

**Written Testimony before the
Virginia House
Committee on Privileges and Elections**

Chaired by Margaret Ransone

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Dear Chairman Ransone, Representative Wachsmann, distinguished Members of the Committee: Thank you for allowing me to submit this testimony. 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 H.B. 205 but only to tell you, as an expert on nonprofit funding, the question you face: Should the Commonwealth's elections be governed by you, the people's representatives, or by megadonors?

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

I want you, our democratically elected officials, to regulate Virginia's elections, not megadonors from *either* party. Neither donors nor “nonpartisan” nonprofits can be trusted to keep their thumbs off the scale when they have millions in their hands.

I was not surprised after testifying to your Senate counterparts to see that every single committee member from both parties recognized the dangers I am describing and voted to pass a similar bill.

At Capital Research Center, we have studied exhaustively one megadonor's use of two supposedly nonpartisan nonprofits to send funds to government election offices in nearly every state, to the documented benefit of his preferred political party. But because this is a bipartisan problem, I won't name either party in my testimony.

While one party benefitted dramatically in 2020, next time the *other* party's donors may pull the same trick. All of us should want to avoid that.

I'll call the lucky folks last time, “Party 1,” and the main “nonpartisan” nonprofit that benefitted them “Group 1.”

Group 1 received hundreds of millions of dollars in 2020 from one out-of-state billionaire. Nearly 4 million of those dollars came into government election offices in Virginia. The critical question is *how much money* went to *which* election offices.

I am not claiming the money funded fraud, only that it funded turnout targeted to help one side. For the sake of argument, I am happy to assume that not one vote in Virginia was cast fraudulently, and not one vote was miscounted. Even if that were true, it is scandalous that this outside money boosted turnout for Party 1 in its most vote-rich jurisdictions.

This is a new scheme in our politics, but we all know that when one party crafts a novel weapon and wins, the other party will add the weapon to its arsenal. Do you want to keep this legal loophole open and allow such an arms race?

Consider these data points for 2020, which should chill any Virginian. Group 1 in mid-2020 was generating controversy across the country as news of its grants to local election offices became public. The group long refused to make the details public, even though federal law required the group to report on its IRS Form 990, a public document, every grant of \$5,000 or more to any government agency.¹ The group delayed filing that document until the last second it was legally permitted: December 15, 2021. Rather than reassure the public in the midst of the election, it refused to reveal its grants earlier, even when asked by friendly news outlets including the *New York Times*,² the Associated Press,³ National Public Radio,⁴ American Public Media,⁵ the *New Yorker*,⁶ and others.

Nonetheless, we at Capital Research Center examined the group's "preliminary" list of grantees, as well as news databases and local government reports, and assembled the fullest data set available. As soon as the group finally revealed its grants, we compared them to our estimates and found our estimates largely accurate.⁷ (We also compiled a long list of discrepancies in the group's reporting of its national grantmaking.⁸)

We've publicly disclosed all the data we can find and published reports for the states of Virginia,⁹ Georgia,¹⁰ Pennsylvania,¹¹ Michigan,¹² Wisconsin,¹³ Texas,¹⁴ Arizona,¹⁵ Nevada,¹⁶ and North Carolina.¹⁷ For every state we've examined, we find that the megadonor's funding via Group 1 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.¹⁸ Consider these facts:

- In Georgia, Group 1 gave grants to nine of the state's ten counties with the greatest Party 1 shifts in their 2020 presidential vote. Those nine counties averaged an amazing 13.7 percent shift from 2016.

¹ See [Schedule I of IRS Form 990](#).

² <https://www.nytimes.com/2020/09/25/us/politics/elections-private-grants-zuckerberg.html>.

³ <https://apnews.com/article/technology-elections-denver-mark-zuckerberg-election-2020-92257bbc1fed9ed0e18861e5b5913f6>.

⁴ 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_n1_Philanthropy-Today_date_20201208&cid=pt&source=ams&sourceId=132961.

⁵ <https://www.apmreports.org/story/2020/12/07/private-grant-money-cha-zuckerburg-election>.

⁶ <https://www.newyorker.com/news/daily-comment/battling-anxiety-over-making-sure-your-vote-gets-counted>.

⁷ <https://capitalresearch.org/article/shining-a-light-on-zuck-bucks-in-key-states/>.

⁸ <https://capitalresearch.org/article/which-states-did-ctcl-flood-with-zuck-bucks/>.

⁹ <https://capitalresearch.org/article/how-mark-zuckerberg-meddled-in-virginias-2020-election/>.

¹⁰ <https://capitalresearch.org/article/center-for-tech-civic-life/>.

