

HAWAII STATE GOVERNMENT SPENDING ON RESTRICTED TECHNOLOGY

FEBRUARY 2023

Overview

- Between 2015 and 2019, the state of Hawaii spent \$15,904,416 on restricted Chinese technology from Lenovo, Inc. and Lexmark, Inc. and through additional contracts with authorized resellers negotiated by the National Association of State Procurement Offices. Just a few of the agencies holding sensitive information that have purchased these products include:
 - The Department of Human Services: \$2,775,688
 - The Department of Labor and Industrial Relations: \$415,312

The Problem

- Chinese government-owned technology manufacturers Lenovo and Lexmark have been restricted from U.S. military and intelligence agencies due to their connection to the Chinese government and military. While federal policy directs information security at the federal level, states must determine their own security standards making states vulnerable to intrusion through the purchase of these risky Chinese technology products. For more detail on these two manufacturers and others, see our briefing paper at www.StatesStopChinaTech.com.

The Process

- China Tech Threat (CTT) originally reached out to the Hawaii State Procurement Office on August 16, 2022 requesting the exact numbers, dollars spent, products and services purchased, quantity of products and services purchased, remaining timeline of Lexmark and Lenovo contracts. We received a response from a Purchasing Specialist on September 20, 2022, asking us to fill out a UIPA form. We then received the documents on November 2, 2022. The contracts provided date from 2015 to 2022. CTT obtained additional data from the Hawaii State Ethics Commission's Open Data website.
- However, purchases of restricted technology through third-party resellers, which can be significant, are not yet captured in our research. For example, in Hawaii, CDWG is identified as a [qualified reseller](#) by the National Association of State Procurement Officers. Any future efforts to identify and restrict purchases of Chinese-owned technology manufacturers should include resellers.

National Association of Procurement Officials

National Association of State Procurement Officials:

Between 2018 and 2022, the state of Hawaii spent \$10,560,201 on restricted Chinese technology through NASPO contracts:

- 2022: \$1,026,336
- 2021: \$2,542,423
- 2020: \$1,974,583
- 2019: \$4,207,178
- 2018: \$809,681

Lenovo

Between 2015 and 2019, the state of Hawaii purchased \$5,331,830 of Lenovo technology.

In 2019, \$2,906,796 of Lenovo technology purchased, including:

- The Department of Human Services: \$2,309,416
- The Department of Labor and Industrial Relations: \$259,526
- Select purchases by the Department of Budget and Finance and the Attorney General's Office

In 2018, \$272,898 of Lenovo technology purchased, including:

- The Department of Labor and Industrial Relations: \$60,206
- The Department of Human Services: \$57,002
- Select purchases by the Department of Budget and Finance and the Department of Health

In 2017, \$287,898 of Lenovo technology purchased, including:

- The Department of Human Services: \$99,720
- The Department of Budget and Finance: \$29,688
- Select purchases by the Department of Taxation and the Attorney General's Office

In 2016, \$624,102 of Lenovo technology purchased, including:

- The Department of Human Services: \$309,550
- Select purchases by the Attorney General's Office and the Department of Defense

In 2015, \$1,239,136 of Lenovo technology purchased, including:

- The Department of Labor and Industrial Relations: \$95,580
- The Department of Commerce and Consumer Affairs: \$2,864
- Select purchases by the Attorney General's office and the Department of Accounting and General Services

Lexmark

In 2015, \$12,385 of Lexmark technology purchased, including:

- The Department of Defense