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Voter group challenges Diebold voting machine sale

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WASHINGTON, D.C. — A voter advocacy organization asked the U.S. Justice Department Tuesday to undo the sale by Diebold Inc. of its voting machine business, saying the transaction promotes a monopoly.

Voter Action, based in Washington, D.C., said in a letter to the department's antitrust division that the transaction is a grab for market share. The sale creates monopoly power in violation of federal antitrust laws, the group said.

Diebold said in early September it would sell its Allen, Texas-based subsidiary Premier Election Solutions Inc. to its bigger competitor, Election Systems & Software Inc. of Omaha, Neb., for \$5 million plus payments representing 70 percent of collections of the unit's accounts receivable as of Aug. 31.

"The ES&S/Premier acquisition is absolutely unique in its potential for disturbing U.S. election processes and results," Voter Action said.

The acquisition of Diebold's business threatens to undermine competition for reliable voting equipment as required by federal and state election reforms following the disputed presidential election of 2000, Voter Action said.

"There is simply no legitimate reason for this acquisition of monopoly power under the antitrust laws," it said.

The group asked the Justice Department to "unwind this transaction."

Mike Jacobsen, a spokesman for North Canton, Ohio-based Diebold, said the sale already has gone through and referred questions to Election Systems & Software Inc.

Ken Fields, a spokesman for Election Systems & Software, said in an e-mail that the acquisition is in the best interests of the company's customers and the elections industry.

"The combined company will deliver benefits to our customers and provide stable levels of support with no interruption in service today and well into the future.

Sen. Charles Schumer, D-N.Y., asked the Justice Department earlier this month to review the transaction. He said he was concerned it could have an adverse impact on American voting.

Schumer, chairman of the Senate Rules and Administration Committee, said the sale gives one company control of more than three-quarters of the U.S. market for voting systems.

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