

## Written Testimony

To the House Administration Committee

Rep. Bryan Steil, chairman

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February 7, 2024

Chairman Steil, Ranking Member Morelle, distinguished Members of the Committee, thank you for the honor of testifying. I'm president of the Capital Research Center, which studies how special interests engage in politics, especially through nonprofits.

As people from across the political spectrum know, confidence in our elections needs strengthening. You're right to single out private funding of election offices, which was a scandal in 2020 and continues in the 2024 cycle.

We at Capital Research Center have published online all our data on private funding of the 2020 election by the Center for Tech and Civic Life (CTCL), the main conduit for so-called "Zuck Bucks."<sup>1</sup> This information is valuable, not for re-litigating the election, but in order to learn from it. Let's review a few notable data points: first, the percentage of CTCL grants that went to jurisdictions Biden won in the battleground states:

Arizona 75%

Pennsylvania 83%

Michigan 86%

Wisconsin 90%

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<sup>1</sup> See Parker Thayer and Hayden Ludwig, "Shining a Light on Zuck Bucks in the 2020 Battleground States," Capital Research Center, January 18, 2022, <https://capitalresearch.org/article/shining-a-light-on-zuck-bucks-in-key-states/>.

Georgia	94%
Nevada	100%

In Chairman Steil’s state of Wisconsin, CTCL gave out 188 of its minimum \$5,000 dollar grants. It gave out 31 larger grants, three to counties, 28 to cities; 20 of those cities were won by candidate Biden, only eight by candidate Trump. Those 20 Biden cities received 90 percent of CTCL’s dollars in this state. A similar pattern is seen when we compare per capita spending in those over-\$5,000 grants: The average per capita spend in Trump jurisdictions: 55 cents. The average in Biden jurisdictions, \$3.75, or nearly seven times higher.

There has been a strong response to this partisan pattern of funding. A majority of states now ban or restrict such private funding of election offices, as we have reported.<sup>2</sup> The partisanship of CTCL has also been revealed in the pattern of government officials trying to impede these kinds of bans from becoming law: in Kansas, Michigan, Pennsylvania, and Wisconsin, the legislatures have passed restrictions on private election funding, only to be vetoed by governors exclusively from one party.<sup>3</sup>

Similarly, the Wyoming Secretary of State has written all the county clerks in his state, warning them about CTCL and other third parties that may attempt “to fund the administration of elections in Wyoming”:

This is especially imperative, given the influx of millions of dollars to initiatives, including the deceptively-named “U.S. Alliance for Election Excellence,” that have set their sights and misleading tactics on local elections offices across the country....

...The source of funding for many of these new efforts range from partisan groups to potentially foreign actors living here in Wyoming. For example, Swiss Billionaire Hansjörg Wyss, who as a foreign national is otherwise prohibited from donating to

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<sup>2</sup> See Sarah Lee, Jon Rodeback, and Hayden Ludwig, “States Banning or Restricting ‘Zuck Bucks,’” Capital Research Center, February 2, 2024, <https://capitalresearch.org/article/states-banning-zuck-bucks/>.

<sup>3</sup> See *ibid.* The Kansas legislature overrode its governor’s veto, and in Wisconsin, the legislature has launched the process of amending the state’s constitution, a process the governor cannot directly prevent.

candidates or committees, has used two nonprofits under his control to pump hundreds of millions of dollars to advance a partisan agenda.<sup>4</sup>

The Secretary documents his concern about foreign funding using a report from Americans for Public Trust, which describes how Wyss has used two nonprofits he controls, the Wyss Foundation, a 501(c)(3) private foundation, and the Berger Action Fund, a (c)(4) nonprofit, “to pump \$475 million into the arena of U.S. politics and discourse.”<sup>5</sup>

The Secretary is not alone in his concern with the way foreign money is influencing American elections and public policy. Recently, the House Ways and Means Subcommittee on Oversight held a hearing on the problem, where I had the honor to testify.<sup>6</sup> My testimony documented how mainstream media like *Politico*, the *New York Times*, and the Associated Press have reported on Wyss’s political machinations. A *Politico* headline explains that Wyss “sent \$31 million of that [2020] money to Sixteen Thirty Fund, the left’s leading ‘dark money’ hub,” which “played a major role in the 2018 midterms as well, when Democrats flipped control of the House of Representatives.”<sup>7</sup>

The *New York Times* reported that tax filings from Wyss’s two nonprofits show the groups sent

\$208 million from 2016 through early last year to three other nonprofit funds that doled out money to a wide array of groups that backed progressive causes and helped Democrats in their efforts to win the White House and control of Congress last year.

