

TENNESSEE STATE GOVERNMENT SPENDING ON RESTRICTED TECHNOLOGY

FEBRUARY 2023

Overview

- Between 2019 and 2022, the state of Tennessee spent \$336,476 on restricted Chinese technology from Lexmark, Inc. and Lenovo, Inc. Just a few of the agencies holding sensitive information that have purchased these products include:
 - The Department of Education: \$219,118
 - Select purchases by the Tennessee Courts System

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

- In January 2023, China Tech Threat (CTT) obtained Tennessee's detailed financial records of payments to Lexmark and Lenovo, showing payment amounts, dates and check numbers, payor agencies or departments, and descriptions of services, through TN.Gov's Transparent Tennessee, a database generated by the state's accounting system and made available to improve transparency.
- 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 the following [qualified resellers](#) in Tennessee: CDWG, SHI, GovConnection, Insight, and Unistar Sparco. Any future efforts to identify and restrict purchases of Chinese-owned technology manufacturers should include resellers.

Lexmark

Between 2019 and 2022, the state of Tennessee purchased \$109,608 of Lexmark technology.

In 2022, \$6,031 of Lexmark technology purchased:

- The Department of Finance and Administration

In 2021, \$7,042 of Lexmark technology purchased, including:

- The Courts System: \$1,710

In 2020, \$11,453 of Lexmark technology purchased, including:

- The Department of Finance and Administration: \$5,281
- The Department of Revenue: \$1,989

In 2019, \$85,081 of Lexmark technology purchased, including:

- The Department of Finance and Administration: \$61,564
 - The Department of Treasury: \$14,858
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Lenovo

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