



Texas Secretary of State

REIMBURSEMENT FOR AUDITABLE VOTING MACHINES (RAVM)

Grantor

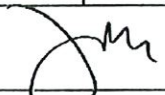
Texas Secretary of State
1019 Brazos Street, Austin, TX 78701
Phone: 800-252-2216 Fax: 512-475-2811
Email: elections@sos.texas.gov

Grant Number:	RAVM - 108
Max Reimbursement for Use Prior to <u>11/8/22:</u>	\$4,999,482.18
Max Reimbursement for Use Prior to <u>11/3/26:</u>	\$2,499,741.09
Secretary of State Approval Date of County Voting System Contract:	

Recipient

Hidalgo
302 W. University Dr., Edinburg 78539

I certify that the system will be in use not later than the election taking place: November 8, 2022

Voting System Purchase Description		Amount
Contract Amount:		\$
Requested Funding:		\$
Method of Payment:		
If requesting direct deposit, complete the form and attach it at the bottom of this page:		
If requesting paper warrant, provide remittance address:	Street Address City, State, Zip	
SOS APPROVED FUNDING:		\$
SOS Notes:		
	12/23/2021	Richard Cortez
Texas Secretary of State	Date	County Judge
	Date	Date

COUNTY ATTACHMENTS			SOS USE
Voting System Contract:	Resolution from Governing Body:	Direct Deposit Form:	Elec Legal Approval:
			Elec Funds Mgr Approval:
			Elec Dir Approval:
			SOS Accts Payable Approval:
			County Number: 108
			Vendor ID: 17460007176
			RAVM PCA: 67515/76051

Terms and Conditions

Funding Authority

Sec. 129.003 (e), Texas Election Code, Authorizes an authority that purchased a voting system other than an auditable voting system after September 1, 2014, and before September 1, 2021, to use available federal funding and, if federal funding is not available, available state funding to convert the purchased voting system into an auditable voting system in accordance with the following schedule:

- (1) if the voting system was converted into an auditable voting system not later than the election taking place November 8, 2022, the authority is eligible to have 100 percent of the cost of conversion reimbursed under this section; and
- (2) if the authority is not eligible for a 100 percent reimbursement of cost under Subdivision (1) and the voting system was converted into an auditable voting system not later than the election taking place November 3, 2026, the authority is eligible to have 50 percent of the cost of conversion reimbursed under this section.

Compliance with All Applicable Federal and State Laws

All voting systems components for which the county is seeking reimbursement must comply with all applicable federal and state law including, but not limited to:

- (1) The Help America Vote Act ("HAVA"); and
- (2) Sections 61.012, 122.001, 122.032, 123.031, 123.0311, 129.003, and 129.054 of the Texas Election Code.

State Grant Regulations

Uniform Grant Management Standards (UGMS) (PDF) (<https://comptroller.texas.gov/purchasing/docs/ugms.pdf>) apply to grants and contracts that begin before Jan. 1, 2022

Texas Grant Management Standards (TxGMS) (PDF) (<https://comptroller.texas.gov/purchasing/docs/grant-management-reader.pdf>) apply to grants and contracts that begin on or after Jan. 1, 2022

Resolution from the Governing Body

A resolution from the county Commissioners Court must be on file with the Secretary of State that includes, at a minimum, the following statements:

_____ Commissioners Court agrees that the expenditure of the funds will be in accordance with applicable federal and state law and any agreement between _____ County and the State of Texas, Office of the Secretary of State as authorized under 129.003, Texas Election Code, and in consultation and agreement with the county election official(s) as defined in Sections 12.001 and 31.091 of the Texas Election Code.

_____ Commissioners Court agrees claims against the fund shall be audited and approved in the same manner as other claims against the county before they are paid.

_____ Commissioners Court agrees that it will not consider the availability of the funds in adopting the county budget.

_____ Commissioners Court agrees that in the event of loss, misuse, or noncompliance pursuant to any agreement with the Secretary of State, _____ Commissioners Court assures that the funds will be returned to the Office of the Secretary of State in full.

Acquisition of Voting System (State Voting System Certification)

If equipment or software is being acquired that requires Secretary of State prior approval pursuant to Section 123.035 of the Texas Election Code, the county must comply with the following:

- (1) Provide a copy of the relevant portions of the contract containing the identifying information that the Secretary of State needs to determine whether the version of what is being acquired under the contract complies with the applicable requirements, including the name and version number of the system and the equipment that is being purchased with the system; and
- (2) The county may not expend funds unless it has received a letter from the Secretary of State confirming that the acquisition under the contract satisfies the applicable requirements for approval.

Executing a contract to acquire a voting system that has not been approved in writing by the Secretary of State's Office is a Class B misdemeanor.

Adoption of a Voting System

Pursuant to Chapter 123, Subchapter A of the Texas Election Code, a voting system must be adopted for use in any one or more elections by resolution, order or other official action. The adoption of a voting system may be modified or rescinded at any time. The adoption action should include the name and version number of the voting system, and the equipment that is being used with the voting system. Additionally, the authority adopting the system should indicate in their official adoption action whether they are adopting the system for use in early voting only, regular voting on election day or both. The general custodian of election records is required to make any user or operator manuals or instructions relating to the system available for public inspection.

