

IOWA STATE GOVERNMENT SPENDING ON RESTRICTED TECHNOLOGY

FEBRUARY 2023

Overview

- Between 2021 and 2022, the state of Iowa spent \$1,834,509 on restricted Chinese technology from Lenovo, Inc. and Lexmark, Inc., including both direct purchases and purchases through third-party resellers. Just a few of the agencies holding sensitive information that have purchased these products include:
 - Government/State Purchases: \$927,718
 - The Judicial Branch: \$70,560

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 Iowa Department of Administrative services 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 November 1, 2022, with copies of the contracts from 2021 and 2022.
- However, purchases of restricted technology through third-party resellers, which can be significant, are not yet captured in our research. For example, the National Association of State Procurement Officers identifies EmbarqIT and CDWG as [qualified resellers](#) in Iowa. Any future efforts to identify and restrict purchases of Chinese-owned technology manufacturers should include resellers.

Lenovo

Between 2021 and 2022, the state of Iowa purchased \$1,702,861 of Lenovo technology.

In 2022, \$1,279,461 of Lenovo technology purchased, including:

- Government/State Purchases: \$518,876
 - The Department of Transportation: \$322,314
 - The Cerro Gordo City Department of Public Health: \$39,960
 - The Department of Corrections First District: \$4,675
 - The Washington County Sheriff's Office: \$119
- Education: \$760,279
 - The Des Moines Area Community College: \$702,480
 - The Department of Education: \$44,926

In 2021, \$423,400 of Lenovo technology purchased, including:

- Government/State Purchases: \$408,842
 - The Department of Transportation: \$277,884
 - The Cerro Gordo City Department of Public Health: \$2,103
- Education: 14,559

Lexmark

Between 2021 and 2022, the state of Iowa purchased \$131,648 of Lexmark technology.

In 2022, \$71,278 of Lexmark technology purchased, including:

- The Judicial Branch: \$38,490
- The Department of Transportation: \$32,738

In 2021, \$60,370 of Lexmark technology purchased, including:

- The Department of Transportation: \$32,738
- The Judicial Branch: \$27,395