



# MONTANA STATE GOVERNMENT SPENDING ON RESTRICTED TECHNOLOGY

APRIL 2023

## Overview

- Between 2017 and 2022, the state of Montana spent \$1,137,538 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 Revenue
  - The Department of Justice
  - The Office of Public Instruction
  - The Office of the State Auditor

## Recent Progress

- In February 2023, Rep. Steven Galloway sponsored [House Bill 602](#), an act prohibiting state contracts with Chinese government-owned or affiliated technology manufacturers.

## 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](http://www.StatesStopChinaTech.com).

## The Process

- In January 2023, China Tech Threat (CTT) obtained Montana'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 Montana.gov's Checkbook Accounts Payable, an online database 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 CDWG as a [qualified reseller](#) in Montana. Any

future efforts to identify and restrict purchases of Chinese-owned technology manufacturers should include resellers.

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## Lenovo

Between 2017 and 2022, the state of Montana purchased \$71,133 of Lenovo technology.

In 2022, \$26,175 of technology purchased:

- All purchases made by the Department of Administration

In 2020, \$15,762 of technology purchased, including:

- The Department of Administration: \$12,643
- Select purchases made by the Department of Justice

In 2019, \$3,119 of technology purchased:

- All purchases were made by the Department of Justice

In 2018, \$2,182 of technology purchased:

- All purchases were made by the Department of Justice

In 2017, \$23,895 of technology purchased, including:

- The Department of Justice: \$20,129
- Select purchases made by the Department of Public Health and the Department of Administration

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## Lexmark

Between 2017 and 2019, the state of Montana purchased \$1,066,405 of Lexmark technology.

In 2019, \$31,800 of technology purchased, including:

- The Department of Labor and Industry: \$30,600
- Select purchases made by the Department of Justice

In 2018, \$626,536 of technology purchased, including:

- The Department of Administration: \$319,807
- The Office of the State Auditor: \$16,778
- The Department of Justice: \$12,212

In 2017, \$408,069 of technology purchased, including:

- The Department of Labor and Industry: \$192,727
- The Department of Revenue: \$123,900

- The Department of Justice: \$65,223