Procurement

The county shall use its own procurement procedures and regulations, provided that the procurement conforms to applicable laws and the standards identified in the applicable state grant regulations referenced in these terms and conditions.

Terms and Conditions (cont.)**Property Management**

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, at a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date and cost of the property, percentage of the Secretary of State participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated. Certain types of equipment are classified as "controlled assets". The Comptroller's State Property Accounting User Manual, available on the Internet, contains the most current listing.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) Counties should attempt to get trade-in value or sell state-funded equipment after it is no longer needed for its original intended purpose, and use the proceeds toward replacement equipment or other related activities. Proper sales procedures must be established to ensure the highest possible return.

Reporting Requirements

The Secretary of State reserves the right to impose reporting requirements as necessary. Failure to comply with any and all reporting requirements may result in the Secretary of State withholding any funds distributed to the county, including, but not limited to, Chapter 19 funds, Primary Finance funds issued pursuant to Chapter 173, Texas Election Code, and any federal funding awarded to the county thru the Secretary of State.

Records Retention

The county shall maintain and retain records pertinent to the state award (e.g., financial records, performance records, supporting documents) until the third anniversary of the later date of (1) the grant completion or expiration, or (2) the resolution of all issues that arose from any litigation, claim, negotiation, audit, open records request, administrative review, or other action involving the grant or documents.

Compliance Reviews

Compliance reviews include programmatic and financial auditing:

- (1) The Secretary of State reserves the right to conduct its own audit or contract with another entity to audit the county.
- (2) The Secretary of State or its designee may conduct compliance reviews throughout the existence of a grant or conduct an audit after the grant period has ended. The county must make all grant-related records available to the Secretary of State or its representatives unless the information is sealed by law.
- (3) Compliance reviews may be on-site or desk reviews and may include any information that the Secretary of State deems relevant to the project.

Remedies for Noncompliance

If a county fails to comply with any term or condition of this award agreement or any applicable statutes, rules, regulations, or guidelines, Secretary of State may take one or more of the following actions:

- (1) Require the return of funds if disbursements have already been made.
- (2) Temporarily withhold all payment to the county pending correction of the deficiency by the county.
- (3) Temporarily withhold all payments for other Secretary of State funds awarded to the county pending correction of the deficiency by the county.
- (4) Disallow all or part of the cost of the activity or action that is not in compliance.
- (5) Impose administrative sanctions, other than fines, on the county.
- (6) Withhold further Secretary of State funds from the county.
- (7) Terminate the award agreement in whole or in part.
- (8) Exercise other remedies that may be legally available.

Collection of Amount Due

Any funds paid to the county in excess of the amount to which the county is finally determined to be entitled under the terms of the award constitute a debt to the Secretary of State. If not paid within 30 days after demand, the federal or state agency may reduce the debt by:

- (1) Making an administrative offset against other requests for reimbursements;
- (2) Withholding payments otherwise due to the county; or
- (3) Other action permitted by law.

The State of Texas



Elections Division
P.O. Box 12060
Austin, Texas 78711-2060
www.sos.state.tx.us

Phone: 512-463-5650
Fax: 512-475-2811
TTY: 7-1-1
(800) 252-VOTE (8683)

John B. Scott
Secretary of State

November 15, 2021

Yvonne Ramon
Hidalgo County
P.O. Box 659
Edinburg, Texas 78540

Hello,

We are in receipt of a copy of the proposed contract between Hidalgo County and Hart InterCivic ("Hart"), which you have submitted to the Secretary of State pursuant to Section 123.035 of the Texas Election Code.

The contract indicates the county plans to acquire Hart's Verity 2.5, which includes Verity Touch Writer Duo, Verity Scan, and Verity Central. This letter will serve as confirmation from our office that these systems are currently certified for use in Texas. Enclosed is a copy of the certification order that pertains to these systems.

Pursuant to state law, this written approval of your voting system contract is required prior to your final execution of the contract, or it will be considered void.

If you need additional information, please contact the Elections Division toll-free at 1-800-252-2216.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Ingram".

Keith Ingram
Director of Elections

KI:CP

The State of Texas

Elections Division
P.O. Box 12060
Austin, Texas 78711-2060
www.sos.texas.gov



Phone: 512-463-5650
Fax: 512-475-2811
Dial 7-1-1 For Relay Services
(800) 252-VOTE (8683)

Ruth R. Hughes
Secretary of State

REPORT OF REVIEW OF HART INTERCIVIC VERITY VOTING 2.5 SYSTEM

PRELIMINARY STATEMENT

On January 4-8, 2021, Hart Intercivic Inc. ("Hart" or the "Vendor") presented the Verity Voting 2.5 system for examination and certification. The examination was conducted in Austin, Texas at the Office of the Secretary of State (the "Office"). Pursuant to Sections 122.035(a) and (b) of the Texas Election Code, the Secretary of State appointed the following examiners:

1. Mr. Tom Watson, an expert in electronic data communication systems;
2. Mr. Brian Mechler, an expert in electronic data communication systems;
3. Mr. Brandon Hurley, an expert in election law and procedure; and
4. Mr. Charles Pinney, an expert in election law and procedure.

