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Voting technology company Smartmatic files \$2.7 billion lawsuit against Fox News, Rudy Giuliani and Sidney Powell over 'disinformation campaign'

By [Oliver Darcy](#), [CNN Business](#)

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New York (CNN) — A voting technology company swept up in [baseless conspiracy theories](#) about the 2020 election filed a monster \$2.7 billion lawsuit on Thursday against Fox News, some of the network's star hosts, and pro-Trump attorneys Rudy Giuliani and Sidney Powell, alleging the parties worked in concert to wage a "disinformation campaign" that has jeopardized its very survival.

"We have no choice," Antonio Mugica, the chief executive and founder of Smartmatic, told CNN Business in an interview about the company's decision to file the lawsuit. "The disinformation campaign that was launched against us is an obliterating one. For us, this is existential, and we have to take action."



Related Article: Read the \$2.7 billion lawsuit against Fox News, Rudy Giuliani and Sidney Powell

The lawsuit, filed in New York state court, accused Fox, Giuliani, Powell and hosts Lou Dobbs, Maria Bartiromo, and Jeanine Pirro of intentionally lying about Smartmatic in an effort to mislead the public into the false belief that the 2020 presidential election was stolen from former President Donald Trump.

"They needed a villain," the lawsuit said. "They needed someone to blame. They needed someone whom they could get others to hate. A story of good versus evil, the type that would incite an angry mob, only works if the storyteller provides the audience with someone who personifies evil."

"Without any true villain, defendants invented one," the lawsuit added. "Defendants decided to make Smartmatic the villain in their story."

In a statement issued after the lawsuit was filed, Fox News Media said, "FOX News Media is committed to providing the full context of every opinion. We are proud of our 2020 election coverage and will vigorously defend our journalistic integrity."

Asked for comment, Powell said in a statement, "I have not received any comment from Fox News. However, your characterization of the claims shows that this is just another radical left that has no basis in fact or law."

In a statement of his own, Giuliani said, "The Smartmatic lawsuit presents another golden opportunity for the truth to be discovered. I look forward to litigating with them."

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censor the exercise of free speech" and Powell called Dominion's lawsuit against her "baseless."



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In the immediate aftermath of his loss, Trump falsely asserted that the election had been rigged against him. His allies, including Fox, Giuliani, and Powell, promoted various conspiracy theories about Smartmatic, which only provided its services to Los Angeles County in the 2020 general election, to support Trump's false claims.

The baseless conspiracy theories peddled about Smartmatic, which mimicked those pushed against Dominion, falsely suggested that the company's technology was used throughout the country and allowed the November vote to be rigged against Trump.

Some strains of the conspiracy theory pushed on Fox aimed to tie the company to the late Venezuelan leader Hugo Chávez. Other strains suggested that Dominion used Smartmatic's voting software in swing states and that votes were exported out of the country to be tabulated; both

assertions were false and Smartmatic pointed out in its lawsuit that it doesn't work with Dominion as the two companies are competitors.

"It took us completely by surprise," Mugica told CNN Business of the conspiracy theories, noting during the interview that his company has done business in multiple continents and dozens of countries. "We have never seen something like this in developed markets. We have never seen something like this before in Europe. We have never seen something like this before in the US."

Throughout the nearly 300-page lawsuit, Smartmatic surgically dismantled the theories against it.

"The Earth is round. Two plus two equals four. Joe Biden and Kamala Harris won the 2020 election for President and Vice President of the United States," the lawsuit said. "The election was not stolen, rigged, or fixed. These are facts. They are demonstrable and irrefutable."

Smartmatic's lawyer, J. Erik Connolly, told CNN Business that the case is one of the most "straightforward" he has ever seen. Connolly, who secured one of the largest defamation settlements ever in the "pink slime" case against ABC News, told CNN Business that because Smartmatic's role in the 2020 general election was limited to providing services to Los Angeles County, he could easily prove all the conspiracy theories false.

"By being able to say Smartmatic was in Los Angeles County and nowhere else, I've been able to prove a lie of everything they essentially said with one salient fact," Connolly told CNN. "I've been doing this for a long time and that might be one of the easiest ways to demonstrate falsity that I've ever had."

Smartmatic said in the lawsuit that the conspiracy theories had underpinned the company's business world, resulted in a wave of threats against its staff, and contributed to a decline in the company's projected profits over the next five years.

Additionally, the lawsuit said, Smartmatic will need to spend \$350,000 on increased security costs to protect the physical safety of its workers and employees over the next five years to safeguard the company from a "meteoric rise" in cyberattacks.

Smartmatic's parent company estimated that the "disinformation campaign" cost it at least \$2.7 billion in total damages, \$2.4 billion of which is spent on legal fees.

Smartmatic's lawyers sent a legal notice to Fox in December demanding a "a full and complete retraction of all false and defamatory statements." The legal notice said the retraction needed to be executed with "the same intensity and level of coverage that you used to defame the company in the first place."

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technology expert Eddie Perez who corrected a series of falsehoods that have been amplified and promoted on the network's various programs.

Smartmatic used the fact-check segment in its lawsuit to argue that Fox could have easily articulated the facts and conveyed the truth to viewers before its legal notice.

"Mr. Perez was always available to the Fox defendants," the lawsuit said. "The Fox defendants could have put Mr. Perez on air at any time prior to December 18."

Smartmatic's lawsuit also pointed to a November segment from Fox News host Tucker Carlson in which he told viewers that Powell had not provided him any evidence to support her election conspiracies. The lawsuit referred to Carlson as a "respected figure" within the network and concluded that if Powell had provided any evidence to Fox to support her wild allegations, it would have been shared with him.



Related Article: Voting technology company sends legal notices to Fox News and other right-wing media outlets over 'disinformation campaign'

The lawsuit alleged Fox and its hosts "were motivated, in part, by the desire for ratings, to cater to individuals and companies supporting President Trump, and to avoid losing viewers to competing media organizations like OAN and Newsmax."

Fox faced intense backlash for having been the first network to call the state of Arizona for now-President Joe Biden. The controversial call by the network's decision desk, which days later proved to be accurate, infuriated Trump and his supporters. Many of those supporters flocked to Newsmax and OAN, smaller right-wing channels which for weeks refused to acknowledge Biden's legal victory.

The loss of that audience has created a problem for Fox. In January, the network slipped from first place to third for the first time since 2001. The network has attempted to win back upset viewers by increasing the footprint of its right-wing opinion programming.

Mugica told CNN Business that when he first saw a conspiracy theory floated about Smartmatic he thought nothing of it and dismissed it as absurd.

"I thought it was crazy, but it's so crazy that it's going to have no legs whatsoever," he said. "And then it became very clear it was not a single mention. They were repeating the message and repeating the message. It was an ongoing campaign."

Mugica said that "95%" of his time has been devoted to pushing back against inaccurate information about his company.

"Everything we are doing every day is to survive," he said.

Asked directly if there is a real chance Smartmatic will be unable to v
"Yeah, absolutely. It is a real possibility."

Connolly said that Smartmatic has not ruled out the possibility of bring
such as OAN and Newsmax. Asked whether the company will file a la
mulling the possibility, but conceded it would be difficult.

"We are obviously looking into all the potential lawsuits that can be b
think it is very difficult if not impossible to bring a lawsuit against a President based upon statements a President made while wearing the hat of President."

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"I think it's the type of case that has to be brought right now to try to get us away from disinformation," Connolly said. "Disinformation has a free rein right now. This kind of case can be a shot across the bow that courts can deliver that says, 'Let's get back to reality. Let's get back to factual reporting.'"

-- CNN's Kaitlan Collins contributed reporting.

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