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<sup>4</sup> Chuck Gray, “Re: Private Funding of Election Administration,” Wyoming Secretary of State Office, August 10, 2023, [https://sos.wyo.gov/Media/2023/Letter\\_re-Private-Funding-of-Election-Administration\\_8-10-2023.pdf](https://sos.wyo.gov/Media/2023/Letter_re-Private-Funding-of-Election-Administration_8-10-2023.pdf).

<sup>5</sup> Americans for Public Trust, “Foreign Influence in U.S. Elections: How Swiss Billionaire Hansjörg Wyss and the Arabella Advisors Network Uses Foreign Dark Money to Sway American Politics and Policy,” July 2023, <https://americansforpublictrust.org/document/report-foreign-influence-in-u-s-elections/>. Wyss is also known to have made illegal direct donations to such Members of Congress as Sen. Dick Durbin (D-IL), former Rep. Jay Inslee (D-WA), and former Rep. Mark Udall (D-CO). The statute of limitations on those illegal donations has expired. Wyss’s direct donations remain in FEC records: [https://www.fec.gov/data/receipts/individual-contributions/?contributor\\_name=Wyss%2C+Hansjoerg&contributor\\_name=Wyss%2C+Hansjorg](https://www.fec.gov/data/receipts/individual-contributions/?contributor_name=Wyss%2C+Hansjoerg&contributor_name=Wyss%2C+Hansjorg).

<sup>6</sup> <https://waysandmeans.house.gov/event/oversight-subcommittee-hearing-on-growth-of-the-tax-exempt-sector-and-the-impact-on-the-american-political-landscape/>.

<sup>7</sup> Scott Bland, “Liberal billionaire’s nonprofit splashed \$56M in 2020,” *Politico*, March 18, 2022, <https://www.politico.com/news/2022/03/18/liberal-billionaire-nonprofit-dark-money-00018513>.

Mr. Wyss's representatives say his organizations' money is not being spent on political campaigning. But documents and interviews show that the entities have come to play a prominent role in financing the political infrastructure that supports Democrats and their issues.

Beneficiaries of his organizations' direct giving included ... organizations that ran voter registration and mobilization campaigns to increase Democratic turnout, built media outlets accused of slanting the news to favor Democrats and sought to block Mr. Trump's nominees, prove he colluded with Russia and push for his impeachment.<sup>8</sup>

This kind of foreign meddling in elections is opposed by nearly all Americans. Similarly, most Americans are wary of either political party aiming to gain unfair advantages in elections. That explains why, in my home state of Virginia, the opposition to private election funding was unanimous in the Senate—neither party wanted out-of-state billionaires controlling our elections.

Yet CTCL ignores this widespread opposition to its agenda and turns instead to ever more insidious schemes to influence elections. It responds to criticism of its effort only in cosmetic ways. For example, the same day in 2022 that newspaper headlines announced Mark Zuckerberg had vowed he would never repeat his 2020 election funding, made mostly through CTCL, other newspaper headlines announced that CTCL planned an \$80 million rebrand of itself as the Alliance for Election Excellence.<sup>9</sup>

With the Alliance, CTCL continues to attempt to manipulate local government offices. The Honest Elections Project and the John Locke Foundation have documented the Alliance's infiltrations of two North Carolina counties, where CTCL aimed to provide in-kind services that may escape existing private funding bans, and also aimed to *receive* in-kind services from

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<sup>8</sup> Kenneth P. Vogel, "Swiss Billionaire Quietly Becomes Influential Force Among Democrats," *New York Times*, May 3, 2021, <https://www.nytimes.com/2021/05/03/us/politics/hansjorg-wyss-money-democrats.html>.

<sup>9</sup> Compare Neil Vigdor, "Mark Zuckerberg Ends Election Grants," *New York Times*, April 12, 2022, <https://www.nytimes.com/2022/04/12/us/politics/mark-zuckerberg-midterms-elections-grant.html>, with Amy Gardner, "Nonprofit Pledges \$80 Million for Local Election Administration," *Washington Post*, April 12, 2022, <https://www.washingtonpost.com/politics/2022/04/12/center-for-tech-civic-life-elections-funds/>.

government offices, including data on voting and offices' internal operations.<sup>10</sup> The Honest Elections-John Locke report used public records requests to uncover how CTCL's Alliance operates:

Membership and grant agreements uncovered by HEP reveal an unusual and complex structure that seems designed to thwart meaningful oversight and accountability. For instance, after the Alliance had recruited its first cohort of members it announced plans to begin charging offices to join. However, the Alliance also created "scholarships" to cover those membership costs, which are instantly converted into "credits" that member offices can use to buy services from CTCL and other Alliance partners. As a result, offices receive access to funds they can spend exclusively on services provided by left-wing companies and nonprofits, entirely outside normal public funding channels. Based on documentation obtained through the public records process, these services range from "legal" and "political" consulting to public relations and guidance on recruitment and training.

