

**Testimony before the
Arizona House Committee on Government and Elections**

Chaired by John Kavanaugh

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Chairman Kavanaugh, Vice-Chairman Hoffman, distinguished Members of the Committee: Thank you for allowing me to testify. I'm Scott Walter, president of the Capital Research Center in Washington, D.C., a 36-year-old think tank that is a watchdog on nonprofits.

I'm here because HB 2569 raises critical questions about nonprofits' role in elections.

The bill especially raises one critical question about one nonprofit funded by one billionaire family in last year's elections to the tune of hundreds of millions of dollars.¹

One would think the question whether to permit private funding of Arizona's election offices would be simple, something Left and Right could agree on: Should Arizona's elections be governed by the people's representatives, or by one Big Tech billionaire?

Personally, I do not want donors or 501(c)(3) nonprofits anywhere on the political spectrum manipulating elections through gifts to government offices.

As a student of the Left in politics, I'm amazed anyone left of center would be unsure how to answer. For years we've heard left-leaning officials, and left-leaning nonprofits, decry political donations by billionaires. In Washington, prominent Democrat Alexandria Ocasio-Cortez has objected to the very existence of billionaires.²

These attacks typically feature criticism of so-called "dark money." I easily found four Members of this Committee on the record criticizing "undisclosed dark money,"³ supporting Tempe's effort to ban "dark money,"⁴ naming as a top priority "fighting dark money,"⁵ and urging that "dark money" be "police[d]" by the Clean Elections Commission.⁶

¹ <https://capitalresearch.org/article/center-for-tech-civic-life/>.

² <https://twitter.com/AOC/status/1230331950608592896>.

³ "We know this district will be targeted by massive amounts of undisclosed dark money, attempting to distract us with negativity and divisiveness." <https://www.kellibutleraz.com/news?page=3>.

⁴ "[F]or Dark Money, we can start by repealing HB2153 and allow cities, like Tempe — where it passed with 90% of the vote — to pass campaign finance reform ordinances at the local level." David Gordon, "Jennifer Jermaine Campaigns for an Inclusive Progressive Vision in LD18," Blog for Arizona, October 10, 2018, <https://blogforarizona.net/jennifer-jermaine-campaigns-to-bring-an-inclusive-progressive-vision-to-the-arizona-state-house-this-january/>.

⁵ "My top three priorities include properly funding education, fighting dark money, and funding social programs." https://arizonatrucking.com/wp-content/uploads/2016/08/17_Jennifer-Pawlik_House_D.pdf.

⁶ "Salman said the ballot measure is an attempt to gut the only state agency that's willing to police dark money." Dustin Gardiner, "Lawsuit targets GOP ballot measure to limit powers of Clean Elections Commission," *Arizona*

I can assure the Committee that the nonprofit which likely spurred the writing of this bill, namely, the Center for Tech and Civic Life (or CTCL), funded by the billionaire family of Facebook's Mark Zuckerberg, is as "dark" as they come.

CTCL refused to disclose the hundreds of millions it received from Mr. Zuckerberg; weeks later, the donor himself revealed his nine-figure donation. CTCL declines to provide its full donor list, and it's organized as a 501(c)(3) nonprofit which can legally avoid revealing any donors.

Much worse, however, because at least CTCL's "darkness" about donors is legally permitted, it also refuses to reveal *where* its hundreds of millions went in the last election. CTCL has admitted that thousands of local election offices in dozens of states received grants of \$5,000 or more, and it has posted a "preliminary" list of local government offices that received funds.⁷

But of course, the critical question is *how much money* went to *which* election offices. CTCL refuses to make public that information, even though federal law requires it to report on its IRS Form 990, a public document, every grant of \$5,000 or more to any government agency.⁸ Conveniently, CTCL can delay filing that document until November 2021. It has refused to answer this burning public question despite being asked by the *New York Times*,⁹ the Associated Press,¹⁰ National Public Radio,¹¹ American Public Media,¹² the *New Yorker*,¹³ and others.

