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Powervote bags €4.2m from system not yet deemed safe

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THE company behind Ireland's controversial electronic voting system made €4.2m in profit in one year of doing business with the Irish government.

New account details for Powervote Ireland, the firm which supplied the €52m machines, reveals that its turnover from March 2003 to April 2004 was €29.5m and its two directors took dividends amounting to €472,000.

The company is an Irish branch of Nedap/Powervote, the Dutch firm that won the contract to supply electronic voting. The machines and counting software have yet to be deemed safe for use in elections, but have cost up to €60m including continuing tests and storage. There are growing calls for the system to be scrapped.

Last week Dick Roche, the environment minister, said it was unlikely that electronic voting would be ready for use in the next general election, due in 2007, because of the need for further tests.

The electronic voting commission, an independent body, has said it cannot recommend the system's use until it gets further assurances about secrecy and accuracy.

Powervote Ireland was set up after the government requested the Dutch company do its business through an Irish office, a move which meant the country would gain a return on the Vat involved in any transaction.

The company's accounts show they were owed a further €8.4m, bringing its total turnover to €37.9m.

The company, directed by Johannes Groenendaal, 62, and Roy Loudon, 60, recorded outgoings of €24.5m giving it a gross profit of €5.025m and a pre-tax amount of €4.198m after expenses and distribution costs were deducted. After tax the profit was €3.672m.

Loudon, one of the directors, has defended the system and said it was "disappointing" that it had not been approved so far. He complained that the continuing controversy is affecting the company's efforts to sell similar systems elsewhere.

“It’s frustrating,” Loudon said. “It hasn’t prevented us from doing business in other countries, but it has made it more difficult. As far as we are concerned the system does what it is supposed to do and is safe to use. However we must respect the process that is ongoing and we are co-operating fully with the Department of the Environment and the commission.”

The company is not owed any more money by the government, but will provide maintenance services once electronic voting is in use.

Loudon defended the level of profit, saying research and development had taken years. “It’s a once-off payment too that covers the cost of the machines and the purchase of the software,” he added.

The company’s voting systems are in use in France, Germany and the Netherlands, and it is supplying machines that have been approved for use in parts of America.

Last week, The Sunday Times revealed that the cost of electronic voting is continuing to rise, with a further €400,000 being spent trying to prove that the system is safe.

The Department of the Environment said it was spending €97,000 on a fresh assessment, while the commission is spending €280,000 on three separate tests. This is in addition to the €52m already spent on electronic voting machines, which are now being stored at an annual cost of more than €650,000.

All four tests are due to be completed by next month, but neither the department nor the commission could say if they would be sufficient to validate the system.

Officials admitted that the tests may just show that even more tests are necessary.

The government had already committed to the system when the independent commission threw everything into confusion by saying it could not recommend the system for use in the European and local elections of 2004.