

**Testimony before the  
Virginia Senate  
Committee on Privileges and Elections**

Chaired by R. Creigh Deeds

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*Should Virginia's Elections Be Privatized?*

Chairman Deeds, Senator Stanley, distinguished Members of the Committee: Thank you for allowing me to testify. I'm Scott Walter, a resident of Sterling, Virginia, and president of the Capital Research Center in Washington, D.C., a 37-year-old think tank that is a watchdog on nonprofits.

I do not presume to tell you how to vote on S.B. 80 but only to tell you, as an expert on nonprofit funding, the question you must decide: Should the Commonwealth's elections be governed by you, the people's representatives, or by one Big Tech billionaire?

I refer to Facebook CEO Mark Zuckerberg and his wife, who funded the Center for Tech and Civic Life (or CTCL), which in turn sent millions of dollars straight into government election offices in Virginia, with strings attached.

Personally, as a Virginia citizen I do not want donors or nonprofits anywhere on the political spectrum manipulating elections through gifts to government offices.

As a student of the Left's role in politics, I am amazed anyone left of center would be unsure on this question. 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.<sup>1</sup>

These attacks typically feature criticism of so-called "dark money." I can assure the Committee that the Center for Tech and Civic Life 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 has declined to provide its full donor list, and it's organized as a 501(c)(3) nonprofit which can legally avoid revealing any donors. Only in recent weeks

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<sup>1</sup> <https://twitter.com/AOC/status/1230331950608592896>.

has the Capital Research Center discovered that another \$25 million in CTCL’s 2020 funding came from the New Venture Fund,<sup>2</sup> which is part of a \$1.7 billion “dark money” empire run by Arabella Advisors.<sup>3</sup>

Of course, the critical question is *how much money* went to *which* election offices. CTCL long refused to make public that information, even though federal law requires CTCL to report on its IRS Form 990, a public document, every grant of \$5,000 or more to any government agency.<sup>4</sup> CTCL delayed filing that document until the last second it was legally permitted: December 15, 2021. Rather than reassure the public, it refused to reveal its grants earlier, even when asked by friendly news outlets including the *New York Times*,<sup>5</sup> the Associated Press,<sup>6</sup> National Public Radio,<sup>7</sup> American Public Media,<sup>8</sup> the *New Yorker*,<sup>9</sup> and others.

Nonetheless, we at Capital Research Center examined CTCL’s “preliminary” list of grantees, as well as news databases and local government reports, and assembled the fullest data set available. As soon as CTCL finally revealed its grants, we compared them to our estimates and found those estimates largely accurate.<sup>10</sup> (We also compiled a long list of discrepancies in CTCL’s reporting of its national grantmaking.<sup>11</sup>)

We’ve publicly disclosed all the data we can find and published reports for the states of Virginia,<sup>12</sup> Georgia,<sup>13</sup> Pennsylvania,<sup>14</sup> Michigan,<sup>15</sup> Wisconsin,<sup>16</sup> Texas,<sup>17</sup> Arizona,<sup>18</sup> Nevada,<sup>19</sup> and North Carolina.<sup>20</sup> For every state we’ve examined, Zuckerberg’s funding via CTCL has produced a highly partisan pattern.

We first examined the funding in Georgia, and our report was so shocking that the Georgia Senate asked me to testify about it.<sup>21</sup> Consider a few data points:

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<sup>2</sup> See p. 87 of New Venture Fund’s 2020 IRS filing, available at

<https://www.influencewatch.org/app/uploads/2021/11/new-venture-fund-2020-form-990.pdf>.

<sup>3</sup> See the entry for Arabella Advisors on InfluenceWatch.org, <https://www.influencewatch.org/for-profit/arabella-advisors/>.

<sup>4</sup> See [Schedule I of IRS Form 990](#).

<sup>5</sup> <https://www.nytimes.com/2020/09/25/us/politics/elections-private-grants-zuckerberg.html>.

