

Dominion, the Foreign Software Company with a Controversial Background Deciding American Elections

The Canadian company acquired its software and intellectual property from a controversial firm linked to an infamous dictator and fraud incidents throughout the region

BY ORLANDO AVENDANO ANDEMMANUEL ALEJANDRO RONDÓN · 11.14.20 · 11 MINUTE READ

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B Party candidate, Donald Trump. Several minutes later, the count was halted in the main swing states still in dispute. The next morning, the trend reversed dramatically: the lead was now held by Joe Biden.

Michigan, Pennsylvania and Wisconsin were among those states where everything changed. Among the three, they have something in common: the software that was used for the electronic voting system belongs to the Canadian company Dominion Voting Systems.

A justified rant

Almost ten days after the election, it seems clear that the winner was the Democratic Party candidate, Joe Biden. Projections by all major U.S. media, after decanting each of the states, give 306 electoral votes to the Democrat and 232 to the Republican candidate.

However, although Joe Biden has already given his winning speech and appears on television as the president-elect, the race seems far from over. Donald Trump, along with his supporters and activists, are clinging to an allegation that, on that strange morning of November 4, the president flaunted: I am being cheated.

By the time he said it, the trend was still in his favor. Nevertheless, Trump anticipated the imminent: the states began to turn blue. And, since then, he has not let go of the word “fraud”. Today, in fact, the word is no longer ethereal, impalpable, but is represented in the figure of Canada’s Dominion Voting Systems.

“Report: Dominion deleted 2.7 million Trump votes nationwide. Data analysis finds 221,000 Pennsylvania votes switched from Trump to Biden. 941,000 Trump votes deleted. States using Dominion Voting Systems switched 435,000 votes from Trump to Biden.” the President tweeted, citing a One America News source, at 11

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Donald Trump's messages, several days after the media projected Biden as the winner, look like a tantrum from someone who already lost. Recurring, all caps tweets are caricatured by his opponents as *fake news* delusions. But this would be simplistic. No one has determined that there was fraud, it is true; but no one has determined otherwise. And, with respect to Dominion Voting Systems, there are several elements to be considered that suggest a possible linkage of the Canadian company with electoral fraud incidents throughout the region.

Smartmatic enters the game

On April 11, 2000, three young Venezuelan engineers, Antonio Mugica, Alfredo José Anzola and Roger Piñate, founded the company Smartmatic in Delaware, United States. Due to their concern about the obsolescence of elections worldwide, the Venezuelan group dedicated themselves to the development of a software that could manage the electoral processes in a better way.

According to the *New York Times*, at the beginning of 2004, a Venezuelan government financing agency invested more than US\$ 200,000 in a technology company owned by the same owners of Smartmatic: Bitza.

By that year, Venezuela was going through a severe political storm. The Venezuelan opposition, after months of demonstrations against the government of Hugo Chávez, managed to arrange a referendum against the leader of the Bolivarian Revolution. Finally, it was agreed that the referendum would be held on August 15, 2004. And, in the bidding process for the award of the contract to the company that would build the voting system, the SBC consortium won: Smartmatic, Bitza and CANTV, the Venezuelan phone company.

The recall referendum was the first Venezuelan election to have the software

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possibility of fraud. On that August 15, 2004, the Bolivarian system began to consolidate, leading to a cruel dictatorship accustomed to electoral fraud.

After the failed referendum, Smartmatic won two more contracts with the government of Hugo Chávez. Thanks to the income from these agreements, the company was able to amass a small fortune. In March 2005, it bought from the British firm De La Rue the much larger and more established electronic voting company, Sequoia Voting Systems, for US\$ 16 million.

The battle for Sequoia

“Since its acquisition by Smartmatic in March 2005, Sequoia has worked hard to market its voting machines in Latin America and other developing countries,” reads a report in *The New York Times*.

“The goal is to create the world leader in electronic voting solutions,” Smartmatic spokesman Mitch Stoller told the U.S. newspaper.

An important detail is that, right after the company of the three Venezuelans acquired the electronic voting company Sequoia, Smartmatic reorganized itself into a holding of several companies with headquarters in Delaware (Smartmatic International), the Netherlands (Smartmatic International Holding, B.V.) and Curaçao (Smartmatic International Group, N.V.).

But not everything went well for Smartmatic. Its relationship with the regime of Hugo Chávez made some people in the United States uncomfortable, and in May 2006, Democratic Congresswoman Carolyn Maloney asked the Treasury Department to investigate Smartmatic’s purchase of Sequoia.

“I am writing because of possible investments by the Venezuelan Government in Smartmatic, an electronic voting company with business in the United States, and its acquisition of Sequoia, a U.S.-based electronic voting company,” reads the letter

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“As you can imagine, having a foreign government invest in or buy a company that services U.S. elections could raise concerns about the integrity of the elections conducted by these machines,” the letter continues.

