



# SECRETARY OF STATE STATE OF INDIANA

**DIEGO MORALES**  
SECRETARY OF STATE

Written Testimony of Indiana Secretary of State Diego Morales for the U.S. House Small Business Committee hearing titled. “Weaponizing Federal Resources: Exposing the SBA’s Voter Registration Efforts” June 4<sup>th</sup>, 2024.

## **Opportunities and Pathways for Small Business Development and The Challenge of Trusted Election Administration: A Secretary of State’s Perspective**

Chairman Williams, Vice Chairman Luetkemeyer, Ranking Member Valázquez, and distinguished members of the House Committee on Small Business, thank you for your kind invitation to testify today about my duties as Indiana Secretary of State and the appropriate role of the U.S. Small Business Administration’s responsibility in our state’s economic development.

### **Introduction**

I am proud to be the first Latino elected to a statewide office in Indiana. I was born in Guatemala and legally immigrated with my family to the United States without speaking a word of English. I became one of the first legal immigrants to serve as a Secretary of State in the country. With a Green Card in my wallet, I proudly served in the U.S. Army and Indiana National Guard. I earned degrees from Indiana University and Purdue University. In addition, I earned an International MBA from Tilburg University in the Netherlands and studied all over the world including in Germany, Hungary, Mexico, and China. I was elected as Indiana’s 63<sup>rd</sup> Secretary of State in 2022. I know the American Dream still exists because I am blessed to live it and I’m passionate about protecting it for the next generation.

In my Constitutional and statutory role as Indiana Secretary of State, I wear many hats. Perhaps foremost, I am recognized by my state and the federal government as Indiana’s Chief Election Officer. I am the leader of, and accountable for our state’s infrastructure for trusted, accountable, secure, efficient, and safe elections. We are dedicated to helping every single eligible Hoosier exercise their right to vote.

My office oversees the registration and certification of hundreds of thousands of domestic, foreign, and international business entities in our state. We manage the recording office for commercial financing statements under the Uniform Commercial Code. We authenticate, or “apostille” all manner of government documents for international recognition. We are dedicated to helping Hoosiers achieve economic success by starting, maintaining, and growing businesses.

My office oversees the important automobile industry in our state. Licensing, regulating, and enforcing everything in the motor vehicle life cycle – from parts to final assembly, dealership and independent car sales, auctions, all the way to salvage and recycling.

My office’s Securities Division oversees registration, licensing, marketing, investor protection and financial literacy for the sale of investment securities and business opportunities in the State of Indiana.

When I assumed office 18 months ago I made a sincere and solemn commitment to the citizens I serve, that my administration would be guided by, and demonstrate four pillars. We are at all times and in every way possible: Welcoming, Responsive, Efficient, and Innovative.

During the first 18 months of my administration, I made multiple, productive visits to each of Indiana’s 92 counties. This year, I visited each of Indiana’s 92 counties within 3 months. No other statewide elected office holder has visited all 92 counties at this pace. I’ve made 6 international trips to three continents for election observations and economic development purposes. I’ve overseen local, municipal, county, state, and federal elections in Indiana. I’ve participated in 6 national conferences of government services, hosted dozens of international diplomatic visitors and trade delegations from around the world and initiated over 100 meetings with Hoosier businesses and business owners.

I believe my executive office position, experiences, commitment, and efforts affords a uniquely qualified perspective to testify to the House Small Business Committee on the responsibility and challenge of trusted election administration and opportunities and pathways for small business development in our state.

## **Opportunities and Pathways for Small Business Development**

My office's Business Services Division oversees well over a million businesses and transactions; authorizing them to conduct business in our state. We strive to provide a high-level welcoming, responsive, innovative, and efficient service that, within our competitive national economy, will make Indiana an ideal location for starting and growing businesses. Indiana was recently recognized by Forbes Business Magazine as the *NUMBER ONE* state in which to start a new business. That ranking was largely attributable to the accessibility, efficiency, and low cost of registering a business with the Secretary of State's office.

Innovations to the administration of my Business Services Division include recruitment of an experienced world-class corporate executive and business development coach as leader of the division and hiring a highly qualified Chief Information Officer to work together to create a state-of-the-art IT platform, high-performance culture, and optimal environment for business development. As a result of our efforts, this summer our office is launching a new business development program in Indiana that we're calling "**Right to Start**".

Aspects of the Right to Start program include:

- a) Financial assistance (grants) to promising, deserving, business developers and businesses with organizational, registration, and licensing costs.
- b) Grants for start-up businesses for legal and technical assistance navigating licensing and regulatory barriers to entry.
- c) Upgraded AI assisted business registration.
- d) Technical assistance for minority, women, and veteran owned business certification.
- e) Technical assistance to help start-ups take advantage of state and federal government business opportunities.
- f) Matching, coordination, and collaboration with state and federal business assistance agencies and resources.
- g) Free, statewide online community, business directory, and collaboration application for small and start-up businesses.

