N.W. Washington, DC 20018-2886		06/21/2003	100,000.00	\$100,000.00
National Mining Association 1150 Seventeenth Street N.W. Washington, DC 20036-4577		08/08/2003	\$,000.00	\$5,000.00

24-04-407-0332

24.04.407.0333



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24-04-407-0334

Fannie Mae

Disbursement Request

Make check payable to:

1999 Republican Senate-House Dinner Trust
Street Address

P.O. Box 1721

City/State/Zip Code

Washington DC 20013

Type of Disbursement

Travel Advance Non-Purchase Order

Wire Transfer Purchase Order, Number

Employee-Number Cost Center

RECEIVED

JUN 29 1999

Check Number

7310232

ACCOUNTING SERVICES

Amount (in figures)

\$50,000.00

Check Date

06/29/99

Handling Instructions

[X] Call Pam Arnold

Phone 2283

Prepared by

Pam Arnold

Extension

2283

Date

6/29/99

Authorized Signature

William R. Maloni

Please print or type authorizing signature

William R. Maloni

Explain purpose of payment (Attach original invoice. Backup must show amount to be paid, and name and address of payee.)

1999 Republican Senate-House Dinner

June 23, 1999

Need check ASAP

Vendor Number

122848

Invoice Number

1099

Pay Code Bank Code Check Description

1 50,000.00

Acct No/Cost Cntr

6184-4/- 070

Project Code

1099

Invoice Date

6/29/99

Gross Amount

\$50,000.00

Freight

Amount of Discount

Invoice sent to cost center because:

No Purchase Order/Contract on file

No Purchase Order or Requisition number given

Approval needed

Requires signature of supervisor

PO/Contract dollar limit exceeded or expiration date passed. Need amendment in order to process

Approved Employment Request required.

Insufficient back-up

Home Office/Regional Accounting Unit Approval

Signature *William R. Maloni* 6/22/99

sales tax Removed Discount Taken

Researched Not Previously Paid Document Posted To System

Distribution: Accounts Payable/Originator

24-04-407-0335



Disbursement Request
Make check payable to:

The 2000 House-Senate Dinner Trust
Street Address

425 Second Street, NE
City/State/Zip Code

Washington, DC 20002
Type of Disbursement

Travel Advances Non-Purchase Order
 Wire Transfer Purchase Order, Number

Employee Number

Cost Center
70

Amount (in figures) \$100,000.00

Check Number
7350940

Check Date
5-19-80

Handling Instructions

Call Pam Arnold
 Mail
Phone 2283

Prepared by
Pam Arnold
Extension 2283
Date 05/08/2000

Authorized Signature
[Signature]
Please print or type authorizing signature
William R. Maloni

Explain purpose of payment (Attach original invoice. Backup must show amount to be paid, and name and address of payee.)

2000 House-Senate Dinner

P.O. Number: 21776
Vendor Number: 219148
Invoice Number: 1099
Invoice Date: \$100,000.00

Pay Code: Blank Code
Check Description

Rec'd	Line	Amount	Acct No/Cont Ctr	Project Code	Invoice No	Invoice Date	Freight	Amount of Discount
	1	100,000	6184-41-070					
	2							
	3							
	4							
	5							
	6							
	7							
	8							
	9							
	10							
	11							
Total								

Invoice sent to cost center because:
 No Purchase Order/Contract on file
 No Purchase Order or Requisition number given
 Approval needed
 Requires signature of supervisor
 PO/Contract dollar limit exceeded or expiration date passed. Need amendment in order to process
 Approved Employment Request required.
 Insufficient back-up

Home Office/Regional Accounting Unit Approval
Signature: *[Signature]* 05/08/2000 519100

Sales tax removed Discount removed Document Posted To-System

Distribution: Accounts Payable/Originator

24.04.407.0336



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MEMORANDUM

**FANNIE MAE
WASHINGTON, D.C.**

DATE : April 22, 1998
TO : Bill Maloni
FROM : Jane Katz *Jane*
SUBJECT : Republican Governors Association

This memo is to follow-up on your discussions with John Buckley and Wayne Curtis regarding our becoming members of the Republican Governors Association in the amount of \$10,000. I have attached a copy of the RGA membership benefits. As noted, membership in the RGA entitles us to greater opportunities for access to the 32 Republican Governors and better information on their activities. Wayne and I previously met with Clare Weaver, the RGA Finance Director, who provided us with this information. I've spoken to Clare and she will provide any further documentation that you will need to process this request.

The check should be sent to:

Republican Governors Association
310 First Street, Southeast
Washington, DC 20003

Thanks for your help.

