

## **OSET Foundation and the Wharton School Announce Collaboration to Produce Global Election Technology Industry Study**

Philadelphia, PA--(BUSINESS WIRE)--Feb. 17, 2016—The non-profit technology research institute Open Source Election Technology (OSET) Foundation and the University of Pennsylvania’s Penn Wharton Public Policy Initiative (PPI) today announced an important industry research project to further inform business, government, and philanthropy on the state of the global election technology industry. The research team is comprised of two principal investigators: Dr. Lorin Hitt of Wharton and Gregory Miller of the OSET Foundation, leading six Wharton students, and managed by Dr. Andrew Coopersmith of Penn Wharton PPI.

Much is being published to inform public policy and assist elections officials in addressing an impending voting machine crisis. This is different than prior “crises” government has braced for—such as the Y2K bug, which never substantially materialized. In this case, the machinery on which the U.S. depends for the operational continuity of our elections is reaching the end of its life—*literally*. The underlying computer hardware federally certified for use in elections is no longer manufactured—relying on spare parts through online auction sites. And the operating system on which many current voting systems are based is no longer supported by its maker—relying on patches from independent developers with lessening interest to maintain an outdated system.

This research is intended to fill a gap in information necessary to inform policy makers, investors, philanthropists, industry participants, and elections administrators on the industry state and outlook. The study will examine the business, financial fundamentals, intellectual property and regulatory issues of the global election technology industry.

The result will be the third of three studies focused on the state of elections administration and related technology, systems, and processes. The first of these studies was the Presidential Commission on Elections Administration Report ([www.supportthevoter.gov](http://www.supportthevoter.gov)). The second was the Brennan Law Center’s study on the voting machine crisis released last fall ([bit.ly/BrennanStudy](http://bit.ly/BrennanStudy)).

“It’s understood that the election technology industry is not in good shape—there is little to no innovation, the monolithic proprietary black-box product and business model is problematic, the existing machinery is reaching the end of its life, and county governments have little budget and no clear way forward,” explained Gregory Miller, Chief Development Officer for the OSET Foundation. “While there has been much study on policies and practices, there is not an in-depth industry analysis as one would find on every other product and service sector of the economy. The reason is simply that election technology is essentially a backwater of government I.T., but yet it’s critical democracy infrastructure. So, we believe it’s imperative to complete a solid industry analysis before any intellectually honest recommendations, policies, or

decisions about how to move forward can be made.” It is this interplay between business knowledge and policy impact that attracted the interest of the Wharton School. “The Penn Wharton Public Policy Initiative was created in 2012 to support innovative research on issues at the intersection of business and public policy,” affirmed Michael R. Gibbons, Deputy Dean of the Wharton School. “This project will focus needed attention and deliver rigorous business analysis on one such issue, which also happens to be essential to the functioning of our democratic process. Leaders in government as well as in the election technology industry will benefit from it.”

The Study will be released in mid-July, and the team believes that may be timely given an election year and upcoming RNC and DNC Conventions. Those gatherings include discussion about more than candidates, covering all aspects of how we manage our democracy. “To make informed decisions on how to utilize new voting technology, it is critical to understand the business and technological factors that will determine what technologies become available in the marketplace,” observed Dr. Lorin Hitt, Zhang Jindong Professor of Operations, Information and Decisions at the University of Pennsylvania, Wharton School and project team Principal Investigator. “My central research area is on the relationship between information technology and productivity and the factors that affect the value of IT investments. In my own work I have documented how the combination of technology and complementary business innovations can transform decision making and improve productivity throughout the economy, even in complex services operations such as healthcare delivery – the same potential benefits and management challenges apply to election administration.” Professor Hitt added, “New technologies often fundamentally change the way companies compete and interact with their customers – by conducting this study now we hope to provide the industry analysis and empirical data that help guide the creation of new business models that deliver innovative election technology to meet the election integrity and budgetary requirements of elections officials while also being attractive to vendors to support investment in development and long-term maintenance of these technologies. It’s a timely and necessary investigation.”

The work of the student team is supported by a Scholars Fund established by PriceWaterhouseCoopers at the Wharton School, and the global firm plans to also provide some support in the form of industry audit experts. The OSET Foundation is also supporting the work and making substantial contributions of domain expertise, data visualization design, and other support.

#### **About the OSET Foundation**

The Open Source Election Technology (“OSET”) Foundation is an 8-year old tax-exempt 501.c.3 non-profit research institute located in the heart of the Silicon Valley focused on electoral innovation. OSET is led by a team of social entrepreneurs comprised of seasoned technologists with extensive hardware, software, and systems design experience from well-known Tech Sector companies including Apple, Netscape, Facebook, and Sun Microsystems. OSET research is focused on how to make voting systems more verifiable, accurate, secure, and transparent using open source principles to treat this technology as “critical democracy infrastructure.”

#### **About the Penn Wharton Public Policy Initiative**

The Penn Wharton Public Policy Initiative (PPI), headquartered at the Wharton School of the University of Pennsylvania, is a hub for public policy research and education with one overarching goal: to leverage the University’s resources to foster better-informed

polymaking at the federal level on issues related to business and the economy. To that end, Penn Wharton PPI delivers independent, practical, timely, and nonpartisan policy briefs— authored and reviewed by our own Faculty Affiliates — to government decision-makers and their staffers. At the same time, the Initiative operates on Penn’s campus to offer students new academic and co-curricular opportunities to explore and understand the complex interrelationship between business and public policy. Altogether, Penn Wharton PPI’s activities foster a public policy “community of interest” at the University while building vital new bridges between academia, business, and government in Washington, DC. For more information, visit <http://publicpolicy.wharton.upenn.edu/>.

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