

Press Release

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Smartmatic Announces It Is Undergoing CFIUS Review

Rep. Maloney, who first asked Treasury about this case, hails action

WASHINGTON, DC – Smartmatic, the company that bought major electronic voting machine maker Sequoia Voting Systems last year, stated publicly yesterday in a press report and today at a press conference that it is voluntarily undergoing a review by the Committee on Foreign Investment in the United States. Rep. Carolyn Maloney (NY-14), who wrote the Department of Treasury in May to ask if CFIUS had reviewed the Smartmatic deal to buy Sequoia, today expressed satisfaction about the reported CFIUS review.

“Smartmatic says that it is undergoing a CFIUS review, and I am glad it is happening,” said Maloney. “I am glad that our government will get the answers to any questions about this sale. This helps maintain confidence in our electoral system, and I hope Americans will go to the polls and vote on November 7.

“As the ranking member of the subcommittee with jurisdiction over CFIUS, it has been clear to me that national security issues under CFIUS’s umbrella should absolutely include deals involving our electoral system. What could be more fundamental to our democracy and the stability of our country? I will continue to push for the scope of national security issues considered by CFIUS to include cases such as this. I will also continue to push for a strengthening of the CFIUS process, which Congress needs to complete before it adjourns.”

Background

Maloney first contacted Treasury about the Smartmatic deal in May (http://maloney.house.gov/index.php?option=com_content&task=view&id=1095&Itemid=61). She also reiterated her interest in the case and raised additional concerns earlier this month (http://maloney.house.gov/documents/financial/acquisitions/20061006ElectionsCFIUS_paulson.pdf).

Maloney is the ranking member of the House Financial Services Subcommittee on Domestic and International Monetary Policy, Trade and Technology, which has jurisdiction over CFIUS. Ever since the necessary red flags were not raised in the CFIUS review of the Dubai ports deal, she has worked to strengthen national security safeguards in the CFIUS process. In March, she introduced bipartisan legislation to reform the CFIUS process (http://maloney.house.gov/index.php?option=com_content&task=view&id=1071&Itemid

[=61](#)).

She was also the lead Democrat on similar bipartisan legislation that passed the House in July

(http://maloney.house.gov/index.php?option=com_content&task=view&id=1166&Itemid=61). Among the provisions in the bill are:

- a mandatory 45-day investigation for all acquisitions involving foreign governments,
- a broader definition of national security that expands the types of threats the CFIUS should consider,
- the requirement for CFIUS to consult the Director of National Intelligence,
- automatic congressional notification after each investigation, and
- the requirement for the Treasury and Homeland Security Secretaries or Deputy Secretaries to sign off on approvals.

Despite several legislative options, the Senate has yet to act on CFIUS reform, and it is uncertain whether reform will be signed into law before the end of the 109th Congress.

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