Nonetheless, we at Capital Research Center have examined CTCL's list, as well as news databases and local government reports, to assemble the fullest data set currently available. We think these numbers won't change much when the full truth comes out because we've found grant amounts for most large jurisdictions.

We've publicly disclosed all the data we can find and published reports for the states of Arizona,¹⁴ Nevada,¹⁵ Pennsylvania,¹⁶ Georgia,¹⁷ Michigan,¹⁸ Wisconsin,¹⁹ North Carolina,²⁰ and Virginia.²¹ For every state we've examined, it is clear Zuckerberg's funding via CTCL has produced a highly partisan pattern. Consider a few data points:

Republic, May 17, 2018; <https://www.azcentral.com/story/news/politics/elections/2018/05/17/lawsuit-seeks-block-republican-measure-hcr-2007-curbing-arizona-clean-elections-commission-powers/612535002/>.

⁷ <https://docs.google.com/spreadsheets/d/1E7P3owIO6UlpMY1GaeE8nJVw2x6Ee-i9d37hEEr5ZA/edit#gid=1993755695>.

⁸ See [Schedule I of IRS Form 990](#).

⁹ <https://www.nytimes.com/2020/09/25/us/politics/elections-private-grants-zuckerberg.html>.

¹⁰ <https://apnews.com/article/technology-elections-denver-mark-zuckerberg-election-2020-92257bbe1fef9ed0e18861e5b5913f6>.

¹¹ https://www.npr.org/2020/12/08/943242106/how-private-money-from-facebooks-ceo-saved-the-2020-election?utm_source=Iterable&utm_medium=email&utm_campaign=campaign_1795371_nl_Philanthropy-Today_date_20201208&cid=pt&source=ams&sourceId=132961.

¹² <https://www.apmreports.org/story/2020/12/07/private-grant-money-zuckerberg-election>.

¹³ <https://www.newyorker.com/news/daily-comment/battling-anxiety-over-making-sure-your-vote-gets-counted>.

¹⁴ <https://capitalresearch.org/article/how-ctcl-helped-biden-in-arizona-and-nevada/>.

¹⁵ <https://capitalresearch.org/article/how-ctcl-helped-biden-in-arizona-and-nevada/>.

¹⁶ <https://capitalresearch.org/article/zuckerbergs-return-on-investment-in-pennsylvania/>.

¹⁷ <https://capitalresearch.org/article/center-for-tech-civic-life/>.

¹⁸ <https://capitalresearch.org/article/ctcls-zuck-bucks-invade-michigan-and-wisconsin/>.

¹⁹ <https://capitalresearch.org/article/ctcls-zuck-bucks-invade-michigan-and-wisconsin/>.

²⁰ <https://capitalresearch.org/article/tracing-mark-zuckerbergs-election-investment-in-north-carolina/>.

²¹ <https://capitalresearch.org/article/how-mark-zuckerberg-meddled-in-virginias-2020-election/>.

- In Arizona, the Democratic presidential nominee won five of your 15 counties. CTCL funded four of those five (all but Santa Cruz).
- The only county to flip its presidential vote in 2020, Maricopa, saw the Democratic nominee *double* his party's 2016 vote.
- By contrast, the Republican nominee, who in 2016 had won Maricopa by over 3 percentage points, and who increased his vote in 2020 by 69 percent, winning over 130,000 more votes than any previous candidate of either party, nonetheless lost Maricopa.
- In neighboring Nevada, CTCL only funded the two counties won by the Democrat: Washoe County, home to Reno; and Clark County, home to Las Vegas, which received \$4.59 for every Biden voter.
- By no coincidence, 74 percent of Biden's votes in the entire state came from that county, where Democratic turnout soared by 77 percent.
- In Georgia, CTCL gave grants to nine of the state's ten counties with the greatest Democratic shifts in their 2020 presidential vote. Those nine grantees averaged an amazing 13.7 percent Democratic shift.
- As I testified²² to a deeply disturbed Georgia Senate, in all 44 counties CTCL funded there, the Democratic presidential vote rose by more than two-and-a-half times the Republican rise, compared to 2016, producing a Democratic advantage of about 323,000 votes in a state whose margin of victory was less than 12,000 votes.
- In Pennsylvania, with currently known grants, all five of the *highest*-funded counties were won by Biden.
- In Philadelphia, which received the state's highest funding of all, Democratic election officials received \$13.60 for every vote cast.
- All 24 Pennsylvania counties CTCL funded cast 460,000 more Democratic presidential votes than in 2016, compared to 266,000 more Republican votes. That partisan difference of about 194,000 votes more than doubles Biden's margin for the state (80,555 votes).