...In exchange for grants and services, offices are expected to provide CTCL and its partners substantial in-kind contributions, at taxpayer expense. Offices are expected to help the Alliance develop its programming and to turn over a vast array of information regarding their inner workings. Members are expected to work with the Alliance to develop and implement an "improvement plan" that reshapes the way each office functions. And grants issued by CTCL come with significant strings attached, despite public claims to the contrary.

...[CTCL is also] training officials to rebut public complaints about participation in the Alliance. Emails show Sara LaVere, Board of Elections director in Brunswick, dismissing concerns raised by a Republican member of the Brunswick County Board of Elections quoting the Alliance's own talking points. She even bragged about her extensive use of trainings, documents, and materials from CTCL and other Alliance

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<sup>10</sup> Jason Snead and Andy Jackson, "The U.S. Alliance for Election Excellence," Honest Elections Project and the John Locke Foundation, [https://www.honestelections.org/wp-content/uploads/2023/01/HEP\\_Locke\\_Alliance-for-Election-Excellence-Report-1.pdf](https://www.honestelections.org/wp-content/uploads/2023/01/HEP_Locke_Alliance-for-Election-Excellence-Report-1.pdf)

members. She also revealed that The Elections Group—part of the Alliance—helped her write columns that she published in her own name during the election.<sup>11</sup>

The Elections Group just mentioned is one of eight “partners” in the Alliance. The Group is headed by co-founder Jennifer Morrell, previously a paid consultant for Democratic megadonor Pierre Omidyar’s Democracy Fund.<sup>12</sup> The other Alliance partners have similar partisan Democratic connections. Two of them, the Center for Secure and Modern Elections and the Institute for Responsive Government, are not even independent nonprofits but are “pop-up groups” set up by Arabella Advisors’ vast “dark money” network previously mentioned.<sup>13</sup> The first group’s National Political Director, Gabe Gonzalez, previously worked for a decade at the AFL-CIO—whose political donations run over 99 percent to Democrats<sup>14</sup>—as “candidate coordinator,” among other jobs.<sup>15</sup>

The executive director of the Institute for Responsive Government, Sam Oliker-Friedland, is similarly partisan, though he hides it in his online biography at the group’s website:<sup>16</sup> he was Deputy Director of Data and Technology for the New Organizing Institute,<sup>17</sup> a 501(c)(4) group that trained Democratic Party activists and was so good at this partisan activity that the *Washington Post* called it, “the Democratic Party’s Hogwarts for digital wizardry.”<sup>18</sup> Oliker-Friedland remains such a partisan that he writes for Democracy Docket,<sup>19</sup> run by Marc Elias, a Democratic lawyer who is as hyperpartisan as any American alive.<sup>20</sup>

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<sup>11</sup> Ibid., pp. 2-3.

<sup>12</sup> See her biography at LinkedIn, <https://www.linkedin.com/in/jennifer-morrell-8564191/>, and “Pierre Omidyar,” InfluenceWatch, <https://www.influencewatch.org/person/pierre-omidyar/>.

<sup>13</sup> “Center for Secure and Modern Elections,” InfluenceWatch, <https://www.influencewatch.org/non-profit/center-for-secure-and-modern-elections/>, and “Institute for Responsive Government,” InfluenceWatch, <https://www.influencewatch.org/organization/institute-for-responsive-government-irg/>.

<sup>14</sup> “AFL-CIO,” OpenSecrets, <https://www.opensecrets.org/orgs/afl-cio/summary?toprecipcycle=2024&contribcycle=2024&lobcycle=2024&outspendcycle=2022&id=d000000088&toptimecycle=A>.

<sup>15</sup> See <https://www.linkedin.com/in/gabegonz/>.

<sup>16</sup> <https://responsivegov.org/who-we-are/>.

<sup>17</sup> <https://www.linkedin.com/in/sam-oliker-friedland-6b557b153/>.

<sup>18</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/>.