¹¹ <https://capitalresearch.org/article/zuckerbergs-return-on-investment-in-pennsylvania/>.

¹² <https://capitalresearch.org/article/ctcls-zuck-bucks-invade-michigan-and-wisconsin/>.

¹³ <https://capitalresearch.org/article/ctcls-zuck-bucks-invade-michigan-and-wisconsin/>.

¹⁴ https://capitalresearch.org/article/how-mark-zuckerberg-almost-handed-texas-to-the-democrats/?blm_aid=0.

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

¹⁶ <https://capitalresearch.org/article/how-ctcl-helped-biden-in-arizona-and-nevada/>.

¹⁷ <https://capitalresearch.org/article/tracing-mark-zuckerbergs-election-investment-in-north-carolina/>.

¹⁸ <https://capitalresearch.org/article/election-irregularities-involving-crcl-scott-walter-testifies-before-georgia-senate-subcommittee/>.

- In the 44 Georgia counties Group 1 funded, the presidential vote for Party 1 rose by more than two-and-a-half times the other party's rise in the same counties, compared to 2016. This partisan effect in the funded counties produced a Party 1 advantage of about 323,000 votes in a state whose margin of victory for Party 1 was less than 12,000 votes.

In Virginia, the same pattern recurs.¹⁹

- **Total Grants:** \$3.7 million
- **Average Per Capita Grant:** \$1.11 in counties Party 1 won vs. \$0.66 in counties the other party won
- **Partisan distribution bias:**
 - Group 1 gave grants to 14 of the 46 counties Party 1 won in 2020.
 - Two of these jurisdictions, James City County and Lynchburg, narrowly flipped to Party 1 in 2020 from the other party in 2016.
 - These 14 counties Party 1 won received \$3.4 million, *over 90 percent* of all Group 1 grants in Virginia.
 - Group 1 gave grants to 22 of the 87 counties Party 2 won.
 - But these 22 counties only received \$358,910, a mere 9.6 percent of all Group 1 grants in the Old Dominion. **This is the second-most lopsided bias in favor of Party 1-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 Group 1 as every Party 2 county *combined*.
- **Turnout effect:**
 - Group 1-funded counties gave close to 1.2 million votes to Party 1's presidential candidate, 49 percent of his statewide total.
 - Turnout for Party 1 in these counties increased by 206,000 votes (17 percent) over the party's 2016 turnout.
 - Funded counties gave just 699,000 votes to Party 2's presidential candidate, or 36 percent of his statewide total.
 - Party 2's turnout increased by 68,319 votes (12 percent) over the same candidate's 2016 performance.
 - Party 1's 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 Party 1 voters.

¹⁹ 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 <https://capitalresearch.org/article/shining-a-light-on-zuck-bucks-in-key-states/>.

- My home county of Loudoun, for instance, saw a 37 percent increase in Party 1 turnout (37,577 votes), with the party winning Loudoun by more than 56,000 presidential votes.

Of course, precisely because Virginia's population is unevenly distributed across our counties, Capital Research Center corrected for population differences by analyzing Group 1's funding per capita. Here, too, we find sharp disproportions in the group's grantmaking.

- **Per capita bias:**

- Breaking down Group 1's largest grants per capita reveals a deep bias towards Party 1:

1. Petersburg (Party 1): \$2.45
2. Charlotte County (Party 2): \$1.74
3. Halifax County (Party 2): \$1.62
4. Prince William County (Party 1): \$1.31
5. Alexandria (Party 1): \$1.26
6. Manassas (Party 1): \$1.26
7. Henrico County (Party 1): \$1.23
8. Emporia (Party 1): \$1.15
9. Charles City County (Party 1): \$1.09
10. Fairfax County (Party 1): \$1.08
11. Arlington County (Party 1): \$1.08
12. Franklin (Party 1): \$0.96

- Party 1 won 9 of the 11 most richly funded counties (>\$1.00 per person), while the other party won 20 of the 25 least-funded (<\$1.00 per person).

Our analysis found that this pattern repeats in every battleground state. First, Group 1 is far more likely to fund election jurisdictions that are rich with Party 1 votes. Second, it funds those jurisdictions much more heavily per capita.

Election expert J. Christian Adams sums it up: Group 1's cash "converted election offices in key jurisdictions with deep reservoirs of [Party 1] votes into Formula One turnout machines."²⁰

That's what happened last time. Next time, the opposite could happen—if you allow it.

Thank you.

²⁰ <https://pjmedia.com/jchristianadams/2020/12/02/the-real-kraken-what-really-happened-to-donald-trump-in-the-2020-election-n1185494>.