Speaking to the *New York Times*, Maloney said, “The government should know who owns our voting machines. This is a national security concern.”

At the time of the publication of *The New York Times* report on October 29, 2006, Sequoia Voting Systems, owned by Smartmatic, had “voting equipment installed in 17 U.S. states and the District of Columbia.”

Sequoia’s machines began to be tested and, as in Venezuela, irregularities began to occur: in August 2007, then California Secretary of State Debra Bowen withdrew approval and vetoed Sequoia’s voting and optical scan machines after “a review of the machines certified for use in California in 2007 found significant security weaknesses in the entire Sequoia system.”

All of the software that Sequoia was using was, in fact, from Smartmatic. The old voting machines were renovated and all of their technology was developed and patented. As a consequence of the changes that Smartmatic was promoting in Sequoia, the company managed to be successful until, after the controversies and the warning call from Congresswoman Maloney, the Committee on Foreign Investment in the United States ordered, in November 2007, that Smartmatic sell Sequoia.

In an article published on April 10, 2008, journalist Bradley Friedman writes:

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buyers were the company's own managers, but those with U.S. citizenship.

But the verdict did not end Smartmatic's controversial relationship with Sequoia. In fact, in April 2008 a market competitor, Hart InterCivic, tried to acquire Sequoia in a hostile move. This led to the involvement of the courts. Smartmatic was exposed.

Court documents unearthed at the time revealed that Smartmatic still retained much of the financial control of Sequoia. Smartmatic also continued to retain, due to the contract signed, ownership of the rights to some of the products that Sequoia had deployed throughout the United States. In fact, Sequoia's CEO at the time was Jack Blaine, who had been an executive at Smartmatic.

Finally, pressure was applied and the owners of Sequoia, who had been exposed shortly before, sold the company on June 4, 2010. The buyer, this time, was a small Canadian company that manufactures electronic voting equipment and optical scanners: Dominion Voting Systems.

That day the Canadian company not only bought Sequoia, but also acquired all the software and technological development that Smartmatic had patented and which the controversial company linked to Chavismo still owned.

Almost an oligopoly

Before Dominion Voting Systems acquired Sequoia on June 4, 2010 —taking approximately 20 percent of the American electoral market presence— the Canadian company had already made a major breakthrough in the system. One that went virtually unnoticed in the public sphere: Dominion bought Premier Election Solutions, also known as Diebold/Premier, in 2010.

With the sudden acquisition of Sequoia and Diebold/Premier, Dominion now has

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Hart InterCivic, with 10%, according to a *Huffington Post* report published in 2017.

A press release distributed by Dominion on May 19, 2010, highlights the agreement with ES&S —Premier Election was a wholly-owned subsidiary of ES&S— and celebrates the acquisition of the company’s main assets, including intellectual property, software, firmware and hardware of its voting systems.

ES&S, by the way, is forced to sell Premier Election Solutions by a Department of Justice requirement due to potential monopoly concerns —which prevents it from dominating most of the private electoral market—. Dominion took advantage of this.

According to Dominion, the agreement was approved by the U.S. Department of Justice and nine state and federal attorneys general, while retaining “the right to hire current and former Premier employees and to enter into agreements with Premier distributors experienced in implementing and supporting these systems.”

With the purchase, Dominion limited the ability of ES&S to sell Premier equipment. And the same Canadian company noted that “Premier’s voting systems are currently used in more than 1,400 jurisdictions in 33 states and serve nearly 28 million U.S. voters.” In short, a roundtable purchase for a new “titan” of the American private electoral market.

“It’s not exactly an oligopoly, but it’s like one,” Charles Stewart, a political science professor at the Massachusetts Institute of Technology (MIT), told the *Wall Street Journal* of the skillful way in which e-voting companies have moved.

But behind that pair of acquisitions that positioned Dominion at the top of the electoral market, there was a black hand related to Smartmatic.

***The Huffington Post* investigates**

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relationship between Smartmatic, Sequoia and Dominion— “The ‘intellectual

property’ of the voting systems (of Sequoia, acquired by Dominion) remains the property of the company linked to the Venezuelan president (Smartmatic and Hugo Chávez), despite the rather misleading press statement” issued by Dominion in 2010.

The report mentions, among many other details, that the intellectual property “of most/almost all of Sequoia’s voting systems was actually secretly owned by the firm Smartmatic”, linked to Chavism and the numerous electoral fraud scandals in Venezuela.

Then, from a moment to another in 2010, a small Canadian company linked to Smartmatic bought a large part of the private electoral market and entered the US from its offices in Colorado.

Later, it was discovered that Smartmatic still had interests with Sequoia and, to make matters worse, controlled the company’s intellectual property, even reserving rights to negotiate through non-competition agreements abroad. The Foreign Investment Committee had agreed to close the investigation if Smartmatic divested itself of Sequoia in its entirety.