<sup>6</sup> <https://apnews.com/article/technology-elections-denver-mark-zuckerberg-election-2020-92257bbc1fed9ed0e18861e5b5913f6>.

<sup>7</sup> [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](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).

<sup>8</sup> <https://www.apmreports.org/story/2020/12/07/private-grant-money-chan-zuckerburg-election>.

<sup>9</sup> <https://www.newyorker.com/news/daily-comment/battling-anxiety-over-making-sure-your-vote-gets-counted>.

<sup>10</sup> See Parker Thayer and Hayden Ludwig, “UPDATED: Shining a Light on Zuck Bucks in the 2020 Battleground States: How close were our estimates to CTCL’s final disclosures?” <https://capitalresearch.org/article/shining-a-light-on-zuck-bucks-in-key-states/>.

<sup>11</sup> Parker Thayer and Hayden Ludwig, “Which States Did CTCL Flood with “Zuck Bucks?”

<https://capitalresearch.org/article/which-states-did-ctcl-flood-with-zuck-bucks/>.

<sup>12</sup> <https://capitalresearch.org/article/how-mark-zuckerberg-meddled-in-virginias-2020-election/>.

<sup>13</sup> <https://capitalresearch.org/article/center-for-tech-civic-life/>.

<sup>14</sup> <https://capitalresearch.org/article/zuckerbergs-return-on-investment-in-pennsylvania/>.

<sup>15</sup> <https://capitalresearch.org/article/ctcls-zuck-bucks-invade-michigan-and-wisconsin/>.

<sup>16</sup> <https://capitalresearch.org/article/ctcls-zuck-bucks-invade-michigan-and-wisconsin/>.

<sup>17</sup> [https://capitalresearch.org/article/how-mark-zuckerberg-almost-handed-texas-to-the-democrats/?blm\\_aid=0](https://capitalresearch.org/article/how-mark-zuckerberg-almost-handed-texas-to-the-democrats/?blm_aid=0).

<sup>18</sup> <https://capitalresearch.org/article/how-ctcl-helped-biden-in-arizona-and-nevada/>.

<sup>19</sup> <https://capitalresearch.org/article/how-ctcl-helped-biden-in-arizona-and-nevada/>.

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

<sup>21</sup> <https://capitalresearch.org/article/election-irregularities-involving-crcl-scott-walter-testifies-before-georgia-senate-subcommittee/>.

- 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 from 2016.
- In the 44 Georgia counties CTCL funded, the Democratic presidential vote rose by more than two-and-a-half times the Republican rise in the same counties, compared to 2016. This partisan effect in the funded counties produced a Democratic advantage of about 323,000 votes in a state whose margin of victory was less than 12,000 votes.

In Virginia, the same pattern recurs.<sup>22</sup>

- **Total Grants:** \$3.7 million
- **Average Per Capita Grant:** \$0.66 in counties Trump won vs. \$1.11 in counties Biden won
- **Partisan distribution bias:**
  - CTCL gave grants to 14 of the 46 counties Biden won in 2020.
  - Two of these jurisdictions, James City County and Lynchburg, narrowly flipped from Trump in 2016 to Biden in 2020.
  - These 14 Biden counties received \$3.4 million, *over 90 percent* of all CTCL grants in Virginia.
  - CTCL gave grants to 22 of the 87 counties Trump won.
  - But these 22 Trump counties only received \$358,910, a mere 9.6 percent of all CTCL grants in the Old Dominion. **This is the second-most lopsided bias in favor of Democratic-leaning counties we’ve identified (after Texas).**
  - Fairfax County, the most populous in Virginia, received nearly 3.5 times (\$1.24 million) as much from CTCL as every Trump county *combined*.
- **Turnout effect:**
  - CTCL-funded counties gave close to 1.2 million votes to Biden, 49 percent of his statewide total.
  - Turnout for Biden in these counties increased by 206,000 votes (17 percent) over Hillary Clinton’s 2016 turnout.
  - CTCL-funded counties gave just 699,000 votes to Trump, or 36 percent of his statewide total.
  - Trump’s turnout increased by 68,319 votes (12 percent) over his 2016 performance.