Pursuant to Section 122.035(a), the Texas Attorney General appointed the following examiners:

1. Dr. Jim Sneeringer, an expert in electronic data communication systems; and
2. Ms. Lesley French, an employee of the Texas Attorney General.

At the time of the examination, the Office of the Secretary of State was closed to the public due to health and safety concerns relating to the novel coronavirus (COVID-19). As a result, certain procedures were implemented for the examination of the Verity Voting 2.5 system. For example, the examination was held in a manner that allowed some of the examiners to participate in person and other examiners to attend remotely via live video conference. The examiners who were not physically present in the exam room on a specific day were able to view the other examiners' interactions with the equipment and ask questions to the in-person examiners and the vendor. Each examiner had the opportunity to examine the equipment in person for at least one day during the exam week.

On January 4-5, 2021, Mr. Pinney was present to witness the extraction of the trusted build and the installation of the Verity 2.5 software and firmware that the Secretary of State's office received directly from the Independent Testing Authority. The other examiners observed this process remotely by watching the live video conference.

On January 6, 2021, the Vendor demonstrated the system and answered questions presented by the examiners. Test ballots were then processed on each voting device by Mr. Pinney and Mr. Hurley. The results were accumulated and later verified for accuracy by staff of the Secretary of State's office. Mr. Pinney and Mr. Hurley also examined the accessibility components of the Verity Voting 2.5 system.

On January 7, 2021, Mr. Watson and Mr. Mechler conducted an in-person examination of the system. Ms. French conducted an in-person examination of the system on January 8.

Examiner reports regarding the Verity Voting 2.5 system are attached hereto and incorporated herein by this reference.

On March 4, 2021, pursuant to Section 122.0371 of the Texas Election Code, the Office held a public hearing, by telephone, for interested persons to express views for or against the certification of the Verity Voting 2.5 system.

BRIEF DESCRIPTION OF VERITY VOTING 2.5

The Verity Voting 2.5 system is an updated version of the Verity Voting 2.4 system, which the Office certified in June 2020 for use in Texas elections. The updated version includes enhancements to the existing hardware and software components of the Verity voting system.

Verity Voting 2.5 has been evaluated at an accredited independent voting system laboratory for conformance to the 2005 Voluntary Voting System Guidelines (VVSG). Verity Voting 2.5 was certified by the Election Assistance Commission (EAC) on September 9, 2020.

The components of Verity Voting 2.5 are as follows:

Component	Version	Description
Verity Data	2.5.0	Election management software
Verity Build	2.5.0	Election management software
Verity Count	2.5.0	Election management software
Verity Central	2.5.1	Central scanner
Verity User Management	2.5.0	Election management software
Verity Election Management	2.5.0	Election management software
Verity Desktop	2.5.0	Election management software
Verity Scan	2.5.1	Precinct scanner
Verity Touch Writer with Access	2.5.1	Ballot marking device
Verity Controller	2.5.1	Voting machine ballot activation device
Verity Touch	2.5.1	Direct-recording electronic voting machine
Verity Touch with Access	2.5.1	Direct-recording electronic voting machine
Verity Touch Writer Duo	2.5.1	Ballot marking device

Verity Touch Writer Duo Standalone	2.5.1	Ballot marking device
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FINDINGS

The following are the findings, based on written evidence submitted by the Vendor in support of its application for certification, oral evidence presented at the examination, and the written reports of the voting system examiners (all of whom recommended certifying the Verity Voting 2.5 system for use in Texas elections).

The Verity Voting 2.5 system, including its hardware and software components, meets the standards for certification as prescribed by Section 122.001 of the Texas Election Code. Specifically, the Verity Voting 2.5 system and its components, among other things:

1. Preserve the secrecy of the ballot;
2. Are suitable for the purpose for which they are intended;
3. Operate safely, efficiently, and accurately and comply with the voting system standards adopted by the Election Assistance Commission;
4. Are safe from fraudulent or unauthorized manipulation;
5. Permit voting on all offices and measures to be voted on at the election;
6. Prevent counting votes on offices and measures on which the voter is not entitled to vote;
7. Prevent counting votes by the same voter for more than one candidate for the same office or, in elections in which a voter is entitled to vote for more than one candidate for the same office, prevent counting votes for more than the number of candidates for whom the voter is entitled to vote;
8. Prevent counting a vote on the same office or measure more than once;
9. Permit write-in voting; and
10. Are capable of providing records from which the operation of the voting system may be audited.

CONCLUSION

Accordingly, based upon the foregoing, I hereby certify Hart InterCivic's Verity Voting 2.5 system for use in Texas elections.

Signed under my hand and seal of office, this 1st day of APRIL 2021.



 JOSE A. ESPARZA
 DEPUTY SECRETARY OF STATE