Now, who is the real owner of the Sequoia intellectual property that was acquired by Dominion? According to the *Huffington Post’s* article, Chris Riggall, a spokesman for Dominion, confirmed that “Smartmatic’s intellectual property was not included in the Sequoia transaction because Sequoia did not own it.”

The big detail is that Dominion, in its press release, secured the purchase of “Sequoia’s inventory and all intellectual property.” In other words, misleading or directly false information that happened without suspicion.

Riggall himself was questioned for this inconsistency between Dominion’s press

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“Smartmatic’s intellectual property is Smartmatic’s intellectual property. Sequoia did not own it, and therefore was not part of the transaction. Dominion purchased all the Intellectual Property owned by Sequoia. That is what was reflected in the press release.”

Rejected, Again and Again in Texas

Skepticism and doubts regarding Dominion Voting Systems are not recent. There are precedents.

According to an article published in *The Center Square*, the system “Dominion Voting Systems, which has been used in several states where fraud was alleged in the 2020 U.S. election, was rejected three times by data communications experts from the Texas Secretary of State and the Attorney General’s Office for failing to meet basic security standards.”

As dictated by the U.S. Constitution, each state has the autonomy to implement the electoral system that best meets its requirements. That is why, for example, in Texas the Canadian company has not been able to enter, while in Pennsylvania and other states in the country the situation is diametrically opposed.

In 2019, Dominion attempted in its third review to enter the Texas election system, but state officials once again dismissed its use after identifying “multiple hardware and software problems that prevent the Texas Secretary of State’s Office from determining that the system (...) satisfies each of the requirements set forth in the Texas Election Code.”

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Despite concerns, the machines won

“Election Systems & Software LLC and Dominion Voting Systems, both companies, produce the technology used by more than three-quarters of U.S. voters, according to an upcoming report by researchers at the Wharton School of the University of Pennsylvania,” reads an article published Oct. 28 in *The Wall Street Journal*. It refers to the November 3, 2020 election.

Finally, Smartmatic’s software, which Dominion purchased when it acquired Sequoia in 2010, was used in 28 U.S. states, including several of the swing states, such as Arizona, Georgia, Michigan, Nevada, Pennsylvania and Wisconsin. This, despite all the irregularities surrounding the rise of a project that ten years ago was a small Canadian company.

In fact, last December several congressmen, including Democratic Senators Elizabeth Warren and Amy Klobuchar, raised concerns about how “private equity firms have taken over almost all of the nation’s voting technology.”

“[The legislators] wrote in December that the lack of transparency of privately held voting firms threatens the integrity of elections,” *The Wall Street Journal* reported.

The backbone of the fraud case

The well-known Rudy Giuliani leads President Donald Trump’s legal team in its efforts to expose presidential election fraud. Giuliani, an experienced and skilled politician, took the irregularities surrounding Dominion as his banner. In Lou Dobbs Tonight’s November 12 program, he drove it on the air: “Dominion is a company owned by another company called Smartmatic (...) Smartmatic is a company that was formed a few years ago, in 2004, 2003 (...) it was formed by three Venezuelans who were very, very close to the dictator Chavez of Venezuela and was formed in order to fix the elections.”

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His statements, of course, were caricatured by the American press. They call the denunciation “a conspiracy theory”. Even the international press, such as the ABC newspaper, wrote this November 14: “The latest conspiracy theory being aired by Trump and his allies.”

Dominion’s entanglement appears to be the cornerstone of Trump’s team’s efforts. They found, in everything surrounding the Canadian company, the argument for keeping the dispute over the White House alive.

Of the president’s latest tweets or retweets, almost all mention Dominion. The complaint is that, thanks to the company that in 2010 acquired Smartmatic’s software (by buying Sequoia), millions of Donald Trump’s votes turned blue in the swing states that finally gave Joe Biden the victory, according to media projections.

“Must see Sean Hannity takedown the horrible, inaccurate and anything but secure Dominion Voting System, which is used in the states where tens of thousands of votes were stolen from us and given to Joe Biden,” reads a Trump tweet on November 12.

Faced with the accusations, Dominion published a statement on its website denying any manipulation of the results. Likewise, they state: “Dominion does not keep any property relation of the company with any member of the Pelosi family, the Feinstein family, the Clinton Global Initiative, Smartmatic or any link to Venezuela”.

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n the early morning hours of November 4, shortly before the countdown

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• money, and big tech.”

The President insisted, “We were ready to win this election. Frankly, we won this election.” His supporters, who were listening to him, became agitated. They applauded the words of a president who announced to the world that he had won. However, Trump also raised the denouncement: “This is a fraud. This is a disgrace to our country.”

“This is a giant fraud,” he stressed, “this is a very sad moment.”


“We are going to the Supreme Court!”

And today his team of lawyers continues to prepare for the legal battle. They have two names under their arm: Dominion Voting Systems and Smartmatic.

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