

MICHIGAN STATE GOVERNMENT SPENDING ON RESTRICTED TECHNOLOGY

MAY 2023

Overview

- Between 2020 and 2023, the state of Michigan spent \$3,428 on restricted Chinese technology from Lenovo, Inc. There is no recorded spending on Lexmark, Inc. technology. Michigan does not provide details about the agencies in which the technology is used.

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 April 2023, CTT obtained Michigan's detailed financial records of payments to Lenovo, showing payment amounts, dates, and descriptions of services, through Michigan's Open Data Portal, an online database made available to improve transparency. Michigan does not provide details about the agencies in which the technology is used.
- Purchases of restricted technology through third-party resellers, which can be significant, are not yet captured in our research. Any future efforts to identify and restrict purchases of Chinese-owned technology manufacturers should include resellers.

Lenovo

In 2023, \$207 of technology purchased as "external purchased services."

In 2022, \$412 of technology purchased, including:

- IT purchases: \$206
- Non-capitalized equipment: \$206

In 2021, \$2,144 of technology purchased, including:

- Non-capitalized equipment: \$1,679
- IT purchases: \$465

In 2020, \$665 of technology purchased as “fees.”