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<sup>22</sup> Complete data may be downloaded at <https://capitalresearch.org/app/uploads/CTCL-Virginia-Updated-Data-Set-from-990.xlsx>. For a comparison of that final data with our original estimates for Virginia, see Parker Thayer and Hayden Ludwig, “UPDATED: Shining a Light on Zuck Bucks in the 2020 Battleground States: How close were our estimates to CTCL’s final disclosures?” <https://capitalresearch.org/article/shining-a-light-on-zuck-bucks-in-key-states/>.

- Democratic turnout increased most dramatically in Northern Virginia, where just 4 counties contain 25 percent of Virginia’s entire population and the core of the state’s liberal voters.
- My home county of Loudoun, for instance, saw a 37 percent increase in Democratic turnout (37,577 votes), with Biden defeating Trump by more than 56,000 votes.
- **Per capita bias:**
  - Breaking down CTCL’s highest per capita funding reveals a deep bias towards Biden:
    1. Petersburg (Biden): \$2.45
    2. Charlotte County (Trump): \$1.74
    3. Halifax County (Trump): \$1.62
    4. Prince William County (Biden): \$1.31
    5. Alexandria (Biden): \$1.26
    6. Manassas (Biden): \$1.26
    7. Henrico County (Biden): \$1.23
    8. Emporia (Biden): \$1.15
    9. Charles City County (Biden): \$1.09
    10. Fairfax County (Biden): \$1.08
    11. Arlington County (Biden): \$1.08
    12. Franklin (Biden): \$0.96
  - Biden won 9 of the 11 counties most richly funded counties (>\$1.00 per person), while Trump won 20 of the 25 least-funded (<\$1.00 per person).
- **Additional Information:**
  - Fairfax County’s follow-up report<sup>23</sup> to CTCL reports the following spending:
    1. \$967,294 for “temporary staffing support”
    2. \$59,850 for “vote-by-mail/absentee voting equipment or supplies”
    3. \$102,765 for “election administration equipment”
    4. \$54,802 for “voting materials in languages other than English”
    5. \$58,530 for “security for office and polling locations”
  - Our original report identified grants to 38 jurisdictions across Virginia. CTCL’s preliminary grants document from late 2020 notes the same number of grants

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<sup>23</sup> <https://www.influencewatch.org/app/uploads/2021/05/CTCL-FOIA-Report-Fairfax-County-Virginia.pdf>

(without identifying grant sums).<sup>24</sup> Yet CTCL's 2020 disclosures only reveal 36 grants. The 2 discrepancies involve Hanover and Carroll Counties. Hanover applied for a CTCL grant in October 2020<sup>25</sup> and a separate grant<sup>26</sup> from the Zuckerberg-funded Center for Election Innovation and Research (CEIR)<sup>27</sup> that same month. Since CEIR's IRS disclosures for 2020 won't be released until July 2021, we do not know if it received a grant from that group.

The pattern repeats in every battleground state: First, CTCL is far more likely to fund election jurisdictions that are rich with Democratic votes. Second, it funds those jurisdictions much more heavily per capita. Third, jurisdictions it funded boosted Democratic turnout far beyond the statewide 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."<sup>28</sup>

It is hard to square these facts with the federal requirement that 501(c)(3) nonprofits like CTCL must be nonpartisan at all times, that they may not conduct "voter education or registration activities" that "have the effect of favoring a candidate," as the IRS puts it.<sup>29</sup> Unfortunately, such nonprofits have for years ignored federal law by conducting registration and get-out-the-vote efforts that favor one party.

Liberal journalist Sasha Issenberg, in his 2012 book *The Victory Lab: The Secret Science of Winning Campaigns*, reported of one such nonprofit, the Voter Participation Center:<sup>30</sup> "Even though the group was officially nonpartisan, for tax purposes, there was no secret that the goal of all its efforts was to generate

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<sup>24</sup> <https://docs.google.com/spreadsheets/d/1E7P3owIO6UlPmY1GaeE8nJVw2x6Ee-iI9d37hEEr5ZA/edit#gid=1993755695>.

