

PART TWO

ELECTION RESULTS DEVIATED SEVERELY FROM THE POLLS WHEN A VOTING EXECUTIVE RAN FOR SENATE



When running for Senate, Chuck Hagel hid his ownership of the voting technology company that counted his votes: American Information Systems. He also failed to disclose his salary to the Senate Ethics Committee. AIS played a huge role in consolidating the voting technology sector. Now known as Election Systems & Software, the company counts half the votes in America. PHOTO: U.S. Department of Defense (PD).

Symbolically speaking, this era was inaugurated by Chuck Hagel, an unknown millionaire who ran for one of Nebraska's U.S. Senate seats in 1996. Initially Hagel trailed the popular Democratic governor, Ben Nelson, who had been elected in a landslide two years earlier. Three days before the election, however, a poll conducted by the *Omaha World-Herald* showed a dead heat, with 47 percent of respondents favoring each candidate. David Moore, who was then managing editor of the Gallup Poll, told the paper, "We can't predict the outcome."

Hagel's victory in the general election, invariably referred to as an "upset," handed the seat to the GOP for the first time in eighteen years. Hagel trounced Nelson by fifteen points. Even for those who had factored in the governor's deteriorating numbers and a last-minute barrage of negative ads, this divergence from pre-election polling was enough to raise eyebrows across the nation.

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Few Americans knew that until shortly before the election, Hagel had been chairman of the company whose computerized voting machines would soon count his own votes: Election Systems & Software (then called American Information Systems). Hagel stepped down from his post just two weeks before announcing his candidacy. Yet he retained millions of dollars in stock in the McCarthy Group, which owned ES&S. And Michael McCarthy, the parent company's founder, was Hagel's campaign treasurer.

Whether Hagel's relationship to ES&S ensured his victory is open to speculation. But the surprising scale of his win awakened a new fear among voting-rights activists and raised a disturbing question: Who controls the new technology of Election Night?

“Why would someone who owns a voting-machine company want to run for office?” asked Charlie Matulka, a Democrat who contested Hagel's Senate seat in 2002. Speaking at a press conference shortly before the election, he added: “Is this the fox guarding the henhouse?” A construction worker with limited funding and name recognition, Matulka was obviously a less formidable competitor than Nelson. Still, Hagel won an astonishing 83 percent of the vote—among the largest margins of victory in any statewide race in Nebraska's history. And with nearly 400,000 registered Democrats on the rolls, Matulka managed to scrape up only 70,290 votes.

Hagel had never actually disclosed his financial ties to ES&S, and Matulka requested an investigation by the Senate Ethics Committee. His request was rejected. Equally futile was his call for a hand count of the ballots, since a state law specified that recounts had to be conducted using the very same “vote-counting device” that was used to begin with—in this case, the ES&S optical scanners.

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Hagel never truly disclosed his financial ties to the voting industry to the Senate Ethics Committee.