

Carolyn B. Maloney

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Smartmatic Announces Sale of Sequoia Voting Systems

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WASHINGTON – Smartmatic, the voting machine firm with ties to the Venezuelan government, today announced that it is divesting ownership of the voting machine company Sequoia Voting Systems. Congresswoman Carolyn Maloney (D-NY) shined the congressional spotlight on the Sequoia purchase last year by Smartmatic because it posed serious national security concerns about the integrity of our elections. Last year, Smartmatic decided to sell Sequoia rather than complete an investigation by the Committee on Foreign Investment in the United States (CFIUS), the government entity charged with ensuring the safety of foreign investment in the U.S. (To read the official Sequoia sale announcement: <https://www.sequoiavote.com/press.php>).

“I am relieved by the news of this sale – it was a long time coming,” said Maloney. “The integrity of our voting machines and elections is vital to national security. Given all of the past uncertainty and anxiety surrounding electronic voting, it’s nice that voters will have this added reassurance when they enter the voting booth this Election Day.”

Smartmatic was the subject of controversy in 2004 when the Hugo Chavez-led Venezuelan government selected it to provide the voting machines system for the presidential recall election, even though it would have been the company’s first time providing machines for an election. Smartmatic teamed up with a Venezuelan software company, Bitza, which at the time was 28 percent owned by Chavez’s government. In 2005, a Chicago city alderman questioned the possible ties between Sequoia and the Venezuelan government when that company’s machines were used in the March 2006 Chicago primaries.

“When I first raised concerns about the Smartmatic case with the U.S. Treasury Department, I knew it was ripe for a CFIUS investigation. There were just too many questions and lingering doubts, which Smartmatic was clearly unable to overcome,” Maloney said.

At first, Smartmatic flatly refused to undergo a CFIUS review. It eventually agreed to a review, but later dropped out of the review process and announced its intent to divest of Sequoia.

“The Smartmatic case reinforces the importance of a strong CFIUS review system. That’s why I worked hard to pass new CFIUS reforms this year that encourage safe foreign investment in the U.S. without jeopardizing our nation’s security,” added Maloney.

Maloney authored the new law to strengthen CFIUS. For more information on Congresswoman Maloney’s work on CFIUS reform.

Background/Timeline:

May 2006 - Maloney first raised questions about Smartmatic with then-Treasury Secretary Snow, inquiring whether the deal for Sequoia had undergone a CFIUS investigation

July 2006 - Treasury acknowledged that it had initially contacted Smartmatic, although a CFIUS investigation was not underway at the time. In early October, Maloney wrote to Treasury Secretary Paulson to apprise him of the lingering questions surrounding Smartmatic:

https://maloney.house.gov/sites/maloney.house.gov/files/documents/financial/acquisitions/20061006ElectionsCFIUS_paulson.pdf

October 2006: Smartmatic announced that it was undergoing a CFIUS investigation

December 2006: Smartmatic announced it was withdrawing from CFIUS review and selling Sequoia

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