<sup>25</sup> <https://civicclerk.blob.core.windows.net/stream/HANOVERCOVA/0c840c12-1e41-4c80-b8b1-7faaa0197e28.pdf?sv=2015-12-11&sr=b&sig=c0axRcOIjtOjZ8pw%2Be3a%2BJ133HIoGZplUleL0pD3j4%3D&st=2021-01-28T15%3A09%3A00Z&se=2022-01-28T15%3A14%3A00Z&sp=r>.

<sup>26</sup> <https://civicclerk.blob.core.windows.net/stream/HANOVERCOVA/0c840c12-1e41-4c80-b8b1-7faaa0197e28.pdf?sv=2015-12-11&sr=b&sig=c0axRcOIjtOjZ8pw%2Be3a%2BJ133HIoGZplUleL0pD3j4%3D&st=2021-01-28T15%3A09%3A00Z&se=2022-01-28T15%3A14%3A00Z&sp=r>.

<sup>27</sup> <https://www.influencewatch.org/non-profit/center-for-election-innovation-research/>.

<sup>28</sup> <https://pjmedia.com/jchristianadams/2020/12/02/the-real-kraken-what-really-happened-to-donald-trump-in-the-2020-election-n1185494>.

<sup>29</sup> <https://www.irs.gov/charities-non-profits/charitable-organizations/the-restriction-of-political-campaign-intervention-by-section-501c3-tax-exempt-organizations>.

<sup>30</sup> <https://www.influencewatch.org/non-profit/voter-participation-center/>.

new votes for Democrats.”<sup>31</sup> This group and its sister nonprofits were prominent in the 2020 national election<sup>32</sup> and also were prominent in the Virginia 2021 state election.<sup>33</sup>

In the case of CTCL, this partisanship wouldn’t surprise anyone who consulted InfluenceWatch.org to learn 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.”<sup>34</sup> The two groups, CTCL and New Organizing Institute, are so similar that Capital Research Center created a quiz showing quotations from their two websites and asking readers to guess which group’s website said it.<sup>35</sup> The test is quite difficult. It is nearly impossible to tell the old (c)(4) political nonprofit from the new (c)(3) “nonpartisan” nonprofit. They are simply Democratic turnout machines.

I urge you to investigate every dealing CTCL had with every Virginia 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 state law when using these funds? Who designed voter “education” materials and advertisements? What new staff were hired? Who trained them? Was any money spent on training that would help prevent vote fraud? Who was hired as outside consultants and vendors?

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

Thank you.

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<sup>31</sup> Sasha Issenberg, *The Victory Lab: The Secret Science of Winning Campaigns* (New York: Crown, 2012), p. 305.

<sup>32</sup> For example, according to *Time* magazine, in the November 2020 election the Voter Participation Center “sent ballot applications to 15 million people in key states, 4.6 million of whom returned them.” Molly Ball, “The Secret History of the Shadow Campaign That Saved the 2020 Election,” *Time*, February 4, 2021; <https://time.com/5936036/secret-2020-election-campaign/>. For a memo detailing the partisan backgrounds of all the persons and groups who make up what that article’s author calls a “conspiracy” and a “cabal” aimed at defeating President Trump, see <https://capitalresearch.org/article/the-groups-and-persons-mentioned-in-times-shadow-campaign-article/>.

<sup>33</sup> Hayden Ludwig, “Watch Out, Virginia—Another Flood of Mail-In Ballot Mailers Headed Your Way,” <https://capitalresearch.org/article/watch-out-virginia-another-flood-of-mail-in-ballot-mailers-headed-your-way/>.

<sup>34</sup> 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/>.

<sup>35</sup> <https://capitalresearch.org/article/the-new-new-organizing-institute/>.