<sup>19</sup> <https://www.democracydocket.com/author/sam-oliker-friedland/>.

<sup>20</sup> See “Marc Elias,” InfluenceWatch, <https://www.influencewatch.org/person/marc-elias/>.

Two advisory board members of the Institute for Responsive Government, Tom Lopach and Jessica Barba Brown, have run the Voter Participation Center, which is a poster child for the partisan abuse of 501(c)(3) “charities.” Liberal journalist Sasha Issenberg, in his acclaimed book *The Victory Lab: The Secret Science of Winning Campaigns*, reported on the partisan nature of the Voter Participation Center (then operating under a different name): “Even though the group was officially nonpartisan, for tax purposes, there was no secret that the goal of all its efforts was to generate new votes for Democrats.”<sup>21</sup>

In addition to CTCL’s effort with the Alliance for Election Excellence, CTCL has recently been discovered working to have local election offices seek federal disaster funding from FEMA (Federal Emergency Management Agency). Obviously, the federal government has even more resources than Mr. Zuckerberg, and federal funding could circumvent private funding bans while still promoting, as one observer of this new scheme put it, “the same sort of technical, data-driven, and activist-led manipulation of the election system in favor of Democrats” that CTCL mounted in 2020.<sup>22</sup>

CTCL and its partisan allies will claim they just want to “help” Americans vote, and that’s why they’re fighting to work closely with, and in fact manipulate, government election offices. They will also claim that any criticism of their “help” amounts to vote suppression, because they are boosting voter turnout. But this misunderstands the role of governmental election offices.

By law, the persons who conduct elections should be neutral referees of the process, while political parties and advocacy groups are the proper agents of persuading and motivating Americans to register and to vote. Typically our elections feature two “teams,” the major parties. Americans’ confidence in elections will worsen, not heal, if they see that people who formerly worked assiduously to help one “team” win are now helping the election referees to boost turnout.

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<sup>21</sup> Sasha Issenberg. *The Victory Lab* (New York: Crown Publishing, 2013), 305.

<sup>22</sup> William Doyle, “Infamous ‘Zuckbucks’ Group Tries To Election-Meddle Again—This Time With Federal Tax Dollars,” *The Federalist*, January 19, 2024, <https://thefederalist.com/2024/01/19/infamous-zuckbucks-group-tries-to-election-meddle-again-this-time-with-federal-tax-dollars/>.

I mentioned that one of the Alliance’s “partner” groups has staff connected to “the Democratic Party’s Hogwarts for digital wizardry.” Unfortunately, the three people who founded and still lead CTCL—Tiana Epps-Johnson, Donny Bridges, and Whitney May—also held significant jobs at the Democratic Hogwarts.<sup>23</sup> In addition, CTCL’s 2020 operation wasn’t funded only by the roughly 350 million bucks famously sent by Mark Zuckerberg from his donor-advised fund at the Silicon Valley Community Foundation. The operation also received \$25 million from New Venture Fund, the largest nonprofit in Arabella Advisors’ multibillion-dollar “dark money” network that receives funding from the foreign billionaire Mr. Wyss and uses hyperpartisan Marc Elias as its lawyer.

Imagine if the situation were reversed; that is, imagine if alumni of a 501(c)(4) run by, say, Republican Karl Rove, were running a (c)(3) charity that had received hundreds of millions from right-leaning billionaire Charles Koch, and they were trying to fund local election offices and convince the offices to implement “improvement plans.” There would not be enough electrons in the cosmos to power the outrage at the websites of the *New York Times* and CNN, and rightly so. If it is easy to see how such an imaginary scheme would further erode Americans’ confidence in elections, it should not be difficult to understand the real, existing scheme currently eroding election integrity through private funding of election offices.

The final point to be made involves the origins of this kind of “charity” funding of governmental election offices. It did not start in 2020 but is the fruit of decades of voter turnout efforts by the Left, in which 501(c)(3) private foundations and donor-advised fund providers spend “charitable” dollars through (c)(3) public charities. I already quoted liberal journalist Sasha Issenberg on the public charity now known as the Voter Participation Center, but his book also describes how the private Carnegie foundation makes the same partisan effort in its funding:

Because the tax code allowed nonprofit organizations to run registration and turnout drives as long as they did not push a particular candidate, organizing “historically disenfranchised” communities (as Carnegie described them) became a backdoor approach

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<sup>23</sup> See “Center for Tech and Civic Life,” InfluenceWatch, <https://www.influencewatch.org/non-profit/center-for-tech-and-civic-life/>.