The Indiana Secretary of State's office values and seeks increased cooperation and collaboration with small and start-up business assistance agencies such as the U.S. Small Business

Administration. We endeavor to utilize our office's central business registration role to assist small, disadvantaged, and start-up businesses with one of the biggest barriers to entry and success, which is capital. A key goal of our Right to Start program will be to facilitate Hoosiers' awareness, and utilization of the SBA's Office of Capital Access Programs.

From my vantage point as Indiana Secretary of State, accountable for business registration, and channeling economic growth and opportunity, I certainly believe that SBA's focus on delivering the programs, services, and resources designated and funded by Congress is highly appropriate. The siphoning of resources to non-mission critical purposes, even those of good cause, or well intentioned, is a disservice to intended beneficiaries and a usurpation of Congressional authority.

### **The Challenge of Trusted Election Administration**

It's often stated, but well deserving of restatement: open, fair, secure, trusted (and safe) elections are the backbone of our cherished American democracy and liberties. The burdens of organizing and delivering elections to the People are massive, challenging, and constantly changing.

Securing our elections from interference, locally and globally, is a major evolving concern and challenge. Incident response, security of voting locations, the safety of election workers, voters and citizens exercising their Constitutional rights, are concerns election officials must recognize and respond to. Encouraging citizens to register to vote and participate in elections during tumultuous times is a grave responsibility of my office, which I have accepted and enthusiastically embrace.

In the interest of election security, integrity, election worker and voter safety, my office is happy to coordinate with federal agencies, subject to laws and funding authorized by Congress. We recognize, work with, and sometime accept grant awards from the U.S. Election Assistance Commission, the Federal Election Commission, the Department of Homeland Security, and the Help America Vote Act program.

During the past year my office distributed Help America Vote Act Election Security and Election Improvement sub-grants to 67 Indiana Counties. Those funds are being put to good use at the local level. This year my office is utilizing funds from a Department of Homeland Security sub-grant to promote election security and safety by educating and coordinating local law enforcement and first responder agencies about elections happening in their communities. We

launched Indiana's "Blow the Whistle on Election Interference" campaign in April of this year. The multi-platform initiative involves production and distribution of training materials, regional coordination and training conferences, a secure election security information web site, Election Day emergency planning, monitoring and response, and a public information campaign. During our recent Primary Election, our "Blow the Whistle on Election Interference" program was well received, and elements were utilized during serious weather emergencies that day. The program will continue through our critical 2024 General Election in November.

For the following important topic, I'll put modesty aside to say: no Secretary of State in the history of Indiana has done more to promote voter registration and actually register voters than I and my office. In fidelity to specific state and federal authorizations, namely state statutes, the National Voter Registration Act (NVRA) and Help America Vote Act (HAVA), and utilizing specifically designated state and federal funding for voter registration, education, and outreach, we have continuously blanketed the state with voter registration activity since I took office. My office has developed and promoted an enhanced self-service website for voter registration and information. We funded a digital outreach campaign specifically targeted at unregistered Hoosiers, Hoosiers turning 18, and underrepresented minority and ethnic citizen groups. We launched a simple text service to rapidly connect Hoosiers to voter information services. We've produced and distributed many thousands of voter information guides, pamphlets, and posters. We've sponsored hundreds of thousands of voter registration public service ads across Indiana television, radio, and digital media. We've hosted voter registration tents and tables across the state at fairs, sporting events, schools, universities, throughout the year, in all sorts of places, in all sorts of weather. Most recently we were set up outside the track at Indianapolis Motor Speedway for the INDY 500, with over 325,000 race fans in attendance. We communicate the message that eligible Hoosiers should register to vote and vote. Our office pursues every opportunity we can find to register eligible Hoosier voters.

Notwithstanding my enthusiasm for registering voters and leadership, the state of Indiana has a long established, legal, statutory framework for government agency sponsored voter registration activity that must be respected and followed. Pursuant to Indiana law, the NVRA, and frankly years of litigation, government agencies must be designated by the state as "designated voter

registration service agencies” to lawfully engage in voter registration activities. Indiana has designated (and properly trained, and properly coordinates with) *specific* federal agencies which provide nutrition, health, housing, and disability services to clients in Indiana<sup>1</sup>. Respectfully, the U.S. Small Business Administration does not provide nutrition, health, housing, or disability assistance to Hoosiers. Thus, the SBA is not, at either the President’s directive, or its own initiative, eligible to act as a voter service agency in Indiana.

### **Conclusion**

Speaking on behalf of the nearly 7 million Hoosiers, our state appreciates federal collaboration and assistance in the delivery of important, taxpayer-funded services. So long as due deference to state and federal legislative directives and funding authorizations are followed. The good work of the Small Business Administration to provide capital and other resources to small and start up businesses is recognized, appreciated, and needed in our state. *Appropriately authorized* election security and safety programs and funding are likewise appreciated and needed.

My sincere thanks to the House Small Business Committee and its leadership for holding this hearing and inviting me to offer these remarks, I would now be happy to respond to your questions.

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<sup>1</sup> Indiana Code 3-7-15 i.e. TANF, Medicaid, Food Stamps, WIC, Bureau of Developmental Disabilities Services and Bureau of Rehabilitative Services.