- cc: B. Zigas
- J. Buckley
- W. Curtis
- P. Weber
- M. Kinney

*Oh
From #070
Acct. 618441*

24-04-407-0337

24-04-407-02

COMMITTEE TO PRESERVE THE
DWIGHT D. EISENHOWER NATIONAL REPUBLICAN CENTER
ITEMIZED REPORT COVERING PERIOD
01/01/96-01/31/96

24-04-407-0339
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<u>NAME</u> <u>ADDRESS</u>	<u>OCCUPATION</u> <u>EMPLOYER</u>	<u>DATE</u>	<u>THIS</u> <u>PERIOD</u>	<u>CALENDAR</u> <u>Y-T-D</u>
RAYTHEON COMPANY 7215 JEFFERSON DAVIS HWY. SUITE 1500 ARLINGTON, VA 22202		1-18-96	\$13,000.00	\$13,000.00
HAMBRE INC. ONE WALL STREET ALBANY, NY 12205		1-22-96	\$ 3,000.00	\$ 3,000.00
MERRILL LYNCH, PIERCE, FENNER & SMITH INC. WORLD FINANCIAL CENTER SOUTH TOWER 7TH FLOOR NEW YORK, NY 10085		1-22-96	\$15,000.00	\$15,000.00
ROBIN FAULKNER 71-C TROY DRIVE SPRINGFIELD, NJ 07081	ATTORNEY MERRILL LYNCH & CO.	1-22-96	\$ 3,000.00	\$ 3,000.00
CONAGRA INC. ONE CONAGRA DRIVE OMAHA, NE 68102		1-30-96	\$15,000.00	\$15,000.00
THE NORTHLAND CO. 1285 NORTHLAND DRIVE ST. PAUL, MN 55128		1-30-96	\$10,000.00	\$10,000.00
FANNIE MAE 3908 WISCONSIN AVE., NW WASHINGTON, DC 20016		1-30-96	\$ 5,000.00	\$ 5,000.00
MR. ROGER BARTH 1301 K STREET, NW SUITE 1201L WASHINGTON, DC 20006	ATTORNEY CURTIS, MALLET-PREVOST COLT & MOORE	1-30-96	\$13,000.00	\$13,000.00
GOODYEAR 901 15TH STREET, NW WASHINGTON, DC 20005		1-31-96	\$ 3,000.00	\$ 3,000.00

Total itemized this period \$88,000.00

**COMMITTEE TO PRESERVE THE
DWIGHT D. EISENHOWER NATIONAL REPUBLICAN CENTER
ITEMIZED REPORT COVERING PERIOD
07/01/96-07/31/96**

24-04-407-0340

<u>NAME ADDRESS</u>	<u>OCCUPATION EMPLOYER</u>	<u>DATE</u>	<u>THIS PERIOD</u>	<u>CALENDAR Y-T-D</u>
Mr. Sidney Philip Lee 135 E. 54 th Street, Apt. 11C New York, NY 10022	W. Indus Investment Co.	7-3-96	\$ 15,000.00	\$ 15,000.00
Research Corp. Research Center 300 South St. Paul Dallas, TX 75201		7-12-96	\$ 10,000.00	\$ 10,000.00
Mr. Kathleen Grano Sheepfold Farms Drive New Vernon, NJ 07996		7-12-96	\$ 6,666.67	\$ 6,666.67
Mr. Joseph Grano 1285 Ave. of the Americas 14 th Floor New York, NY 10019		7-12-96	\$ 6,666.67	\$ 6,666.67
Stephens Inc. 111 Center Street, Suite 2500 P.O. Box 3907 Little Rock, AR 72201		7-16-96	\$100,000.00	\$100,000.00
Merrell Lynch, Pierce, Fenner & Smith, Inc. 2000 K Street, NW, Suite 630 Washington, DC 20007		7-18-96	\$ 15,000.00	\$ 15,000.00
First Pacific National Bank 613 W. Valley Pkwy. Escalante, CA 92028		7-18-96	\$ 200.00	\$ 200.00
Morgan Stanley & Co. Inc. 1221 Ave. of the Americas New York, NY 10020		7-19-96	\$ 20,000.00	\$ 20,000.00
Fornia Mac 3900 Wisconsin Avenue, NW Washington, DC 20016		7-31-96	\$ 11,430.00	\$ 11,430.00

Total itemized this period \$185,183.34

24.04.407.0341



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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,

A handwritten signature in cursive script, appearing to read "Duncan Campbell".

Duncan Campbell
Executive Director

Enclosure