The pattern repeats in state after state: First, CTCL is far more likely to fund election jurisdictions with heavy Democratic votes. Second, it funds those jurisdictions much more heavily per capita. Third, it appears to have boosted Democratic turnout far beyond the margin of victory.

Election expert J. Christian Adams sums it up: CTCL's Zuckerberg cash "converted election offices in key jurisdictions with deep reservoirs of Biden votes into Formula One turnout machines."²³

It's hard to square that with the federal requirement that 501(c)(3) nonprofits like CTCL must be nonpartisan and may not conduct "voter education or registration activities" that "have the effect of favoring a candidate," as the IRS puts it.²⁴ Unfortunately, such nonprofits have for years been conducting registration and get out the vote efforts that favor one party. Liberal journalist Sasha Issenberg, in his masterful 2012 book *The Victory Lab: The Secret Science of Winning Campaigns*, wrote of one such nonprofit, the Voter Participation Center,²⁵ that's still active in elections: "Even though the group was

²² <https://capitalresearch.org/article/election-irregularities-involving-crcl-scott-walter-testifies-before-georgia-senate-subcommittee/>.

²³ <https://pjmedia.com/jchristianadams/2020/12/02/the-real-kraken-what-really-happened-to-donald-trump-in-the-2020-election-n1185494>.

²⁴ <https://www.irs.gov/charities-non-profits/charitable-organizations/the-restriction-of-political-campaign-intervention-by-section-501c3-tax-exempt-organizations>.

²⁵ <https://www.influencewatch.org/non-profit/voter-participation-center/>.

officially nonpartisan, for tax purposes, there was no secret that the goal of all its efforts was to generate new votes for Democrats.”²⁶

In the case of CTCL, this partisanship wouldn’t surprise anyone who consulted InfluenceWatch.org for its leaders’ backgrounds: All its founders first worked at a 501(c)(4) nonprofit, the New Organizing Institute, which was such a powerful turnout machine that the *Washington Post* labeled it “the Democratic Party’s Hogwarts for digital wizardry.”²⁷

I urge you to investigate every dealing CTCL had with every Arizona government office. Did the contacts begin from the Center’s side? What preconditions did the Center put on its funds? Did the counties fulfill their budgetary and other obligations under Arizona state law when using these funds? Who designed voter “education” materials and advertisements? Who was hired? Was any money spent on training that would help prevent vote fraud?

The problem of illicit nonprofit partisanship is for the U.S. Congress to solve. But the problem of nonprofits hoping to privatize Arizona’s elections is, I respectfully submit, your responsibility.

Thank you.

²⁶ Sasha Issenberg, *The Victory Lab: The Secret Science of Winning Campaigns* (New York: Crown, 2012), p. 305. https://www.amazon.com/gp/product/B007MDK72E/ref=dbs_a_def_rwt_hsch_vapi_tkin_pl_i0

²⁷ Brian Fung, “Inside the Democratic Party’s Hogwarts for Digital Wizardry,” *Washington Post*, July 8, 2014. <https://www.washingtonpost.com/news/the-switch/wp/2014/07/08/inside-the-democratic-partys-hogwarts-for-digital-wizardry/>. For more on CTCL and the New Organizing Institute, see their InfluenceWatch entries: <https://www.influencewatch.org/non-profit/center-for-tech-and-civic-life/> and <https://www.influencewatch.org/non-profit/new-organizing-institute/>.