to ginning up Democratic votes outside the campaign finance laws that applied to candidates, parties, and political action committees.<sup>24</sup>

(By the way, CTCL would later use the identical phrase, “historically disenfranchised” communities, as its fig leaf to cover its partisan intentions.<sup>25</sup>)

Carnegie was also one of the funders of (c)(3) voter registration and turnout efforts revealed in a memo found on DCLeaks. The January 2011 memo was sent by two political operatives (Andy Stern, then of the Service Employees International Union, and Deepak Bhargava, then of the Center for Community Change) to George Soros and the rest of the board of his largest foundation. Entitled, “New Thinking on 2012 Election and Beyond,” the memo describes, “Currently Projected Voter Engagement Funder Budgets for 2012,” which lists \$84.4 million of private foundation funding to be devoted to voter registration work by Soros’s Open Society foundation, the Ford Foundation, Wellspring Advisors, Carnegie, and nine more sources.<sup>26</sup> Of course, the Ford Foundation’s partisan funding of voter registration in a 1967 Cleveland mayoral race so infuriated Congress—then entirely under Democratic control—that it passed the landmark Tax Reform Act of 1969, placing restrictions on such election intervention by 501(c)(3) foundations and charities.<sup>27</sup>

More recently, my colleagues at the Capital Research Center have uncovered and issued a carefully documented report on another, even larger scheme to use (c)(3) money and groups for partisan election purposes.<sup>28</sup> The House Ways and Means Committee has decried this scheme,<sup>29</sup> and as I explained in recent testimony to its Oversight Subcommittee, a 2020 donor strategy memo from the Mind the Gap Super PAC launched by Democratic megadonor Sam Bankman-

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<sup>24</sup> Sasha Issenberg. *The Victory Lab* (New York: Crown Publishing, 2013), 86.

<sup>25</sup> See for example, <https://www.techandcivillife.org/covid-19-rural-grants/>.

<sup>26</sup> For more on the memo, see Ken Braun, “Big Left Foundations Fund Biased Barely-Legal Voter Programs,” Capital Research Center, June 3, 2021, <https://capitalresearch.org/article/big-left-foundations-fund-biased-barelylegal-voter-programs/>.

<sup>27</sup> Michael E. Hartmann, “The Ford Foundation, the 1967 Cleveland mayoral election, and the 1969 Tax Reform Act,” *The Giving Review*, February 3, 2021, <https://www.philanthropydaily.com/the-ford-foundation-the-1967-cleveland-mayoral-election-and-the-1969-tax-reform-act/>.

<sup>28</sup> Parker Thayer, “How Charities Secretly Help Win Elections,” Capital Research Center, <https://capitalresearch.org/app/uploads/CRC-Voter-Registration-Report.pdf>.

<sup>29</sup> <https://gop-waysandmeans.house.gov/ways-means-seeks-public-input-on-tax-exempt-organizations-potential-violations-of-rules-on-political-activities-inappropriate-use-of-charitable-funds-rise-in-foreign-sources-of-funding/>.

Fried's mother, declared that "the single most effective tactic for ensuring Democratic victories" was to send money to targeted (c)(3) voter registration efforts.<sup>30</sup> The two (c)(3) groups recommended to donors were the Voter Registration Project and the Voter Participation Center. The same Super PAC has had its 2024 donor strategy memo leak, and once again the Super PAC declares its presidential strategy is "to massively scale high-performing voter registration and mobilization programs." This time they recommend only one grantee, the (c)(3) Voter Registration Project charity that our report highlighted.<sup>31</sup>

Again, there is nothing wrong with registering voters and getting them out to vote. Everyone wants it to be easy to vote and hard to cheat, and I have no quarrel with political parties and advocacy groups who legally carry out those vital public functions. But we must all object when laws are violated and charities and foundations are abused for partisan purposes, including surreptitious efforts to manipulate government election offices. That is outrageous and rightly destroys confidence in American elections.

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<sup>30</sup> The Super PAC memo is available at Theodore Schleifer, "Inside the secretive Silicon Valley group that has funneled over \$20 million to Democrats," *Vox*, January 6, 2020, <https://www.vox.com/recode/2020/1/6/21046631/mind-the-gap-silicon-valley-democratic-donors-stanford>.

<sup>31</sup> The 2024 memo is quoted in Teddy Schleifer, "The Stratosphere," Puck News, [https://puck.news/newsletter\\_content/sam-i-am-2/](https://puck.news/newsletter_content/sam-i-am-2/).